



Shakopee Economic Development Authority
December 7, 2021
7:00 PM
City Hall, 485 Gorman St.

1. Roll Call
2. Approval of Agenda
3. Consent Business
 - 3.A. EDA Minutes
 - 3.B. Amend TIF Cooperative Agreement
 - 3.C. Interfund Loan Resolution for TIF No. 17
4. General Business
 - 4.A. 2022 EDA Special Benefit Levy & Budget
5. Reports
 - 5.A. EDA Bill List
6. Adjourn to Tuesday, January 4, 2022 at 7:00 pm

Note to EDA Members:

If you have any questions or need additional information on any of the above items, please call Michael Kerski, prior to the meeting at (952)233-9346.



**Shakopee Economic Development Authority
December 7, 2021**

FROM: Lori J. Hensen, City Clerk
TO: President and Commissioners

Subject:
EDA meeting minutes of November 3, 2021.

Policy/Action Requested:
Approve the meeting minutes of November 3, 2021.

Recommendation:
Approve the meeting minutes of November 3, 2021.

Discussion:

Budget Impact:
N/A

ATTACHMENTS:

- ▣ November 3, 2021



Shakopee Economic Development Authority

MINUTES

November 3, 2021

7:00 PM

City Hall, 485 Gorman St.

1. Roll Call

Present: President Jody Brennan, Commissioners Bill Mars, Jay Whiting

Absent: Commissioners Matt Lehman, Angelica Contreras

Staff Present: City Administrator Bill Reynolds, Assistant City Administrator Chelsea Petersen, Finance Director Nate Reinhardt, City Engineer/Public Works Director Steve Lillehaug, Planning/Development Director Michael Kerski, City Clerk Lori Hensen, Parks/Recreation Director Jay Tobin

2. Approval of Agenda

Commissioner William Mars made a motion to approve the agenda, seconded by Commissioner Jay Whiting and the motion passed.

3 - 0

3. Consent Business

Commissioner Jay Whiting made a motion to approve the consent agenda, seconded by Commissioner William Mars and the motion passed.

3 - 0

3.A. EDA Minutes

Approve the meeting minutes of October 5, 2021. (Motion was carried under consent agenda.)

4. General Business

4.A. Award of Contract for Demolition of Scott County Workforce Center

Commissioner William Mars made a motion to approve a contract with Rachel Contracting LLC for \$196,683 plus \$50,000 in contingency for the demolition of the Scott County Workforce Center, seconded by Commissioner Jay Whiting and the motion passed.

3 - 0

5. Reports

5.A. EDA Bill List

Informational only

6. Adjourn to Tuesday, December 9, 2021 at 7:00 pm

Commissioner William Mars made a motion to adjourn to Tuesday, December 9, 2021 at 7:00 pm, seconded by Commissioner Jay Whiting and the motion passed 3 - 0



Shakopee Economic Development Authority
December 7, 2021

FROM: Nate Reinhardt, Finance Director
TO: President and Commission Members

Subject:

Amendment to tax increment cooperative agreement

Policy/Action Requested:

Amend and restate tax increment cooperative agreement with the City of Shakopee and Scott County related to TIF No. 17 (Amazon).

Recommendation:

Adopt Resolution No. E2021-11, a resolution approving an amended and restated tax increment cooperative agreement relating to Tax Increment Financing District No. 17.

Discussion:

On March 22, 2016 the City of Shakopee, Shakopee Economic Development Authority and Scott County entered into a tax increment cooperative agreement. The agreement recognized the cost sharing of public improvements of the City and County to be repaid by tax increment revenues.

The amendment would increase the amount of annual increment that could be used towards city administrative costs from 0.09% to 10.0% and allow the district to pool any available increment towards other eligible development projects. The use of pooled funds would require EDA approval. The percentages paid to the City and to the County have been adjusted to reflect the changes. There will be no impact on the annual amount paid to the County, however the City's annual amount would be reduced to account for the adjusted administrative costs. Current projections show tax increment revenues are more than sufficient to accommodate capturing the additional administrative costs and repayment, in full, of the County/City balances prior to the December 31, 2025 required decertification date.

Budget Impact:

ATTACHMENTS:

- ▣ Res. No. E2021-11 Cooperative Agreement
- ▣ Amended Cooperative Agreement - Clean Version
- ▣ Amended Cooperative Agreement - Redline Version

ECONOMIC DEVELOPMENT AUTHORITY FOR THE
CITY OF SHAKOPEE, MINNESOTA

RESOLUTION NO. E2021-11

RESOLUTION APPROVING AN AMENDED AND RESTATED TAX
INCREMENT COOPERATIVE AGREEMENT RELATING TO TAX
INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT
NO. 17

BE IT RESOLVED by the Board of Commissioners (the “Board”) of Economic Development Authority for the City of Shakopee, Minnesota (the “Authority”) as follows:

Section 1. Recitals.

1.01. The City of Shakopee, Minnesota (the “City”) and the Authority have established Tax Increment Financing (Economic Development) District No. 17 (the “TIF District”) pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”), within the Minnesota River Valley Housing and Redevelopment Project No. 1 in the City pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended.

1.02. Amazon.com.dedc, LLC, a Delaware limited liability company, agreed to cause the construction of an approximately 820,000 square foot building for use as a distribution and warehouse facility, including approximately 750,000 square feet of warehouse processing space and approximately 70,000 square feet of associated office space (the “Minimum Improvements”) on real property located within the TIF District, and to lease the Minimum Improvements for use as a distribution and warehouse facility.

1.03. In connection with the development of the Minimum Improvements, Scott County, Minnesota (the “County”) could require that certain costs of County road improvements be paid out of tax increment if certain conditions are met, and the County did request that the Authority pay certain costs of County road improvements related to the Minimum Improvements with tax increment generated from the TIF District.

1.04. The City also proposed to reconstruct and improve streets adjacent to the Minimum Improvements and requested that the Authority pay certain costs of City road improvements related to the Minimum Improvements with tax increment from the TIF District, and the Developer proposed to forego any tax increment generated by the Minimum Improvements.

1.05. The City, the Authority, and the County entered into a Tax Increment Cooperative Agreement, dated March 22, 2016 (the “Original Cooperative Agreement”), allocating tax increment generated by the TIF District to the City’s and County’s costs related to the construction of public road improvements related to and necessitated by the development of the Minimum Improvements.

1.06. The City and the Authority have determined to amend the Original Cooperative Agreement to revise the allocation of tax increment generated and the uses of the tax increment.

1.07. A form of Amended and Restated Tax Increment Cooperative Agreement (the “Cooperative Agreement”) between the City, the Authority, and the County has been presented before the Board, which amends and restates the Original Cooperative Agreement to incorporate the amendments described herein.

Section 2. Findings.

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

2.02. The Cooperative Agreement is hereby in all respects authorized, approved, and confirmed and the President and Executive Director are hereby authorized and directed to execute and deliver the Cooperative Agreement for and on behalf of the Authority in substantially the form now on file with the Authority but with such modifications as shall be deemed necessary, desirable or appropriate, their execution thereof to constitute such conclusive evidence of their approval of any and all modifications therein.

Section 3. Implementation. The President and the Executive Director are authorized and directed to execute and deliver any additional agreements, certificates or other documents that the Authority determines are necessary to implement this resolution.

Section 4. Effective Date. This resolution is effective upon the date of its adoption.

Sworn and Executed Under My Hand this 7th day of December, 2021.

President

Executive Director

**AMENDED AND RESTATED TAX INCREMENT
COOPERATIVE AGREEMENT**

This AMENDED AND RESTATED TAX INCREMENT COOPERATIVE AGREEMENT (the “Agreement”) is made as of December ___, 2021 by and between the CITY OF SHAKOPEE, a Minnesota municipal corporation (the “City”), the ECONOMIC DEVELOPMENT AUTHORITY FOR THE CITY OF SHAKOPEE, MINNESOTA, a public body corporate and politic under the laws of the State of Minnesota (the “Authority”) and SCOTT COUNTY, MINNESOTA, political subdivision under the laws of Minnesota (the “County”) and amends and restates the Tax Increment Cooperative Agreement, dated March 22, 2016, between the City, the Authority, and the County.

WITNESSETH:

WHEREAS, the Authority was created pursuant to Minnesota Statutes, Sections 469.090 to 469.1081, as amended (the “EDA Act”) and was authorized to transact business and exercise its powers by a resolution of the City Council of the City; and

WHEREAS, the City has undertaken a program to promote economic development and job opportunities and to promote the development and redevelopment of land which is underutilized within the City, and has created the Minnesota River Valley Housing and Redevelopment Project No. 1 (hereinafter referred to as the “Project”) in an area (hereinafter referred to as the “Project Area”) located in the City pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended (the “HRA Act”); and

WHEREAS, by resolution dated April 4, 1995, the City Council of the City transferred control, authority, and operation of the Project to the Authority, which currently administers the Project, exercising the powers of a housing and redevelopment authority under the HRA Act, in accordance with the EDA Act; and

WHEREAS, the Authority has established the Tax Increment Financing (Economic Development) District No. 17 (“TIF District”) pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”), made up of the area to be developed by the Developer; and

WHEREAS, Amazon.com.NVDC, Inc., a Delaware corporation (the “Developer”), has proposed to cause the construction of an approximately 820,000 square foot building for use as a distribution and warehouse facility including approximately 750,000 square feet of warehouse processing space and approximately 70,000 square feet of associated office space (the “Minimum Improvements”), on real property located in the City (the “Development Property”), within the TIF District; and

WHEREAS, the Developer has proposed to lease the Minimum Improvements for use as a distribution and warehouse facility; and

WHEREAS, pursuant to Section 469.175, subd. 1a of the TIF Act, the Board of Commissioners of the County may require that certain costs of County road improvements be paid out of tax increment if certain conditions are met and the County has requested that the Authority pay certain costs of County road improvements related to the Minimum Improvements with tax increment from the TIF District; and

WHEREAS, the City finds it necessary to reconstruct and improve streets adjacent to the Minimum Improvements and has requested that the Authority pay certain costs of City road improvements related to the Minimum Improvements with tax increment from the TIF District; and

WHEREAS, the Developer has agreed to forego any tax increment generated by the Minimum Improvements; and

WHEREAS, the Authority, the City and the County propose to enter into this Agreement in order to allocate tax increment generated by the TIF District to the City's and County's costs related to the construction of public road improvements related to and necessitated by the development of the Minimum Improvements; and

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the Parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions.

“Agreement” means this Amended and Restated Tax Increment Cooperative Agreement, as the same may be from time to time modified, amended, or supplemented.

“Authority” means the Economic Development Authority for the City of Shakopee, Minnesota.

“Available Tax Increment” means 90% of the Tax Increment attributable to the Development Property and paid to the Authority by the County in the six months preceding each Payment Date.

“City” means the City of Shakopee, Minnesota.

“City Road Project” means the City road improvements described in Section 3.1 hereof.

“County” means Scott County, Minnesota.

“County Road Project” means the County road improvements described in Section 3.2 hereof.

“Developer” means Amazon.com.dedc, LLC, a Delaware limited liability company, or its permitted successors and assigns.

“Event of Default” has the meaning provided to such term in Section 4.1 hereof.

“Development Property” means the real property described in EXHIBIT A of this Agreement.

“Minimum Improvements” means the construction of a building totaling approximately 820,000 square feet including approximately 750,000 square feet of warehouse processing space and approximately 70,000 square feet of associated office space on the Development Property which will be leased to the Developer for use a distribution and warehouse facility.

“Party” or “Parties” shall mean one or more of the Authority, the City and the County, as parties to this Agreement.

“Payment Date” means February 1 and August 1, commencing August 1 of the first year Tax Increment is received by the City, which is expected to be August 1, 2017.

“Tax Increment” means that portion of the real property taxes that is paid with respect to the Development Property and that is remitted to the Authority as tax increment pursuant to the Tax Increment Act.

“Tax Increment Act” or “TIF Act” means the Tax Increment Financing Act, Minnesota Statutes Sections 469.174 through 469.1794, as amended.

“Tax Increment District” or “TIF District” means Tax Increment Financing (Economic Development) District No. 17, an economic development tax increment financing district created by the City and the Authority.

“Tax Increment Plan” or “TIF Plan” means the Tax Increment Financing Plan for the TIF District approved by the City Council on May 19, 2015, and as it may be amended.

“State” means the State of Minnesota.

ARTICLE II REPRESENTATIONS

Section 2.1. Representations by the City. The City is a statutory city duly organized and existing under the laws of the State. The City has the power to enter into this Agreement and carry out its obligations hereunder.

Section 2.2. Representations by the County. The County is a public corporation and political subdivision of the State. The County has the power to enter into this Agreement and carry out its obligations hereunder.

Section 2.3. Representations by the Authority. The Authority makes the following representations and warranties as the basis for its covenants herein:

(a) The Authority is an economic development authority duly organized and existing under the laws of the State. The Authority has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The activities of the Authority are undertaken for the purpose of fostering the development of certain real property in the City for the purposes of increasing tax base, creating employment opportunities, and encouraging economic development within the City.

ARTICLE III ROAD PROJECTS AND REIMBURSEMENTS

Section 3.1. City Road Projects. The City agrees to complete the following public improvements necessitated by the Minimum Improvements (hereinafter referred to as the “City Road Project”):

- (a) Improvements to 4th Avenue from Shenandoah Drive to CSAH 83 (Canterbury Road)
 - Widening 4th Street to a three lane roadway from Shenandoah Drive to CSAH 83
 - Related improvements to storm sewer, water system, sanitary sewer system
 - Related sidewalk improvements
- (b) Improvements to Shenandoah Drive from 4th Avenue to CSAH 101

- Reclamation of Shenandoah Drive from 4th Avenue to CSAH 101
- Railroad crossing improvements
- Related improvements to storm sewer, water system, sanitary sewer system
- Related sidewalk improvements

(c) All engineering costs and costs of right-of-way for the above-mentioned projects.

Section 3.2. County Road Projects. The County agrees to complete the following public improvements necessitated by the Minimum Improvements (hereinafter referred to collectively as the “County Road Project”):

- (a) Improvements to CSAH 101/Shenandoah Drive
 - Extension of westbound 101 left turn land at Shenandoah.
- (b) Improvements to CSAH 83/4th Avenue
 - Construct a northbound left, southbound right, and eastbound right-turn lane.
 - Monitor the need for future traffic signal control. Install conduit and handholes.
 - Relocate the Inland Container driveway to 4th Avenue.
 - Relocate all Anchor Glass driveways to Industrial Boulevard.
 - Close north private driveway just south of 4th Avenue on the east side of CSAH 83.
- (d) All engineering costs and costs of right-of-way for the above-mentioned projects.

Section 3.3. Payment of City Road Project Costs.

(a) In order to make the City Road Improvements necessitated by the construction of the Minimum Improvements economically feasible, the Authority shall reimburse the City for the actual costs of the City Road Project.

(b) On each Payment Date, the Authority will pay the City a pro rata portion of the Available Tax Increment based on the costs of the City Road Project compared to the costs of the County Road Project and adjusted for annual administrative costs. Commencing on the date of this Agreement, the pro rata portion of Available Tax Increment to be paid to the City each Payment Date is 34.7%.

(c) Notwithstanding the foregoing, if the Available Tax Increment exceeds the dollar amount expected and the City is legally able to modify the TIF Plan to increase the expenditure of Available Tax Increment, the excess Available Tax Increment may be used to provide the following road improvements if warranted and justified by future road studies:

- Improvements to County State Aid Highway 83/Twelfth Avenue in Shakopee, including construction of dual westbound left turn lanes and modification of existing traffic signal to accommodate dual westbound left turn lanes.
- Traffic signal at State Highway 101 and Shenandoah Drive.
- Traffic signal at County State Aid Highway 83 and Fourth Avenue in Shakopee.

In addition, Available Tax Increment may also be used to pay the City’s administrative costs related to the TIF District or to pool up to 20% of the Tax Increment (less any administrative costs paid with Tax Increment).

(d) Prior to the Authority reimbursing the City for costs of the City Road Project, the City shall provide the Authority with written evidence in a form satisfactory to the Authority that the City has

paid the costs of the City Road Project. If the City Road Project is not complete prior to the first Payment Date, the City may submit evidence of costs paid for a portion of the City Road Project.

Section 3.4. Payment of County Road Project Costs.

(a) In order to make the County Road Improvements necessitated by the construction of the Minimum Improvements economically feasible, the Authority shall reimburse the County for the actual costs of the County Road Project.

(b) On each Payment Date, the Authority will pay the County a pro rata portion of the Available Tax Increment based on the costs of the County Road Project compared to the costs of the City Road Project. As of the date of this Agreement, the pro rata portion of Available Tax Increment to be paid to the County each Payment Date is 65.3%.

(c) Prior to the Authority reimbursing the County for costs of the County Road Project, the County shall provide the Authority with written evidence in a form satisfactory to the Authority that the County has paid the costs of the County Road Project. If the County Road Project is not complete prior to the first Payment Date, the County may submit evidence of costs paid for a portion of the County Road Project.

Section 3.5. Estimated Costs of Road Projects.

(a) The City understands and acknowledges that the TIF Plan budgeted approximately \$2,319,076 to pay the costs of the City Road Project and no additional Available Tax Increment will be available to pay such costs.

(b) The County understands and acknowledges that the TIF Plan budgeted approximately \$3,379,250 to pay the costs of the County Road Project and no additional Available Tax Increment will be available to pay such costs.

(c) Notwithstanding the foregoing, if the tax increment derived from the TIF Project exceeds what is estimated in the TIF Plan and if the costs of either or both of the City Road Project and the County Road Project are significantly over the amounts estimated for such projects, the Board of the Authority and the City Council of the City will consider modifying the TIF Plan to increase the budget for both projects, if such modification is allowed under the TIF Act.

Section 3.6. Annual Accounting. Within 30 days of each fiscal year end (December 31), the Authority shall provide to the City and the County an accounting of how the Tax Increment received from the County in the previous year was expended. On or prior to May 1 of each year, the City and the County shall provide to the Authority an accounting of how Available Tax Increment it received in the previous year was expended and what Available Tax Increment remains unexpended.

Section 3.7. Indemnification. The Authority, the City, and the County agree to indemnify and hold harmless the other Parties from any claims, losses, costs, expenses or damages, including reasonable attorney's fees, resulting from the acts or omissions of the respective officers, agents, or employees of the indemnifying Party, to the extent such acts or omissions relate to activities conducted by the indemnifying Party under this Agreement. Each Party's liability is governed by the provisions established in the Minnesota Statutes, Chapter 466. No Party intends to waive any defenses or immunities available under Minnesota Statutes, Chapter 466.

ARTICLE IV EVENTS OF DEFAULT

Section 4.1. Events of Default Defined. The failure by the Authority, the City or the County to observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement shall be an Event of Default under this Agreement.

Section 4.2. Remedies on Default. Whenever any Event of Default referred to in Section 4.1 of this Agreement occurs, the Authority, the City, or the County may:

(a) Suspend its performance under the Agreement until it receives reasonably satisfactory assurances that the defaulting Party will cure its default and continue its performance under the Agreement.

(b) Upon a default by the City, the Authority may suspend the payment of Available Tax Increment to the City.

(c) Upon a default by the County, the Authority may suspend the payment of Available Tax Increment to the County.

(d) Take whatever action, including legal, equitable, or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 4.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to any Party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 4.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by any Party and thereafter waived by one or more of the other Parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 4.5. Attorneys' Fees. Whenever any Event of Default occurs and if a Party shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of another Party under this Agreement, each Party will pay its own attorneys' fees.

ARTICLE V MISCELLANEOUS

Section 5.1. Conflict of Interests; Representatives Not Individually Liable. The Authority, the City, and the County, to the best of their respective knowledge, represent and agree that no member, official, or employee of the Authority, the City or the County shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement that affects his personal interests or the interests of any corporation, partnership, or association in which he, directly or indirectly, is interested. No member, official, or employee of the Authority, the City or the County shall be personally liable to any other Party to this Agreement in the event of any default or

breach by the Authority, the City or the County or for any amount that may become due to other Parties to this Agreement or on any obligations under the terms of the Agreement.

Section 5.2. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 5.3. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either Party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the following addresses (or to such other addresses as either Party may notify the other):

To Authority: Shakopee EDA
485 Gorman Street
Shakopee, MN 55379
Attn: Executive Director

To City: City of Shakopee
485 Gorman Street
Shakopee, MN 55379
Attn: City Administrator

To County: Scott County
Scott County Government Center
200 Fourth Avenue West
Shakopee, MN 55379
Attn: County Auditor

Section 5.4. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 5.5. Amendment. This Agreement may be amended only by written agreement approved by the City, the Authority, and the County.

Section 5.6. Term of Agreement. With respect to the County, this Agreement shall terminate on the earlier of (i) the date that TIF payments to the County totaling \$3,379,250 have been made or (ii) the expiration of the TIF District. With respect to the City, this Agreement shall terminate on the earlier of (i) the date that TIF payments to the City totaling \$2,319,076 have been made or (ii) the expiration of the TIF District.

Section 5.7. Governing Law. This Agreement shall be interpreted in accordance with the laws of Minnesota.

Section 5.8. Entire Agreement. Except as otherwise provided herein, this Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and there are no other representations, warranties, or agreements except as herein provided.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the City, the Authority and the County have caused this Tax Increment Cooperative Agreement to be duly executed by their duly authorized representatives as of the date first above written.

CITY OF SHAKOPEE

By _____
Its Mayor

By _____
Its City Administrator

(Signature Page of City to Tax Increment Cooperative Agreement)

ECONOMIC DEVELOPMENT AUTHORITY FOR
THE CITY OF SHAKOPEE, MINNESOTA

By: _____
Its: President

By: _____
Its: Executive Director

(Signature Page of Authority to Tax Increment Cooperative Agreement)

SCOTT COUNTY, MINNESOTA

By _____
Its Board Chair

By _____
Its County Administrator

(Signature Page of County to Tax Increment Cooperative Agreement

EXHIBIT A

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Lot 1, Block 1, Shenandoah East First Addition, Scott County, Minnesota

**AMENDED AND RESTATED TAX INCREMENT
COOPERATIVE AGREEMENT**

This ~~Tax Increment Cooperative Agreement~~ AMENDED AND RESTATED TAX INCREMENT COOPERATIVE AGREEMENT (the "Agreement") is made as of ~~March-December~~ ____, 2016~~2021~~ by and between the CITY OF SHAKOPEE, a Minnesota municipal corporation (the "City"), the ECONOMIC DEVELOPMENT AUTHORITY FOR THE CITY OF SHAKOPEE, MINNESOTA, a public body corporate and politic under the laws of the State of Minnesota (the "Authority") and SCOTT COUNTY, MINNESOTA, political subdivision under the laws of Minnesota (the "County") and amends and restates the Tax Increment Cooperative Agreement, dated March 22, 2016, between the City, the Authority, and the County.

WITNESSETH:

WHEREAS, the Authority was created pursuant to Minnesota Statutes, Sections 469.090 to 469.1081, as amended (the "EDA Act") and was authorized to transact business and exercise its powers by a resolution of the City Council of the City; and

WHEREAS, the City has undertaken a program to promote economic development and job opportunities and to promote the development and redevelopment of land which is underutilized within the City, and has created the Minnesota River Valley Housing and Redevelopment Project No. 1 (hereinafter referred to as the "Project") in an area (hereinafter referred to as the "Project Area") located in the City pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended (the "HRA Act"); and

WHEREAS, by resolution dated April 4, 1995, the City Council of the City transferred control, authority, and operation of the Project to the Authority, which currently administers the Project, exercising the powers of a housing and redevelopment authority under the HRA Act, in accordance with the EDA Act; and

WHEREAS, the Authority has established the Tax Increment Financing (Economic Development) District No. 17 ("TIF District") pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the "TIF Act"), made up of the area to be developed by the Developer; and

WHEREAS, Amazon.com.dedc, LLC, a Delaware ~~corporation~~ limited liability company (the "Developer"), has proposed to cause the construction of an approximately 820,000 square foot building for use as a distribution and warehouse facility including approximately 750,000 square feet of warehouse processing space and approximately 70,000 square feet of associated office space (the "Minimum Improvements"), on real property located in the City (the "Development Property"), within the TIF District; and

WHEREAS, the Developer has proposed to lease the Minimum Improvements for use as a distribution and warehouse facility; and

WHEREAS, pursuant to Section 469.175, subd. 1a of the TIF Act, the Board of Commissioners of the County may require that certain costs of County road improvements be paid out of tax increment if certain conditions are met and the County has requested that the Authority pay certain costs of County road improvements related to the Minimum Improvements with tax increment from the TIF District; and

WHEREAS, the City finds it necessary to reconstruct and improve streets adjacent to the Minimum Improvements and has requested that the Authority pay certain costs of City road improvements related to the Minimum Improvements with tax increment from the TIF District; and

WHEREAS, the Developer has agreed to forego any tax increment generated by the Minimum Improvements; and

WHEREAS, the Authority, the City and the County propose to enter into this Agreement in order to allocate tax increment generated by the TIF District to the City's and County's costs related to the construction of public road improvements related to and necessitated by the development of the Minimum Improvements; and

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the Parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions.

“Agreement” means this [Amended and Restated](#) Tax Increment Cooperative Agreement, as the same may be from time to time modified, amended, or supplemented.

“Authority” means the Economic Development Authority for the City of Shakopee, Minnesota.

“Available Tax Increment” means ~~99.1~~90% of the Tax Increment attributable to the Development Property and paid to the Authority by the County in the six months preceding each Payment Date.

“City” means the City of Shakopee, Minnesota.

“City Road Project” means the City road improvements described in Section 3.1 hereof.

“County” means Scott County, Minnesota.

“County Road Project” means the County road improvements described in Section 3.2 hereof.

“Developer” means Amazon.com.dedc, LLC, a Delaware limited liability company, or its permitted successors and assigns.

“Event of Default” has the meaning provided to such term in Section 4.1 hereof.

“Development Property” means the real property described in EXHIBIT A of this Agreement.

“Minimum Improvements” means the construction of a building totaling approximately 820,000 square feet including approximately 750,000 square feet of warehouse processing space and approximately 70,000 square feet of associated office space on the Development Property which will be leased to the Developer for use a distribution and warehouse facility.

“Party” or “Parties” shall mean one or more of the Authority, the City and the County, as parties to this Agreement.

“Payment Date” means February 1 and August 1, commencing August 1 of the first year Tax Increment is received by the City, which is expected to be August 1, 2017.

“Tax Increment” means that portion of the real property taxes that is paid with respect to the Development Property and that is remitted to the Authority as tax increment pursuant to the Tax Increment Act.

“Tax Increment Act” or “TIF Act” means the Tax Increment Financing Act, Minnesota Statutes Sections 469.174 through 469.1794, as amended.

“Tax Increment District” or “TIF District” means Tax Increment Financing (Economic Development) District No. 17, an economic development tax increment financing district created by the City and the Authority.

“Tax Increment Plan” or “TIF Plan” means the Tax Increment Financing Plan for the TIF District approved by the City Council on May 19, 2015, and as it may be amended.

“State” means the State of Minnesota.

ARTICLE II REPRESENTATIONS

Section 2.1. Representations by the City. The City is a statutory city duly organized and existing under the laws of the State. The City has the power to enter into this Agreement and carry out its obligations hereunder.

Section 2.2. Representations by the County. The County is a public corporation and political subdivision of the State. The County has the power to enter into this Agreement and carry out its obligations hereunder.

Section 2.3. Representations by the Authority. The Authority makes the following representations and warranties as the basis for its covenants herein:

(a) The Authority is an economic development authority duly organized and existing under the laws of the State. The Authority has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The activities of the Authority are undertaken for the purpose of fostering the development of certain real property in the City for the purposes of increasing tax base, creating employment opportunities, and encouraging economic development within the City.

ARTICLE III ROAD PROJECTS AND REIMBURSEMENTS

Section 3.1. City Road Projects. The City agrees to complete the following public improvements necessitated by the Minimum Improvements (hereinafter referred to as the “City Road Project”):

- (a) Improvements to 4th Avenue from Shenandoah Drive to CSAH 83 (Canterbury Road)
 - Widening 4th Street to a three lane roadway from Shenandoah Drive to CSAH 83
 - Related improvements to storm sewer, water system, sanitary sewer system
 - Related sidewalk improvements
- (b) Improvements to Shenandoah Drive from 4th Avenue to CSAH 101

- Reclamation of Shenandoah Drive from 4th Avenue to CSAH 101
- Railroad crossing improvements
- Related improvements to storm sewer, water system, sanitary sewer system
- Related sidewalk improvements

(c) All engineering costs and costs of right-of-way for the above-mentioned projects.

Section 3.2. County Road Projects. The County agrees to complete the following public improvements necessitated by the Minimum Improvements (hereinafter referred to collectively as the “County Road Project”):

- (a) Improvements to CSAH 101/Shenandoah Drive
 - Extension of westbound 101 left turn land at Shenandoah.
- (b) Improvements to CSAH 83/4th Avenue
 - Construct a northbound left, southbound right, and eastbound right-turn lane.
 - Monitor the need for future traffic signal control. Install conduit and handholes.
 - Relocate the Inland Container driveway to 4th Avenue.
 - Relocate all Anchor Glass driveways to Industrial Boulevard.
 - Close north private driveway just south of 4th Avenue on the east side of CSAH 83.
- (d) All engineering costs and costs of right-of-way for the above-mentioned projects.

Section 3.3. Payment of City Road Project Costs.

(a) In order to make the City Road Improvements necessitated by the construction of the Minimum Improvements economically feasible, the Authority shall reimburse the City for the actual costs of the City Road Project.

(b) On each Payment Date, the Authority will pay the City a pro rata portion of the Available Tax Increment based on the costs of the City Road Project compared to the costs of the County Road Project. ~~The and adjusted for annual administrative costs. Commencing on the date of this Agreement, the~~ pro rata portion of Available Tax Increment to be paid to the City each Payment Date is ~~40.7% (equal to \$2,319,076 divided by \$5,698,326)~~ 34.7%.

(c) Notwithstanding the foregoing, if the Available Tax Increment exceeds the dollar amount expected and the City is legally able to modify the TIF Plan to increase the expenditure of Available Tax Increment, the excess Available Tax Increment may be used to provide the following road improvements if warranted and justified by future road studies:

- Improvements to County State Aid Highway 83/Twelfth Avenue in Shakopee, including construction of dual westbound left turn lanes and modification of existing traffic signal to accommodate dual westbound left turn lanes.
- Traffic signal at State Highway 101 and Shenandoah Drive.
- Traffic signal at County State Aid Highway 83 and Fourth Avenue in Shakopee.

In addition, Available Tax Increment may also be used to pay the City’s administrative costs related to the TIF District or to pool up to 20% of the Tax Increment (less any administrative costs paid with Tax Increment).

(d) Prior to the Authority reimbursing the City for costs of the City Road Project, the City shall provide the Authority with written evidence in a form satisfactory to the Authority that the City has paid the costs of the City Road Project. If the City Road Project is not complete prior to the first Payment Date, the City may submit evidence of costs paid for a portion of the City Road Project.

Section 3.4. Payment of County Road Project Costs.

(a) In order to make the County Road Improvements necessitated by the construction of the Minimum Improvements economically feasible, the Authority shall reimburse the County for the actual costs of the County Road Project.

(b) On each Payment Date, the Authority will pay the County a pro rata portion of the Available Tax Increment based on the costs of the County Road Project compared to the costs of the City Road Project. ~~The~~As of the date of this Agreement, the pro rata portion of Available Tax Increment to be paid to the County each Payment Date is ~~59.3% (equal to \$3,379,250 divided by \$5,698,326)~~65.3%.

(c) Prior to the Authority reimbursing the County for costs of the County Road Project, the County shall provide the Authority with written evidence in a form satisfactory to the Authority that the County has paid the costs of the County Road Project. If the County Road Project is not complete prior to the first Payment Date, the County may submit evidence of costs paid for a portion of the County Road Project.

Section 3.5. Estimated Costs of Road Projects.

(a) The City understands and acknowledges that the TIF Plan budgeted approximately \$2,319,076 to pay the costs of the City Road Project and no additional Available Tax Increment will be available to pay such costs.

(b) The County understands and acknowledges that the TIF Plan budgeted approximately \$3,379,250 to pay the costs of the County Road Project and no additional Available Tax Increment will be available to pay such costs.

(c) Notwithstanding the foregoing, if the tax increment derived from the TIF Project exceeds what is estimated in the TIF Plan and if the costs of either or both of the City Road Project and the County Road Project are significantly over the amounts estimated for such projects, the Board of the Authority and the City Council of the City will consider modifying the TIF Plan to increase the budget for both projects, if such modification is allowed under the TIF Act.

Section 3.6. Annual Accounting. Within 30 days of each fiscal year end (December 31), the Authority shall provide to the City and the County an accounting of how the Tax Increment received from the County in the previous year was expended. On or prior to May 1 of each year, the City and the County shall provide to the Authority an accounting of how Available Tax Increment it received in the previous year was expended and what Available Tax Increment remains unexpended.

Section 3.7. Indemnification. The Authority, the City, and the County agree to indemnify and hold harmless the other Parties from any claims, losses, costs, expenses or damages, including reasonable attorney's fees, resulting from the acts or omissions of the respective officers, agents, or employees of the indemnifying Party, to the extent such acts or omissions relate to activities conducted by the indemnifying Party under this Agreement. Each Party's liability is governed by the provisions established in the

Minnesota Statutes, Chapter 466. No Party intends to waive any defenses or immunities available under Minnesota Statutes, Chapter 466.

ARTICLE IV EVENTS OF DEFAULT

Section 4.1. Events of Default Defined. The failure by the Authority, the City or the County to observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement shall be an Event of Default under this Agreement.

Section 4.2. Remedies on Default. Whenever any Event of Default referred to in Section 4.1 of this Agreement occurs, the Authority, the City, or the County may:

(a) Suspend its performance under the Agreement until it receives reasonably satisfactory assurances that the defaulting Party will cure its default and continue its performance under the Agreement.

(b) Upon a default by the City, the Authority may suspend the payment of Available Tax Increment to the City.

(c) Upon a default by the County, the Authority may suspend the payment of Available Tax Increment to the County.

(d) Take whatever action, including legal, equitable, or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 4.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to any Party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 4.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by any Party and thereafter waived by one or more of the other Parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 4.5. Attorneys' Fees. Whenever any Event of Default occurs and if a Party shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of another Party under this Agreement, each Party will pay its own attorneys' fees.

ARTICLE V MISCELLANEOUS

Section 5.1. Conflict of Interests; Representatives Not Individually Liable. The Authority, the City, and the County, to the best of their respective knowledge, represent and agree that no member, official, or employee of the Authority, the City or the County shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement that affects his personal interests or the interests of any corporation, partnership, or association in

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the City, the Authority and the County have caused this Tax Increment Cooperative Agreement to be duly executed by their duly authorized representatives as of the date first above written.

CITY OF SHAKOPEE

By _____
Its Mayor

By _____
Its City Administrator

(Signature Page of City to Tax Increment Cooperative Agreement)

ECONOMIC DEVELOPMENT AUTHORITY
FOR THE CITY OF SHAKOPEE, MINNESOTA

By: _____
Its: President

By: _____
Its: Executive Director

(Signature Page of Authority to Tax Increment Cooperative Agreement)

SCOTT COUNTY, MINNESOTA

By _____
Its Board Chair

By _____
Its County Administrator

(Signature Page of County to Tax Increment Cooperative Agreement

EXHIBIT A

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Lot 1, Block 1, Shenandoah East First Addition, Scott County, Minnesota

Document comparison by Workshare 10.0 on Friday, December 3, 2021 9:05:52 AM

Input:	
Document 1 ID	PowerDocs://DOCSOPEN/471652/3
Description	DOCSOPEN-#471652-v3-Shakopee_Amazon_TIF_Cooperative_Agreement_City_&_County
Document 2 ID	PowerDocs://DOCSOPEN/754206/3
Description	DOCSOPEN-#754206-v3-Shakopee_Amended_and_Restated_TIF_Cooperative_Agreement
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	17
Deletions	17
Moved from	1
Moved to	1
Style change	0
Format changed	0

Total changes	36
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Shakopee Economic Development Authority
December 7, 2021

FROM: Nate Reinhardt, Finance Director
TO: President and Commission Members

Subject:

Resolution No. E2021-012 allows for the reimbursement from possible TIF funds for staff and consultant time for administering the TIF district.

Policy/Action Requested:

Resolution allows for reimbursement of staff and consultant time

Recommendation:

Adopt Resolution No. E2021-012 to allow for an interfund loan for advance of certain costs in connection with Tax Increment Financing District No. 17 (Amazon).

Discussion:

The EDA has typically adopted interfund loan resolutions to cover any costs associated with developing and administering a tax increment financing district. However, no such resolution for this district was previously adopted. This resolution would allow the City to be reimburse for staff time and consultants used during the current year and moving forward.

Budget Impact:

Funding for staff time and consultants will come from the EDA until such a time that it is reimbursed from tax increment revenues.

ATTACHMENTS:

- Res. E2021-012 Intefund Loan TIF 17

ECONOMIC DEVELOPMENT AUTHORITY FOR THE
CITY OF SHAKOPEE, MINNESOTA

RESOLUTION NO. E2021-012

RESOLUTION APPROVING AN INTERFUND LOAN FOR ADVANCE OF
CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING
DISTRICT NO. 17

WHEREAS, the Economic Development Authority for the City of Shakopee, Minnesota (the “Authority”) and the City of Shakopee, Minnesota (the “City”) have established Tax Increment Financing District No. 19 (the “TIF District”), an economic development district within the Minnesota River Valley Housing and Development Project No. 1 pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”), and have adopted a Tax Increment Financing Plan for the purpose of financing certain improvements within the Project.

WHEREAS, the Authority administers the TIF District; and

WHEREAS, under Section 469.178, subdivision 7 of the TIF Act, the City and the Authority are authorized to advance or loan money from any fund from which such advances may be legally made (each such advance being referred to as an “interfund loan”) in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act; and

WHEREAS, the Authority has determined to pay for certain costs related to the TIF District, including administrative expenses (the “Qualified Costs”), which costs may be financed on a temporary basis from City or Authority funds available for such purposes; and

WHEREAS, in order to finance the Qualified Costs in the amount of up to \$50,000, the Authority intends to borrow funds through an interfund loan from the EDA General Fund or any available fund of the Authority (the “Interfund Loan”) in accordance with the terms hereof; and

WHEREAS, the Authority intends to reimburse itself for the Qualified Costs paid by the Interfund Loan from tax increments derived from the property within the TIF District in accordance with the terms of this resolution;

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

1. The Interfund Loan shall be made in the amount of \$50,000 from the EDA General Fund (or any other fund designated by the Authority).
2. The Interfund Loan is repayable solely from and to the extent that Available Tax Increment is available. “Available Tax Increment” means, on each Payment Date (as defined

herein), all of the tax increment generated in the preceding six (6) months with respect to the property within the TIF District and remitted to the Authority by Scott County, Minnesota, all in accordance with the TIF Act. Payments on the Interfund Loan are on parity with any other outstanding or future interfund loans secured in whole or in part with Available Tax Increment.

3. Provided that there is Available Tax Increment to repay the Interfund Loan to the City, principal and interest (the “Payments”) on the Interfund Loan shall be paid semiannually on February 1 and August 1 (each a “Payment Date”), commencing on the first Payment Date after the advance of the Interfund Loan. Payments shall continue until the earlier of (a) the date the principal and accrued interest of the Interfund Loan is paid in full, or (b) the date of last receipt of tax increment from the TIF District. Payments on the Interfund Loan will be made in the amount and only to the extent of Available Tax Increment. Payments shall be applied first to accrued interest, and then to unpaid principal.

4. The Interfund Loan shall be subordinate to the Authority’s obligations under the TIF Cooperative Agreement, dated March 22, 2016, between the Authority, the City, and the County.

5. The Interfund Loan shall bear interest at the Authority’s then current internal rate of return on the principal amount advanced, accruing from the date of each initial expenditure; provided, however that the maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 and Section 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 are from time to time adjusted. The interest rate shall be 4.0% and will not fluctuate.

6. The principal sum and all accrued interest payable under the Interfund Loan is prepayable in whole or in part at any time by the Authority without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under any interfund loan.

7. The Interfund Loan is evidence of an internal borrowing by the Authority in accordance with Section 469.178, subdivision 7 of the TIF Act, and is a limited obligation payable solely from Available Tax Increment pledged to the payment thereof under this resolution. The Interfund Loan shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, Scott County, Minnesota. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of Available Tax Increment. The Authority shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

8. The Authority may amend the terms of the Interfund Loan at any time by resolution of the Board of Commissioners to the extent permissible under law.

Sworn and Executed Under My Hand this _____ day of _____, 20__.

President

Executive Director



Shakopee Economic Development Authority
December 7, 2021

FROM: Nate Reinhardt, Finance Director
TO: President and Commission Members

Subject:
2022 EDA Special Benefit Levy and Budget

Policy/Action Requested:
Adopt Resolution Nos. E2021-009 and E2021-010, approving the 2022 EDA special benefit levy of \$500,000 and 2022 budget, respectively.

Recommendation:
Approve the resolutions as requested.

Discussion:
Prior to 2018, the EDA had routinely received a transfer from the General Fund in order to fund operations, facade loans and other development related activities. In essence these prior transfers from the General Fund came from a portion of the city's tax levy. Since 2018, the Shakopee EDA has levied their own separate tax or "Special Benefit Levy", which is not part of the city's general property tax levy.

The EDA special benefit levy is subject to a limit of 0.0185 percent of the city's estimated market value. The EDA levy cap for 2022 is estimated to be \$1,024,959. The EDA special benefit levy is applied to all taxable properties within the city including properties that are currently part of a tax abatement or TIF plan. The EDA levy is also identified on property tax statements as a separate local tax outside of the city's general property tax.

The EDA levy has been the same amount since 2018, for 2022 staff is recommending an increase in the EDA levy of \$150,000 from \$350,000 to \$500,000. The additional funding would provide for increasing operational costs (primarily personnel), additional professional services, and flexibility for economic development opportunities that may arise. The EDA levy is specifically designated for economic development activities and any funds unspent from year to year will remain in this fund for this purpose.

For the median value home the 2021 annual property taxes amount to \$15. If the proposed levy of \$500,000 is approved the 2022 annual property taxes on the median value home would increase to \$22 (\$7 increase).

State statutes require the approval of City Council, prior to the tax levy becoming effective. The EDA special benefit levy will be forwarded to Council for approval. Similar to the city's levy, the final levy can be reduced, but cannot be increased.

Attached is a 2022 proposed EDA budget. The budget includes \$210,800 for wages and benefits which includes the Economic Development Specialist plus a portion of the Planning & Development Director's time. The EDA budget also includes \$20,000 for legal services, \$20,000 for engineering services, \$225,000 in professional services (\$100,000 for facade loan requests/\$100,000 for cultural corridor national historical designation, \$25,000 miscellaneous) and \$25,000 for the Main Street Program.

Budget Impact:

The EDA levy will provide the EDA with operational funding for 2022.

ATTACHMENTS:

- ▢ 2022 EDA Levy Resolution
- ▢ 2022 EDA Budget Resolution
- ▢ EDA 2022 Proposed Budget
- ▢ EDA Budget & Levy Presentation

**ECONOMIC DEVELOPMENT AUTHORITY FOR THE
CITY OF SHAKOPEE, MINNESOTA**

RESOLUTION NO. E2021-009

**AUTHORIZING THE LEVY OF A SPECIAL BENEFIT LEVY PURSUANT TO
MINNESOTA STATUTES, SECTION 469.033, SUBDIVISION 6**

WHEREAS, pursuant to Resolution No. 4206, adopted by the City Council of the City of Shakopee, Minnesota (the “City”), on April 4, 1995, as amended by Resolution No. 4381, adopted by the City Council of the City on February 6, 1996, and Minnesota Statutes, Sections 469.090 through 469.1082, the City created the Economic Development Authority for the City of Shakopee, Minnesota (the “Authority”); and

WHEREAS, the Authority has the ability to exercise all powers and duties of a housing and redevelopment authority under the provisions of Minnesota Statutes, Sections 469.001 through 469.047 (the “HRA Act”); and

WHEREAS, Section 469.033, subdivision 6 of the HRA Act permits the Authority to levy and collect a special benefit tax of up to 0.0185% of estimated market value of taxable property within the City, levied upon all taxable real property within the City; and

WHEREAS, the special benefit tax levy authorized by Section 469.033, subdivision 6 of the HRA Act is separate and distinct from the City’s levy and is not subject to levy limits; and

WHEREAS, the Authority desires to levy a special benefit tax in the amount of \$500,000, which is less than 0.0185% of the estimated market value of taxable property within the City; and

WHEREAS, the Authority has determined to adopt a budget for fiscal year 2022 that provides for levy of the special benefits tax in amount of \$500,000 to be used for the Authority’s economic development and redevelopment activities; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the “Board”) of the Economic Development Authority for the City of Shakopee, Minnesota as follows:

1. The Board hereby approves a budget of \$500,000 in proceeds of special benefits tax to be collected in 2022, subject to the approval of such budget by the City Council of the City (the “City Council”).
2. Staff of the Authority is hereby authorized and directed to file the budget with the City in accordance with Section 469.033, subdivision 6 of the HRA Act and request that the City Council consider approval of the special benefits tax levy.
3. There is hereby levied a special benefit tax pursuant to Section 469.033, subdivision 6 of the HRA Act in the amount equal to the lesser of a levy at a rate of 0.0185% of the estimated market value of taxable property within City or \$500,000 with respect to taxes payable in calendar year 2022, contingent upon the approval of the City Council.
4. Staff of the Authority is hereby authorized and directed to take such other actions as are necessary to levy and certify such levy upon approval by the City Council.

Sworn and Executed Under My Hand this 7th day of December 2021.

President

Executive Director

RESOLUTION NO. E2021-010

A RESOLUTION ADOPTING THE 2022 BUDGET

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF SHAKOPEE, MINNESOTA that the 2022 Budget with the estimated revenues and appropriations for the Economic Development Authority Fund as shown below is hereby adopted.

	2022 Budget
Economic Development Authority Fund	
Revenues	
Taxes	\$ 500,000
Charges for Services	12,000
Total Revenues	<u>512,000</u>
Expenditures	
Economic Development	<u>525,175</u>
Net Surplus (Deficit)	\$ (13,175)

Sworn and Executed Under My Hand this 7th day of December 2021.

President

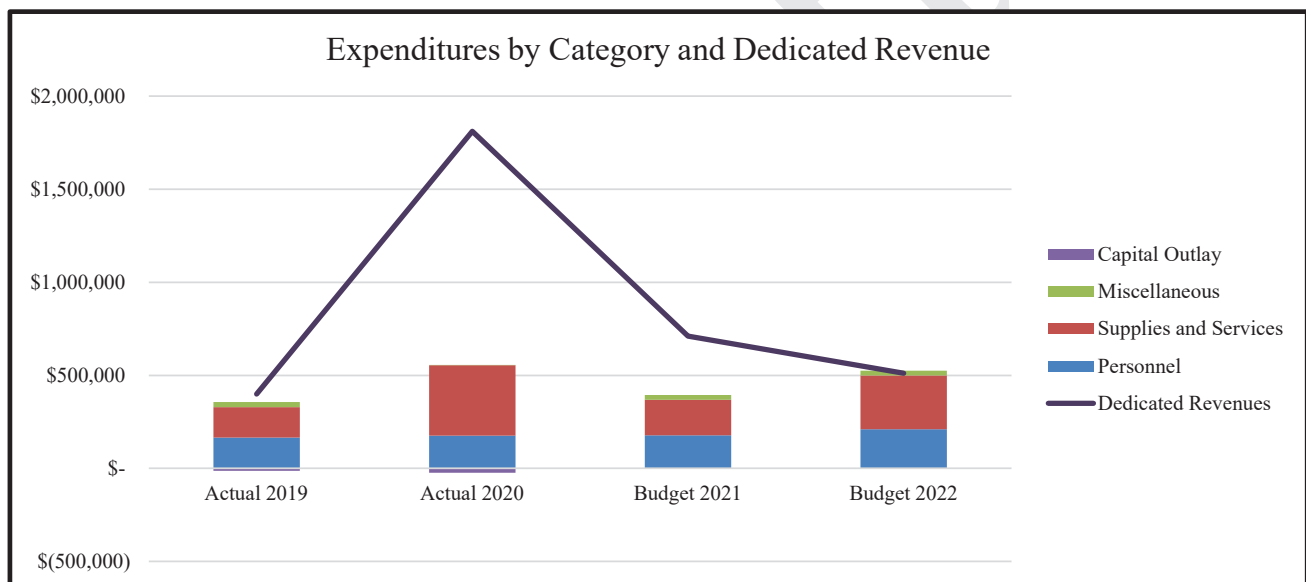
Executive Director

Fund: **Economic Development Authority****Description of Services:**

The EDA does not currently constitute a separate department, but instead represents a number of services offered by the City related to economic development. These services are overseen by the Planning and Development Director with the assistance of the Economic Development Specialist and other staff as required. The EDA Board is comprised of the City Council Members. The City Administrator is also the Executive Director of the EDA.

Budget:

Expenditures by Category	Actual	Actual	Budget	Budget
	2019	2020	2021	2022
Personnel	\$ 165,823	\$ 176,024	\$ 178,100	\$ 210,800
Supplies and Services	164,243	378,518	190,775	289,375
Miscellaneous	26,590	2,216	25,000	25,000
Capital Outlay	(13,220)	(23,194)	-	-
Totals	\$ 343,436	\$ 533,564	\$ 393,875	\$ 525,175
Dedicated Revenues	\$ 399,519	\$ 1,811,020	\$ 712,000	\$ 512,000

**Key Measures:**

	Actual	Actual	Projected	Projected
	2019	2020	2021	2022
Number of Employees (FTEs)	1.5	1.5	1.5	1.5
Overall Improvement Value of Façade Loans	76,500	85,000	85,000	70,000
Façade Loans Granted	28,650	35,000	35,000	35,000
# of Façade Loans	1	1	1	1
Grants Received for Economic Development	0	1	0	1

Budget Impact:

Several major redevelopment projects are underway including Canterbury Park, a \$400 million mixed use development. The first phase of Triple Crown Apartments opened in June 2020 and the second phase began construction in 2021. The Southwest Development received all approvals and Greystone Construction opened its new headquarters and Pulte began four groups of its luxury townhomes. T.E. Miller received approvals for a 147-unit luxury 55+ community that will begin construction in 2021 and Zavago Cooperative Living will begin construction of a 56-unit 55+ mid-rise in 2021.

Enclave Development completed the DECO on the site of the former city hall. The \$15 million development was already more than seventy percent leased by the fall.

The Riverfront Bluff development is under construction. The \$30 million development include 170 market rate units, parking garage, retail and restaurant space and will be completed in June 2022. As part of that project, the streets around the development will be repaved to include on-street parking along with new sidewalks and streetlights.

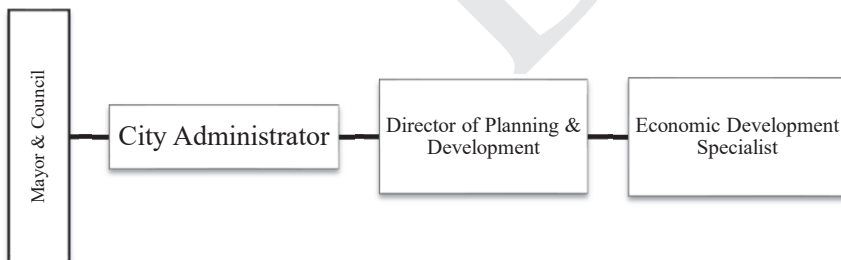
The city received a grant to complete a feasibility study for a regional Innovation Center. Plans and the study were submitted to the federal EDA for funding consideration. The project would be a partnership with the Scott County CDA and Minnesota State University. The city expects to learn if it has received funding in 2022. The EDA also began a new marketing campaign to attract new companies and entrepreneurs to the community. The campaign, Make It in Shakopee, is featured in the Business Journal emails and in Eden Prairie Magazine. The city also retained a consultant to grow the region's entrepreneurial network which began meeting monthly to discuss issues facing start up and growing companies.

The 69 and Vierling development is nearing completion. The largest parcel was sold to Cabot/OPUS in the fall of 2020 and opened in 2021 as the new world headquarters and manufacturing facility for Cherne, which relocated from Edina. The last site was sold in September for a townhome development.

The EDA also adopted a new base incentive wage of \$25 an hour.

The city worked with WPT REIT on one of the largest speculative developments in the state. The 505,000 square foot building is just off a new roundabout constructed at Stagecoach. As part of the redevelopment of the former Cretex Concrete facility, the developer also provided land to Microsource for future expansion and paid for all of the surrounding road improvements.

Organization Chart:



2022 Annual Budget
Company: 02190- ECONOMIC DEVELOPMENT AUTHORITY

Object Account	Actual 2019	Actual 2020	Budget 2021	Requested Budget 2022
02190 - ECONOMIC DEVELOPMENT AUTHORITY				
REVENUES:				
4011 - CURRENT PROPERTY TAX	(300,929.94)	(307,379.13)	(350,000.00)	(500,000.00)
4013 - MARKET VALUE CREDIT	(32.68)	(25.10)	0.00	0.00
4015 - FISCAL DISPARITIES	(43,495.50)	(38,369.12)	0.00	0.00
4020 - MOBIL HOME TAX	(4.46)	(4.09)	0.00	0.00
4025 - PAYMENT IN LIEU OF TAXES	(566.68)	(579.49)	0.00	0.00
4040 - AGGREGATE TAX	(0.12)	(0.23)	0.00	0.00
TAXES	(345,029.38)	(346,357.16)	(350,000.00)	(500,000.00)
LICENSES AND PERMITS	0.00	0.00	0.00	0.00
4410 - FEDERAL GRANTS	0.00	0.00	0.00	0.00
4450 - STATE GRANTS & AIDS	0.00	0.00	0.00	0.00
4490 - OTHER LOCAL GRANTS/AIDS	0.00	(29,174.00)	0.00	0.00
INTERGOVERNMENTAL	0.00	(29,174.00)	0.00	0.00
4512 - DEVELOPMENT REIMBURSEMENT	0.00	(130,000.00)	0.00	0.00
4588 - BUSINESS SUBSIDY APP FEE	(12,000.00)	(12,000.00)	(12,000.00)	(12,000.00)
CHARGES FOR SERVICES	(12,000.00)	(142,000.00)	(12,000.00)	(12,000.00)
4833 - INTEREST	4,456.33	(5,371.13)	0.00	0.00
4834 - CHANGE IN FAIR MARKET VALUE	2,790.99	(21,153.45)	0.00	0.00
4840 - RENTS	(49,736.52)	(4,144.71)	0.00	0.00
4855 - SALE OF ASSETS	0.00	(1,262,819.80)	(350,000.00)	0.00
MISCELLANEOUS	(42,489.20)	(1,293,489.09)	(350,000.00)	0.00
REVENUES	(399,518.58)	(1,811,020.25)	(712,000.00)	(512,000.00)
EXPENDITURES:				
6002 - WAGES	127,795.15	132,454.69	141,800.00	167,900.00
WAGES	127,795.15	132,454.69	141,800.00	167,900.00
6122 - PERA	10,435.41	11,778.19	10,600.00	12,600.00
6124 - FICA	10,053.72	11,217.73	8,800.00	12,800.00
6135 - HEALTH	14,766.64	17,920.95	13,500.00	14,000.00
6139 - POST EMPLOYMENT HEALTH PLAN	602.26	640.50	400.00	400.00
6140 - LIFE/LTD	379.30	416.94	300.00	300.00
6145 - DENTAL	705.83	755.99	500.00	500.00
6170 - WORKERS COMPENSATION	741.33	1,039.92	600.00	700.00
6180 - COMPENSATED ABSENCES	343.05	(200.82)	1,600.00	1,600.00
BENEFITS	38,027.54	43,569.40	36,300.00	42,900.00
WAGES & BENEFITS	165,822.69	176,024.09	178,100.00	210,800.00
6202 - OPERATING SUPPLIES	0.00	0.00	0.00	0.00
6210 - OFFICE SUPPLIES	113.03	160.08	250.00	250.00
6213 - FOOD	109.32	0.00	300.00	300.00
6310 - ATTORNEY	9,730.98	20,648.65	20,000.00	20,000.00
6312 - ENGINEERING/DESIGN CONSULTANT	0.00	0.00	20,000.00	20,000.00
6315 - BUILDING MAINT.	230.00	50.00	0.00	0.00

2022 Annual Budget
Company: 02190- ECONOMIC DEVELOPMENT AUTHORITY

Object Account	Actual 2019	Actual 2020	Budget 2021	Requested Budget 2022
6318 - FILING FEES	0.00	204.00	0.00	0.00
6327 - OTHER PROF SERVICES	144,995.93	333,682.02	125,000.00	225,000.00
6332 - POSTAGE	37.70	121.68	100.00	100.00
6334 - TELEPHONE	19.07	18.69	25.00	25.00
6336 - PRINTING/PUBLISHING	59.31	0.00	200.00	200.00
6351 - INSURANCE PREMIUM (IS FUND)	3,200.00	10,800.00	10,700.00	10,700.00
6362 - ELECTRIC	0.00	0.00	125.00	125.00
6364 - WATER	0.00	0.00	0.00	0.00
6365 - GAS	94.01	190.14	0.00	0.00
6366 - SEWER	0.00	0.00	0.00	0.00
6368 - STORM	0.00	0.00	0.00	0.00
6415 - SOFTWARE-ANNUAL FEES (IS FUND)	2,499.96	3,699.96	3,700.00	1,800.00
6420 - EQUIPMENT RENT	3.01	2.36	0.00	0.00
6430 - BUILDING RENT (IS FUND)	0.00	6,000.00	6,000.00	6,500.00
6472 - CONFERENCE/SCHOOL/TRAINING	368.48	1,485.00	1,500.00	1,500.00
6475 - TRAVEL/SUBSISTENCE	1,278.60	0.00	1,500.00	1,500.00
6480 - DUES	1,389.00	1,330.00	1,250.00	1,250.00
6490 - SUBSCRIPTIONS/PUBLICATIONS	115.00	125.00	125.00	125.00
SUPPLIES AND SERVICES	164,243.40	378,517.58	190,775.00	289,375.00
6610 - AWARDS & DAMAGES	0.00	0.00	0.00	0.00
6620 - PROPERTY TAX/SPECIAL ASSESS	14,090.32	2,216.00	0.00	0.00
6640 - DESIGNATED MISCELLANEOUS	12,500.00	0.00	25,000.00	25,000.00
MISCELLANEOUS EXPENSE	26,590.32	2,216.00	25,000.00	25,000.00
6710 - LAND	52.65	0.00	0.00	0.00
6760 - IMPROVEMENTS	(13,272.31)	(23,194.00)	0.00	0.00
CAPITAL OUTLAY	(13,219.66)	(23,194.00)	0.00	0.00
EXPENDITURES	343,436.75	533,563.67	393,875.00	525,175.00
OTHER FINANCING:				
TRANSFERS IN	(510,293.83)	0.00	0.00	0.00
TRANSERS OUT	0.00	0.00	0.00	0.00
GAIN/LOSS ON DISPOSAL OF ASSET	0.00	0.00	0.00	0.00
OTHER FINANCING	(510,293.83)	0.00	0.00	0.00
Total 02190 - ECONOMIC DEVELOPMENT AUTHO	(566,375.66)	(1,277,456.58)	(318,125.00)	13,175.00

2022 Proposed EDA Budget

December 7, 2021

2022 EDA Budget and Levy

- EDA levy is limited to 0.0185% of city's estimated market value
 - 2022 maximum = \$1,024,959
 - Applies to all taxable properties, including tax abatement and tax increment properties
- Identified separately on property tax statements
- EDA levy is designated for economic development activities and any funds unspent from year to year remain in this fund for this purpose

2022 EDA Budget and Levy

Description	2021 Budget	2022 Proposed
EDA Levy	\$350,000	\$500,000
Personnel	\$178,100	\$210,800
Supplies & services	190,775	289,375
Miscellaneous	25,000	25,000
Total expenses	\$393,875	\$525,175

- Median value home (\$284,700)
 - \$22 in annual property taxes (\$7 increase from prior year)



Shakopee Economic Development Authority
December 7, 2021

FROM: Nate Reinhardt, Finance Director

TO: EDA Commission Members

Subject:

EDA Bill List

Policy/Action Requested:

None

Recommendation:

Informational Only

Discussion:

Attached is a listing of bills for the EDA for the period 11/4/2021 to 12/7/2021. Payments are for general office supplies, attorney & professional service fees.

- DEED Brownfield Grant reimbursement #4 pass through to Gaughan Companies, \$18,078.32

Budget Impact:

N/A

ATTACHMENTS:

- ▣ Monthly Financial Report
- ▣ EDA Check Register

CITY OF SHAKOPEE Monthly Financial Report

Division	2021 YTD Budget	2021 December Actual	2021 YTD Actual	Budget Balance	Percent Used	2020 YTD Budget	2020 YTD Actual	Percent Used
02190 - ECONOMIC DEVELOPMENT AUTHORITY								
19 - EDA	393,875.00	23,018.13	716,645.63	(322,770.63)	181.95	364,285.00	533,563.67	146.47
TOTAL	393,875.00	23,018.13	716,645.63	(322,770.63)	181.95	364,285.00	533,563.67	146.47

EDA Council Check Register
Period: 11/04/2021 to 12/07/2021

GL Date	Ck Date	Total Amount	Vend #	Description	Remark	BU	Obj	Project	Doc #	Batch Date
11/4/2021	11/4/2021	1.13	118908	CENTURYLINK	10/19/2021 PRI T1	EDA MANAGEMENT	TELEPHONE		145727	11/4/2021
11/4/2021	11/4/2021	0.42	118908	CENTURYLINK	952-233-9300 T&L	EDA MANAGEMENT	TELEPHONE		145727	11/4/2021
		1.55								
11/10/2021	11/10/2021	1,800.00	132107	INTEGRATED MARKETING & DESIGN	MARKETING CAMPAIGN	EDA MANAGEMENT	OTHER PROF SERVICES	CORONAVIRUS FISCAL RECOVERY	145841	11/10/2021
		1,800.00								
11/10/2021	11/10/2021	123.00	100433	KENNEDY & GRAVEN CHRTD	TRIDENT CLOSING	EDA MANAGEMENT	ATTORNEY	69/169 DEVELOPMENT	145846	11/10/2021
		123.00								
11/10/2021	11/10/2021	12,600.00	132611	LIFESTYLE PUBLICATIONS LLC	MARKETING CAMPAIGN	EDA MANAGEMENT	OTHER PROF SERVICES	CORONAVIRUS FISCAL RECOVERY	145842	11/10/2021
		12,600.00								
11/10/2021	11/10/2021	978.76	132220	MOMENTEUM STRATEGIES		EDA MANAGEMENT	OTHER PROF SERVICES	CORONAVIRUS FISCAL RECOVERY	145839	11/10/2021
11/10/2021	11/10/2021	7,500.00	132220	MOMENTEUM STRATEGIES	ENTREPRENEURIAL STRATEGY	EDA MANAGEMENT	OTHER PROF SERVICES	CORONAVIRUS FISCAL RECOVERY	145843	11/10/2021
		8,478.76								
11/18/2021	11/18/2021	18,078.32	131951	GAUGHAN COMPANIES	DEED GRANT REIMB	EDA MANAGEMENT	AWARDS & DAMAGES	MN DEED CLEANUP GRANT	146099	11/18/2021
		18,078.32								
11/24/2021	11/24/2021	3,423.75	129174	CONFLUENCE	SITE ANALYSIS	EDA MANAGEMENT	OTHER PROF SERVICES		146227	11/24/2021
		3,423.75								
12/2/2021	12/2/2021	1.13	118908	CENTURYLINK	11/19/2021 PRI T1	EDA MANAGEMENT	TELEPHONE		146307	12/2/2021
12/2/2021	12/2/2021	0.42	118908	CENTURYLINK	952-233-9300 T&L	EDA MANAGEMENT	TELEPHONE		146307	12/2/2021
		1.55								
12/2/2021	12/2/2021	15,516.58	117807	INDIGO SIGNS	DTWN SIGN REPLACEMENT	EDA MANAGEMENT	IMPROVEMENTS	CORONAVIRUS FISCAL RECOVERY	146303	12/2/2021
		15,516.58								
12/2/2021	12/2/2021	7,500.00	132220	MOMENTEUM STRATEGIES	ENTREPRENEURIAL STRATEGY	EDA MANAGEMENT	OTHER PROF SERVICES	CORONAVIRUS FISCAL RECOVERY	146305	12/2/2021
		7,500.00								
11/17/2021	11/17/2021	193.51	109764	CORPORATE PAYMENT SYSTEMS	PRINTS FOR SENATE VISIT	EDA MANAGEMENT	OFFICE SUPPLIES		146003	11/17/2021
11/17/2021	11/17/2021	133.44	109764	CORPORATE PAYMENT SYSTEMS	ENTREPRENEURIAL MEETING	EDA MANAGEMENT	FOOD		146005	11/17/2021
11/17/2021	11/17/2021	153.26	109764	CORPORATE PAYMENT SYSTEMS	EDAM CONFERENCE	EDA MANAGEMENT	TRAVEL/SUBSISTENCE		146009	11/17/2021
11/17/2021	11/17/2021	153.26	109764	CORPORATE PAYMENT SYSTEMS	EDAM CONFERENCE	EDA MANAGEMENT	TRAVEL/SUBSISTENCE		146010	11/17/2021
		633.47								
11/1/2021	11/1/2021	308.33	125137	OSHAKOPEE MONTHLY ALLOCATION	11/21 Information Technology I	EDA MANAGEMENT	SOFTWARE-ANNUAL FEES (IS FUND)		146236	11/30/2021
11/1/2021	11/1/2021	500.00	125137	OSHAKOPEE MONTHLY ALLOCATION	11/21 Building and Park Asset	EDA MANAGEMENT	BUILDING RENT (IS FUND)		146236	11/30/2021
		808.33								

EDA Council Check Register
Period: 11/04/2021 to 12/07/2021

GL Date	Ck Date	Total Amount	Vend #	Description	Remark	BU	Obj	Project	Doc #	Batch Date
		68,965.31		GRAND TOTAL						