AGENDA
ECONOMIC DEVELOPMENT AUTHORITY
ONE CITY HALL PLAZA, CHASKA CITY HALL
Monday, December 17, 2018
7:00 PM

1. Call to Order

2. Roll Call

3. Adopt Agenda

4. Approve Previous Meeting Minutes

   A. Approve EDA Minutes 9-17-2018

5. Discussion Items

   A. Authorize the Executive Director to sign a letter of intent with DDK Construction, Inc. to buy approximately 3.91 acres of land at Chaska Boulevard and Fire Lane

   B. Authorize the Executive Director to sign a letter of intent with Talle & Associates, Inc. to purchase and redevelop the Ernst House Property at 211 and 217 Walnut St.

   C. Adopt Resolution EDA 2018-14, Approving the 2019 EDA Budget and Approving the Assessed 2018 Payable 2019 EDA Property Tax Levy

6. Other Business

7. Adjourn

- MINUTES -
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
SEPTEMBER 17, 2018

DRAFT

1. Call to Order
President Windschitl called the meeting to order at 9:34 pm.

2. Roll Call
Roll call was taken. Present: Commissioners Geisler, Rohe, Schulz and President Windschitl.
Absent: Commissioner Boe.

Also Present: Nate Kabat, Assistant Executive Director and Matt Podhradsky, Executive Director.

3. Adopt Agenda
Motion by Commissioner Schulz, second by Commissioner Geisler, to adopt the agenda as presented.
Motion carried.

4. Approve Previous Meeting Minutes
Motion by Commissioner Rohe, second by Commissioner Schulz, to approve the minutes of the July 16, 2018 EDA meeting.
Motion carried.

5. Adopt Resolution EDA 2018-13, Approve Proposed 2019 Budget and Maximum Payable 2019 Property Tax Levy

Executive Director Podhradsky presented the item to the Commission.

Executive Director Podhradsky provided further detail regarding a second Economic Development person going forward.

President Windschitl asked if that would be something they do in the budget as they move forward.

Executive Director Podhradsky explained it would be part of the budget but that there would be a revenue source that supports it.

Motion by Commissioner Geisler, second by Commissioner Schulz to adopt Resolution No. 2018-13 adopting a Proposed 2019 Budget and the Proposed Assessed 2018 Payable 2019 Maximum Property Tax Levy.
Motion carried.

6. Other Business
Commissioner Rohe asked for an update on when the Hot Spot is going down.

Assistant Executive Director Kabat noted that last he heard, it would be the middle of September, but stated it is the middle of September now, so that obviously has not happened yet. He stated he has a meeting with them on Wednesday the 19th and that they have submitted permits for demolition.

Commissioner Rohe also asked for an update on the Pagoda.

Assistant Executive Director Kabat stated the China Pagoda received the Concept Approval from the Council earlier this year and that they need to submit for Preliminary Approval. He stated they have had discussions with them and one of the things is that they are trying to time it with City Square West, being eligible for relocation benefits, and not getting too far ahead of that and not have the dollars to make the project happen.

Commissioner Rohe inquired if there is any way to expedite those dollars.

Executive Director Podhradsky explained the timing and next steps of Staff regarding this and noted that they are developing a plan to look at something sooner rather than later.

President Windschitl commented that the businesses there are on a month to month lease.

Executive Director Podhradsky noted that they need to be careful when dealing with the relocation side of things not to do anything prematurely, but that he does not think they are too far off.

President Windschitl looked to clarify that there was a Task Force meeting regarding this on Wednesday.

Executive Director Podhradsky confirmed that there was.

President Windschitl noted that the ribbon cutting for Bavaria Downs is tomorrow at 3:30 pm.

7. Adjourn
Motion by Commissioner Geisler, second by Commissioner Rohe to adjourn the meeting at 9:43 pm. Motion carried.

REQUEST FOR ACTION
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
December 17, 2018

Subject: **Authorize the Executive Director to sign a letter of intent with DDK Construction, Inc. to buy approximately 3.91 acres of land at Chaska Boulevard and Fire Lane**

Prepared By: Nate Kabat, Assistant City Administrator

Background

The EDA has been working to redevelop the former Chaska Building Center site for the past few years. The site is currently owned by the EDA under a contract for deed. A TIF district was created in 2013 that includes the site with the intent to use proceeds to write down the land price. As such, the EDA has been advertising the site at $1.50 per square foot of land to potential developers. The EDA has arranged with Bremmer Bank, who holds a mortgage on the property, that the sale of the land at $1.50 per square foot combined with proceeds of the TIF will be sufficient to satisfy the outstanding mortgage on the site.

DDK Construction, Inc., is a full-service construction company based out of Chaska that specializes in turnkey design-build construction for both residential and commercial markets. Their offices are located at 2970 Chaska Blvd. DDK has been working with City staff for the past few months to set the terms of a letter of intent that sets the baseline to develop a purchase agreement for the approximately 3.91 remaining acres of the former Chaska Building Center site located on the NW corner of Chaska Boulevard and Fire Lane.

In its proposal, DDK will build three office condo buildings with a total of 12,000 square feet of space that could be divided for up to eight separate users. These buildings will be located on the front portion of the 3.91 acres and face Chaska Blvd. On the back portion of the 3.91 acres, accessible from Fire Lane, DDK will build 20,000 square feet of multi-tenant industrial space that could be divided for up to six separate users.

When fully built out, this project will produce space that is conducive to small businesses and a mix of industrial and professional jobs. Divisible space like DDK is proposing will fill a gap that currently exists in the southwest metro market. Addressing this market gap presents an opportunity to draw new businesses to Chaska that can establish in space that is right-sized for their current needs and continue to grow.

Analysis

The letter of intent is attached to this memo. The structure of this agreement very closely follows the structure of the Formacoat purchase and development agreement approved by the

EDA earlier this year for the neighboring site. The following summarizes the terms that will inform drafting the purchase agreement.

- DDK will acquire lots for the office condo buildings with a closing date on or before June 1, 2019 for a total Purchase Price of $90,492 ($1.50 per square foot).
- DDK will complete construction of the first office condo building by December 1, 2019 and of the other two office condo buildings by December 1, 2020.
- DDK will have an option to purchase the lot for the industrial building under the following terms:
  - A closing date no later than September 1, 2019, with a completion of construction date no later than November 15, 2020 and a Purchase Price of $169,700 ($1.50 per square foot).
  - In the event the City receives a bona fide offer to purchase the industrial lot from another party, DDK will have two weeks to exercise its option, in which case the closing date will be accelerated to no later than 90 days following its decision.
- DDK will enter into a minimum assessment agreement for all lots in the development to secure TIF.
- DDK will pay the standard EDA fee to initiate drafting the purchase and development agreement.
- The City will use TIF to write down the purchase price to $1.50 per square foot of purchased property.
- The City will waive development fees, which will be recovered by TIF.
- The City will contribute $5,000 to DDK's responsibility to complete the plat.

The terms outlined in the letter of intent are very similar to those used with Formacoat for the project currently under construction on the neighboring property. The project DDK is proposing will complete the redevelopment of the former Chaska Building Center site and will create well-paying jobs. Creating well-paying jobs has been the primary goal for redevelopment of this site with the objective being to increase the daytime population of Downtown Chaska in order to support surrounding businesses.

Recommendation

Accounting for the job creation this development will induce, DDK's proposal is in line with the City's stated goals for the redevelopment of the former Chaska Building Center site. The terms of the agreement align with the precedent set by the neighboring Formacoat project. Resultantly, staff considers this is a strong proposal and recommends approval of the letter of intent with DDK Construction, Inc.

CITY COUNCIL ACTION REQUESTED

Motion to authorize the Executive Director to sign a letter of intent with DDK Construction, Inc. to buy approximately 3.91 acres of land at Chaska Boulevard and Fire Lane in Chaska, Minnesota.

December 11, 2018

Mr. Mike Melton
DDK Construction
2970 Chaska Blvd
Chaska, MN 55318

RE: Letter of Intent to buy approximately 3.91 acres of land at Chaska Boulevard and Fire Lane in Chaska, Minnesota.

Dear Mike,

This letter is intended to outline the basic terms and conditions of a sale of the above-referenced land parcel in Chaska, Minnesota, by and between DDK Construction and/or its assigns ("Buyer"), and Chaska Economic Development Authority ("Seller"). Please consider the following proposed terms and conditions:

Buyer

DDK Construction and/or its assigns

Property

Approximately 3.91 acres located on the NW corner of Chaska Boulevard and Fire Lane in Chaska, Minnesota. Identified in the attached as Lot 1, 2, 3, and 4.

Purchase Price, Closing Dates, and Construction Completion Dates

Buyer will acquire Lots 1, 2, & 3 with a Closing Date on or before June 1, 2019 for a total Purchase Price of $90,492. Buyer will have a construction Completion Date on Lot 1 of no later than December 1, 2019, and a Construction Completion Date on Lots #2 & #3 of no later than December 1, 2020.

Buyer will also have an Option to Purchase Lot 4 under the following terms: A Closing Date of no later than September 1, 2019, with a completion of construction date no later than November 15, 2020 and a Purchase Price of $169,700 for Lot 4. In the event the Seller receives a bona fide offer to Purchase Lot 4 from another Party, Buyer will have two weeks to commit to exercise its Option to Purchase Lot 4 by depositing with the Title Company $20,000 of non-refundable Earnest Money, or agree to forgo its Option immediately. The Closing Date will be accelerated to no later than 90 days following its decision.

Buyer agrees to cooperate with the Seller on Seller's Release Price from Lender, but Buyer's Purchase Price at closing in cash or equivalent will be the Purchase Price identified above.

Earnest Money

$10,000.00 payable upon execution of a Purchase Agreement, which will be applicable to the Purchase Price, and refundable during the inspection period.

EDA Fee

The Buyer will pay the standard non-refundable EDA Development Agreement fee of $5,000.00 upon signature of the Letter of Intent to initiate drafting the Purchase and Development Agreement with the City's EDA attorney.

Planning Process

Buyer will be required to successfully complete the full planning process including Concept Approval, Preliminary Approval, and Final Approval on all four Lots during the Initial Inspection Period. The City is willing to allow Buyer to Close on the land following Preliminary Approval. The City will condition obtaining the Certificate of Occupancy upon completing recording of the final Plat.

Plat

The Plat will be the responsibility of the Developer, however the EDA will contribute $5,000 towards those costs.

Initial Inspection Period:

Beginning immediately after execution of a Purchase Agreement, Buyer will have an Initial Inspection Period of Ninety (90) days to investigate the property, including but not limited to access, title, survey, environmental, zoning, soil conditions and municipal approval. If Buyer is not satisfied with its investigation, it may terminate the Purchase Agreement and its Earnest Money will be returned.

Within the initial 90-day inspection period, Buyer, shall research and satisfy itself that Buyer may reasonably obtain the following, or terminate the Purchase agreement and obtain a full refund of earnest money:

1. Good and marketable title, survey subject to the "Permitted Encumbrances" and "Restrictive Covenants", which shall be attached to and part of the contract.

2. The granting of all governmental approvals relating to zoning, development, construction, and building permits for the construction of Buyer's development.

3. Approval of financing terms and conditions acceptable to Buyer.

4. Construction Feasibility, environmental and soil tests with results satisfactory to the Purchaser. Seller shall deliver to Purchaser copies of any land surveys, title reports, environmental or wetland studies, and soil reports in Seller's possession prepared for the Property.

Inspection Access

During the term of this letter and during the Due Diligence Period, Buyer and its consultants shall have access to the Property for the purposes of inspection, testing and independent investigations.

Term of this Letter of Intent

Thirty (30) business days, during which time Buyer and Seller will cooperate in completing the Purchase Agreement.

Minimum Assessment Agreement

Buyer agrees to enter into a Minimum Assessment Agreement for all Lots in the development.

City Fees

Buyer will be required to pay all City fees as normally required as part of a building permit. These fees include but may not be limited to, Preliminary Zoning Fees, Final Zoning Fees, as well as Connection fees for Water & Sewer, and all related MSEC SAC Fees.

Seller agrees to waive the following area development fees for this parcel:

- Area-Water fee
- Area-Sanitary Sewer fee
- Area-Storm Water fee
- Area-Park Dedication fee
- Area-Trails fee

Real Estate Taxes/Special Assessments

Real estate taxes and Special Assessments for the Property for the year the closing occurs, and will be pro-rated to the day of Closing.

Brokerage Commission:

Tim Heiland, Arrow Realty is the Buyers broker and the brokers commission will be shared equally between Seller's and Buyers's brokers

This Letter of Intent is intended to outline terms to be used in a definitive Purchase Agreement. This document is non-binding to either party, and shall expire if no Purchase Agreement is signed within fifteen (15) days. Beyond that term, parties will be bound, if at all, only by a fully executed Purchase Agreement. This Letter of Intent is subject to review and approval of Buyer's site plan and exterior rendering by Seller. Please sign below to indicate your acceptance of the noted terms and return to Seller, whereupon Seller will prepare a draft of the proposed Purchase Agreement.

Sincerely,

Agreed and Accepted:
CHASKA ECONOMIC
DEVELOPMENT AUTHORITY

By: ____________________

Its: ____________________

Date: ____________________

Agreed and Accepted:
DDK CONSTRUCTION
AND/OR ITS ASSIGNS

By: [signature]

Its: CEO

Date: 12/11/18

REQUEST FOR ACTION
CHASKA CITY COUNCIL
12/17/2018

Subject: **Authorize the Executive Director to sign a letter of intent with Talle & Associates, Inc. to purchase and redevelop the Ernst House Property at 211 and 217 Walnut St.**

Prepared By: Nate Kabat, Assistant City Administrator

Background

At its March 19, 2018 meeting, the Chaska EDA authorized the Executive Director to enter into a listing agreement for the Ernst/Ess House sites at 211 and 217 Walnut Street to market for a sale to a private redeveloper.

At that meeting, staff explained the history of the site which includes moving the Ernst House to its current location from its original location within what is now Firemen's Park and the fire that led to the Ess House being demolished and that site cleared as it currently is.

Staff also explained that based on the context of the site, the most likely market of the area, and the desire to preserve the Ernst House as part of a development the best use would likely be residential in nature. To help market the site, the EDA entered into a listing agreement with Greg Anderson of RE/MAX Advisors West.

From a financial perspective, staff explained at the meeting that redevelopment would present the opportunity to recover costs the City has incurred on the site, including approximately $415,000 to move the Ernst House and $20,000 to demolish the Ess House. At that time, staff estimated that the combination of the land sale and TIF could recuperate much of this cost.

In addition to the financial goals, development goals set for the site at the March meeting include:

- Preserve the historic nature of the Ernst House and the Walnut Street District
- Maximize the investment into this site to create a positive value addition to the downtown commercial district
- Keep with the character of the Walnut Street Historic District
- Preserve parking options to replace lost parking on Highway 41 when that is reconstructed

Update

Staff have been working with Talle & Associates, Inc. for the past few months to develop a concept plan to redevelop the site, which will be considered by the City Council at the December 17, 2018 meeting, and a Letter of Intent to establish terms of a purchase and development agreement for the property. The proposed project would result in seven rental units with six being two-bedrooms and one being one-bedroom. The Ernst House would be preserved with an upper and lower unit. The Ess House site would be developed to include three townhome style units. The back of the property would include covered garages to serve all units with two carriage-style homes above the garages. The design of the redevelopment is complementary to the historic nature of the district and the Ernst House specifically.

The terms of the letter of intent create a partnership between the City and the developer that will allow the site to be redeveloped in a way that preserves the historic nature of the Ernst House and contributes to the Walnut Street District as a whole. Also, this project will generate revenue through the TIF to recuperate the costs of the Ernst House move and the Ess House demolition.

The following summarizes the terms that will inform drafting the purchase and development agreement.

- The City agrees to establish a redevelopment TIF district for the parcels included in the project.
- The City agrees to contribute to development costs including geotechnical, survey, environmental assessment, development fees, and pursuit of historic preservation tax credits.
- The City agrees to make the storefront improvement loan program available in an amount up to $100,000 to be repaid by the developer over the term of the loan.
- The Developer will purchase the site for $20,000.
- The Developer will successfully complete the planning process and create a redevelopment that achieves the historic preservation goals for the site.

Summary of project revenue and costs:

Expense	
Ernst Move House	$ 415,000.00
Ess Demolition	$ 20,000.00
Development Costs	$ 74,000.00
Total	**$ 509,000.00**
Revenue	
TIF	$ 350,000.00
Storefront Improvement Loan	$ 100,000.00
House Sale	$ 20,000.00
Total	**$ 470,000.00**

Presently, an approximate $40,000 gap does exist in the project. Staff are negotiating with the developer to find a solution. Options being discussed include increasing the purchase price, forgiving a portion of development fees, impacts of potential historic preservation tax credits, or a combination of these. Staff and the developer recognize that this gap will need to be addressed through the process of completing the purchase and development agreement.

Recommendation
As presented to Council in the Concept Plan for the project, Talle & Associates are proposing a project that would result in very high-quality rental units unique to Downtown Chaska. The project fulfills the goals established at the March 19 EDA meeting. Given the alignment of this project with the stated goals, staff recommends authorizing the Executive Director to sign the attached letter of intent.

CITY COUNCIL ACTION REQUESTED
Motion to authorize the Executive Director to sign a letter of intent with Talle & Associates, Inc. to purchase and redevelop the Ernst House Property at 211 and 217 Walnut St.

THIES & TALLE
ENTERPRISES, INC

December 12, 2018

City of Chaska
1 City Hall Plaza
Chaska, MN 55318
Attn.: Mr. Nate Kabat, Asst. City Administrator and Mr. Matt Podhradsky, City Administrator

Re: The Ernst House property

Dear Mr. Kabat:

This letter of intent ("Letter of Intent") sets forth the basic terms and conditions upon which the undersigned would purchase the above-captioned property located in Chaska, Minnesota:

1. Seller: City of Chaska, Minnesota.

2. Buyer: Talle & Associates, Inc., or its assignee.

3. Title Company: First American Title Insurance Company.

4. Property: The land ("Land") and building ("Building") having an address of 211 North Walnut Street, Chaska, Minnesota, and any improvements and personalty owned by Seller located thereon (collectively, the "Property").

5. Price: $20,000, payable $2,000 as earnest money to an interest-bearing trust account of the Title Company upon execution of the definitive purchase agreement, (the "Agreement") and the balance at closing.

6. Contingencies/Due Diligence: Buyer shall have one hundred twenty (120) days after the execution of the Agreement to complete its due diligence, with two (2) sixty (60) day extensions, at Buyer's option, if needed. The Agreement shall provide that closing will be contingent upon:

a. Buyer's determination that all aspects of the Property are acceptable to Buyer, in its sole discretion, including all improvements thereon, and including, without limitation, status of title; survey results; zoning classification of the Property; availability and adequacy of all utilities; availability and receipt of all approvals and permits from the municipality and all necessary county, state and federal agencies as required for Buyer's intended use of the Property; rezoning of the Property and receipt of special land use approval, if needed, for the Buyer's intended use of the Property; the economic suitability and feasibility of the Property for the Buyer's intended use; availability of financing acceptable to Buyer; availability of sufficient parking to serve Buyer's intended use; review and

THIES & TALLE ENTERPRISES, INC
952.949.2200 phone
952.949.0331 fax
470 West 78th Street, Suite 260
Chanhassen, MN 55317
thiestalle.com

Equal Housing Opportunity

acceptance of environmental and geotechnical inspections; review and acceptance of the physical condition of the Property, including subsurface conditions; availability of adequate access to the Property by public or private roadway or acceptable easements; and review and approval of such other matters as Buyer shall deem necessary for its intended use of the Property.

b. Seller's delivery to Buyer, at Seller's expense, of a geotechnical study of the Land (including, but not limited to, soil quality and buried objects) within 30 days after the date of execution of this Letter of Intent, which must be certified to Buyer and Buyer's lender (if any) for reliance thereon and updated to a date within six (6) months of closing.

c. Seller's delivery to Buyer, at Seller's expense, of an ALTA/ACSM Land Title Survey, to be certified to Buyer, Buyer's lender (if any) and the Title Company, to include Table A Items 1, 2, 3, 4 (in square feet or acres), 6(a), 6(b), 7(a), 7(b)(1), 7(b)(2), 7(c), 8, 9, 10(a) and 10(b), 11(b), 13, 16, 17, 18, 19, within 30 days after the date of execution of this Letter of Intent.

d. Seller's delivery to Buyer, at Seller's expense, of a current Commitment for Title Insurance issued by the Title Company with respect to the Property within 10 days after the date of execution of this Letter of Intent. Seller shall deliver good and marketable title to the Property to Buyer by Limited/Special Warranty Deed and Buyer shall take title to the Property subject to the Permitted Encumbrances to be described in the Agreement.

e. Seller's delivery to Buyer, at Seller's expense, of a Phase I Environmental Audit of the Property, within 60 days after the date of execution of this Letter of Intent, which must be certified to Buyer and Buyer's lender (if any) for reliance thereon and updated to a date within six (6) months of closing. The Property must be free of oil, hazardous substances and contamination of any kind at closing. Seller shall be responsible for any remediation, removal or other environmental clean-up required by law in order to meet clean-up standards for unrestricted use of the Property, as well as for the removal of any and all underground and above-ground storage tanks, pumps, lines and any other components of fuel and/or oil delivery and storage systems located on the Property, if any.

f. Seller's agreement to waive all building permits and fees in connection with the initial development of the Property, which obligation shall survive termination of the Agreement, and which shall include, but is not limited to: Building Plan Review and Permits, Mechanical Plan Review and Permits, Electrical Plan Review and Permits, Plumbing Plan Review and Permits, and Utility Fees for connections and relocations and easements, Fees for Right-Of-Way work (sidewalks, streets, etc.), and SAC/WAC charges.

g. Seller's agreement to pay for any stormwater management design and installation charges in excess of current capacity in the event stormwater management is required for the Property's intended development, which obligation shall survive termination of the Agreement; provided, however, Seller agrees to impose only the standard minimum requirements with respect to stormwater retention and/or rate control.

h. Buyer's obtaining a loan grant in the amount of $100,000 pursuant to the Storefront Loan Program.

i. Seller's hiring, at Seller's expense, a consultant with expertise in historic preservation tax credits and the process for registration/approval of the Property by the State/Federal Historic Preservation Office (SHPO) in order to assist the parties with assessing the feasibility of registering the Property, and all aspects/phases of the process to obtain the benefit of historic tax credits; provided, however, the closing shall not be contingent on Buyer's obtaining historic tax credits if Buyer, in its sole discretion, determines that Buyer's development plans are not economically advantageous given the requirements imposed by SHPO to complete the process to obtain the tax credits.

j. Seller's providing assistance to Buyer with respect to the development planning and approvals process involving the City Council and Planning Commission. Buyer and Seller shall cooperate in achieving necessary governmental approvals for Buyer' s intended use and development of the Property.

k. Seller's resolution, at Seller's expense and to Buyer's reasonable satisfaction, of any issues related to utility easements/encroachments, including without limitation, the gas line located on the Property and the electric poles and transformer in the alley adjoining the Property, which obligation shall survive termination of the Agreement.

l. Seller's cooperation with Buyer to allow Buyer and Buyer's contractors and consultants the ability to provide input and feedback with respect to any Seller deliverables (including scope and process) under the Agreement.

m. Seller's agreement to pay for the cost of waterproofing of the basement of the Building, which obligation shall survive termination of the Agreement.

The parties agree that any of the foregoing obligations that survive closing may be addressed in a Development Agreement to be executed at closing by the parties, the form of which shall be attached as an exhibit to the Agreement.

7. Buyer may, at Buyer's sole risk and expense, access the Property to perform any due diligence activities following the execution of this Letter of Intent; provided that Buyer delivers to Seller satisfactory evidence of liability insurance and Buyer agrees to indemnify, defend and hold Seller harmless from and against any and all claims and liabilities to the extent arising out of Buyer's negligence or willful misconduct at the Property.

8. <u>Closing</u>: Within 30 days after the above contingencies have been satisfied.

9. <u>Closing Costs</u>: The Agreement shall provide for prorations and allocation of costs in accordance with local custom.

10. <u>Representations and Warranties</u>: Customary.

11. <u>Brokers</u>: It is understood that conditioned upon the closing, Seller shall pay a brokerage commission per separate agreement to Seller's broker in connection with this

transaction and that Seller shall either pay Buyer's broker directly or shall ensure that Seller's broker pays Buyer's broker the requisite commission upon closing.

12. Purchase Agreement: Seller and Buyer agree to negotiate in good faith towards the execution of the Agreement incorporating the terms of this Letter of Intent on or before the date thirty (30) days after Seller executes this Letter of Intent and delivers an executed copy to the undersigned. If the parties have not executed the Agreement on or before such date, this Letter of Intent shall be automatically null and void and neither party shall have any liability hereunder. If Seller executes this Letter of Intent, Seller agrees to not entertain any offers by others unless the Agreement between Seller and Buyer is not executed on or before the aforementioned date. This Letter of Intent is not binding except for the agreement to negotiate in good faith, and Seller's agreement not to entertain other offers as set forth in this paragraph. It is also understood that, prior to the execution of an Agreement, any action or inaction on the part of any party shall be at the sole risk of the party taking or omitting to take any such action. Buyer's attorney will be the party responsible for preparing the initial draft of the Agreement.

13. Effective Date. This Letter of Intent shall not be effective unless executed by Seller and Buyer and Seller delivers a countersigned copy to Buyer within 5 (five) days after the date stated at the beginning of this letter.

If the terms and conditions described above are acceptable, please sign in the space provided below and deliver it to the undersigned at lruss@thiestalle.com. We look forward to a successful consummation of this transaction.

Very truly yours,

Talle & Associates, Inc.

By: Laura Russ ____________________
Laura Russ
Its: Vice-President

AGREED AND ACCEPTED THIS _____ DAY OF DECEMBER, 2018

City of Chaska, Minnesota

By: ____________________________

Its: ____________________________

REQUEST FOR ACTION
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
12/17/2018

Subject: **Resolution Approving the 2019 EDA Budget and Approving the Assessed 2018 Payable 2019 EDA Property Tax Levy**

Prepared By: Noel Graczyk, Administrative Services Director

The proposed 2019 EDA Budget includes a proposed HRA levy that must be certified to the County Auditor by December 28, 2018. The following table compares EDA tax levies and budgets from the proposed 2019 Budget to the 2018 Budget.

	2018 Actual	2019 Proposed Budget	Increase	Percent Increase
HRA Property Tax Levy	$475,741	$498,843	$23,102	4.9%
Total all Revenue Sources	$626,141	$656,843	$30,702	4.9%
Total all Expenditure Uses	$626,141	$56,8436	$30,702	4.9%
Net Total	$ 0	$ 0	$ 0	n/a

The total levy is up 4.9% in total based on new construction and increases in operational needs.

Both revenues and expenditures in 2019 include $330,000 that support CIP projects as part of the Community Building Fund.

Staff recommends approval of the proposed resolution adopting the 2019 EDA Budget and the assessed-2018 payable-2019 property tax levy.

EDA ACTION REQUESTED
Motion to adopt EDA Resolution approving the 2019 EDA Budget and the Assessed 2018 Payable 2019 EDA Property Tax Levy.

CHASKA ECONOMIC DEVELOPMENT AUTHORITY
CARVER COUNTY, MINNESOTA

RESOLUTION

DATE 12/17/2018 RESOLUTION NO. EDA 2018-14

MOTION BY COUNCILMEMBER____________SECOND BY COUNCILMEMBER____________

A RESOLUTION APPROVING THE 219 EDA BUDGET AND THE ASSESSED 2018 PAYABLE 2019 EDA PROPERTY TAX LEVY

WHEREAS, the Executive Director's proposed 2019 EDA Budget recommends a Housing and Redevelopment Authority special benefit property tax levy in accordance with Minnesota State Statutes, Section 469.033, Subdivision 6; and,

WHEREAS, in accordance with Minnesota Sate Statues, Section 469.033, Subdivision 6 the special benefit property tax shall be an amount approved by the City Council of the City of Chaska but shall not exceed 0.0185 percent of estimated market value of the City of Chaska; and,

WHEREAS, the City has conducted a public hearing on December 3, 2018 to receive comment from the public on the proposed 2019 Budget and the tax levies recommended therein including the proposed 2019 EDA Budget and the EDA tax levy recommended therein; and,

WHEREAS, the EDA must certify to the County Auditor on or before December 28, 2018, a property tax levy for assessed 2018 payable 2019.

NOW, THEREFORE, BE IT RESOLVED, that the following assessed 2018 payable 2019 property tax levy be adopted consistent with the 2019 Budget:

Fund	Levy Amount
EDA Fund, HRA Levy	$498,843

FURTHER, BE IT RESOLVED, that the following 2019 EDA special revenue fund budget be adopted:

Fund	Revenues and Other Sources	Expenditures and Other Uses	Fund Balance Reserves (Uses)
EDA Fund	$656,843	$656,843	$0

AND, FURTHER, BE IT RESOLVED, that the Executive Director of the EDA is directed to file the approved EDA levy with the Carver County Auditor on or before December 28, 2018.

Passed and adopted by the Economic Development Authority of the City of Chaska, Minnesota, this 17th day of December 2018.

____
Mark Windschitl, President

Attest:____________________________________
Matt Podhradsky, Executive Director