



AGENDA
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
ONE CITY HALL PLAZA, CHASKA CITY HALL
Monday, September 16, 2019
7:00 PM

1. Call to Order
2. Roll Call
3. Adopt Agenda
4. Approve Previous Meeting Minutes
 - A. Approve EDA minutes from July 1, 2019
5. Discussion Items
 - A. Adopt Resolution EDA 2019-5, Resolution Approving and Authorizing the Execution of a Second Amendment to Contract for Deed - EDA with Klingelhutz Land & Building
6. Other Business
7. Adjourn

- MINUTES -
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
JULY 1, 2019

DRAFT

1. Call to Order

Vice President Huang called the meeting to order at 7:35 pm.

2. Roll Call

Roll call was taken. Present: Commissioners Hatfield, Hubbard, Huang and Grau.

Absent: President Windschitl.

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

3. Agenda

Executive Director Podhradsky noted the action item is a public hearing.

Motion by Commissioner Hatfield, second by Commissioner Hubbard, to adopt the agenda as presented.

Motion carried.

4. Minutes

Motion by Commissioner Grau, second by Commissioner Hatfield, to approve the minutes of the April 15, 2019 EDA meeting.

Motion carried.

5. Adopt Resolution EDA 2019-4, Conveying Outlot B to Ameriprise Financial

Executive Director Podhradsky introduced the item to the Commission.

Administrative Intern Callister presented the item to the Commission.

Commissioner Huang opened the public hearing at 7:39 pm.

Commissioner Huang closed the public hearing at 7:40pm.

Executive Director Podhradsky provided further clarity regarding the details of this item.

Motion by Commissioner Hatfield, second by Commissioner Grau to adopt Resolution No. 2019-4 to approve the vacation of Outlot B/Oak Knoll from the Chaska Economic Development Authority to Ameriprise Financial Inc.

Motion carried.

7. Other Business

There was no other business.

8. Adjourn

Motion by Commissioner Hubbard, second by Commissioner Hatfield to adjourn the meeting at 7:44 pm.

Motion carried.

REQUEST FOR ACTION CHASKA CITY COUNCIL 09/16/2019

Subject: Resolution 2019-5 Approving and Authorizing the Execution of a Second Amendment to Contract for Deed - EDA with Klingelutz Land & Building

Prepared By: Nate Kabat, Assistant City Administrator

Background

The Chaska EDA originally entered into a Contract for Deed on July 17, 2012 with Klingelutz Land and Building Company for property located north of County Road 61 which is the former site of the Chaska Building Center. On July 19, 2018, the first amendment to the Contract for Deed was entered into to extend the agreement.

During this time, the Contract for Deed has given the EDA ability to create a redevelopment TIF, market the property, clear the property of the former building and concrete pads, and redevelop about 7.5 of the total 11.5 acre site. Today, DDK Construction, Inc. and Chaska Cabinetry & Millwork operate on the site, and Formacoat contract medical device coating services is nearly complete with a scheduled grand opening in October of this year. The remaining approximate 4 acres continues to be marketed for redevelopment.

Update

The First Amendment to the Contract for Deed has recently expired, and while all parties continue to work in good faith toward redeveloping the site, the Contract for Deed needs to be extended to continue the formalized relationship and enable to EDA to continue in its role towards redeveloping the site.

CITY COUNCIL ACTION REQUESTED

Motion to approve Resolution 2019-5 approving and authorizing the execution of a second amendment to contract for deed.

SECOND AMENDMENT TO CONTRACT FOR DEED

This Second Amendment to Contract for Deed (“Second Amendment”) is made and entered into this ____ day of _____, 2019, by and between Klingelhutz Land and Building Company, a corporation under the laws of Minnesota (the “Seller”) and the Chaska Economic Development Authority, a public body politic and corporate under the laws of the State of Minnesota (the “Purchaser”).

RECITALS

WHEREAS, by Contract for Deed, dated July 17, 2012, recorded July 23, 2012, as Document No. T184530, in the Office of the Registrar of Titles in and for Carver County, Minnesota (“Contract for Deed”), Seller did sell to Purchaser, and Purchaser did purchase from Seller, pursuant to the terms and conditions therein, certain real property (the “Contract for Deed Property”) located in Carver County, Minnesota, legally described as follows:

Tracts F, G, H, I, J and K, REGISTERED LAND SURVEY NO. 107, and Outlot
D, THE KLEIN BRICKYARD NINTH ADDITION

WHEREAS, by a First Amendment to Contract for Deed, dated July 19, 2018 (the “First Amendment”, recorded on _____, 2018 as Document No. _____ in the Office of the Registrar of Titles in and for Carver County, Minnesota, the Seller and the Purchaser amended certain terms of the Contract for Deed and agreed to replace the legal description of the Contract for Deed Property with the legal description below:

Tracts F, G, H, I, and J, Registered Land Survey No. 107, Carver County, Minnesota;

WHEREAS, on July 19, 2018, by a Warranty Deed, recorded on _____, 2018 as Document No. _____, in the Office of the Registrar of Titles in and for Carver County, Minnesota, the Seller conveyed to the Buyer a portion of the Contract for Deed Property legally described as all of Tracts I and J, together with that part of Tracts G and H lying southwesterly of a line drawn parallel with and 347.25 feet southwesterly of the northeasterly line of Tract F, all in Registered Land Survey No. 107, Carver County, Minnesota which has since been replatted as Lot 1, Block 1, Formacoat Addition;

WHEREAS, the remaining portion of the Contract for Deed Property that has not been conveyed to the Buyer by warranty deed has since been replatted as Lot 2, Block 1, Formacoat Addition, Carver County, Minnesota (the “Remaining Property”);

WHEREAS, the parties desire to amend the Contract for Deed according to the terms and conditions set forth below.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. Terms of Payment.

A. Section 4(b) of the Contract for Deed is hereby deleted and replaced in its entirety with the following:

(i) On July 19, 2018, the Seller conveyed the Formacoat Property (as defined in the First Amendment) for a purchase price of \$533,862 which was paid to the Bank in consideration for the release its Mortgage on the Formacoat Property.

(ii) By December 31, 2020, the Purchaser shall pay the outstanding portion of the Purchase Price for the Remaining Property in an amount not to exceed \$2,738,738 which will be determined on the basis of negotiations with the Bank in order to release its Mortgage on the Remaining Property. The Remaining Property may be sold in phases and payment of the Purchase Price may be paid in installments as determined on the basis of negotiations with the Bank in consideration for the release of its Mortgage on the Remaining Property. No interest shall accrue with respect to any unpaid balance of this Contract during the term of this Contract.

The Seller, the Purchaser and the Bank shall negotiate in good faith to reduce the purchase price for the Remaining Property to reflect updated market conditions prior to December 31, 2020.

II. Miscellaneous

A. To the extent there are any inconsistencies between the Contract for Deed as amended by the First Contract for Deed and this Second Amendment, this Second Amendment shall control.

B. Except as may be otherwise expressly set forth herein, this Second Amendment shall be effective as of the day and year first above written.

C. Headings of the sections and paragraphs of this Second Amendment are for convenience of reference and shall be disregarded in the construction and interpretation thereof.

D. All of the terms and conditions of the Contract for Deed as amended by the First Contract for Deed, except as herein modified, shall remain in full force and effect. Nothing

herein shall be construed to be a waiver of any right, power or privilege existing in favor of any party hereto before the effective date hereof.

E. The determination that any provision of the Contract for Deed, as amended by the First Amendment and as further amended by this Second Amendment, may be void, invalid, illegal or unenforceable shall not impair any other provision hereof and all such other provisions hereof shall remain in full force and effect.

F. The Contract for Deed, as amended by the First Amendment and as further amended by this Second Amendment, represents the full and complete agreement of the parties in connection with the above-described matter. The terms of the Contract for Deed, as amended by the First Amendment and as further amended by this Second Amendment, constitute covenants running with the land described herein and shall bind said land and inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns.

G. This Second Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one instrument.

PURCHASER

Dated: _____, 2019.

CHASKA ECONOMIC DEVELOPMENT
AUTHORITY

By _____
Mark Windschitl
Its: President

By _____
Matt Podhradsky
Its: Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

On this ____ day of _____, 2019, before me, a Notary Public within and for said County, personally appeared Mark Windschitl, who, being by me duly sworn, did say that he is the President of the Chaska Economic Development Authority named in the foregoing instrument; that said instrument was signed on behalf of said Authority by authority of its governing body; and acknowledged as the free act and deed of said Authority.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

On this ____ day of _____, 2019, before me, a Notary Public within and for said County, personally appeared Matt Podhradsky, who, being by me duly sworn, did say that he is the Executive Director of the Chaska Economic Development Authority named in the foregoing instrument; that said instrument was signed on behalf of said Authority by authority of its governing body; and acknowledged as the free act and deed of said Authority.

Notary Public

SELLER

KLINGELHUTZ LAND AND BUILDING
COMPANY

By _____
John Klingelhutz,
Its President

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

On this ____ day of _____, 2019, before me, a Notary Public within and for said County, personally appeared John Klingelhutz, who, being by me duly sworn, did say that he is the President of Klingelhutz Land and Building Company named in the foregoing instrument; that said instrument was signed on behalf of said Company by authority of its governing body; and acknowledged as the free act and deed of said Company.

Notary Public

**CITY OF CHASKA
CARVER COUNTY, MINNESOTA**

RESOLUTION

DATE 09/16/2019 **RESOLUTION NO.** EDA 2019-5

MOTION BY COMMISSIONER _____ **SECOND BY COMMISSIONER** _____

**A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A SECOND
AMENDMENT TO CONTRACT FOR DEED**

BE IT RESOLVED by the Board of Commissioners (the "Board") of the Chaska Economic Development Authority (the "EDA"), that:

Section 1. Recitals.

1.01. The City of Chaska, Minnesota (the "City") and the EDA have undertaken a program to promote economic development and job opportunities and promote the development and redevelopment of land which is underutilized within the City.

1.02. The EDA has an interest in the certain property located in the City pursuant to a Contract for Deed, dated July 17, 2012, between Klingelhutz Land and Building Company ("Klingelhutz") and the EDA. The EDA proposes to acquire fee title to the property in accordance with the Contract for Deed

1.03. Under a First Amendment to Contract for Deed, dated July 19, 2018 (the "First Amendment"), the Seller and the EDA amended certain terms of the Contract for Deed.

1.04. On July 19, 2018, by warranty deed, the Seller conveyed fee title to a portion of the property subject to the Contract for Deed to the Buyer.

1.05. The remaining portion of the property subject to the Contract for Deed has been replatted as Lot 2, Block 1, Formacoat Addition, Carver County, Minnesota (the "Remaining Property").

1.06. The Seller and EDA propose to amend the First Amendment to update the acquisition price and payment date for the Remaining Property, as described in the Second Amendment to Contract for Deed (the "Second Amendment").

Section 2. Approval of Second Amendment.

2.01. The EDA hereby approves the Second Amendment substantially in accordance with the terms set forth in the forms presented to the Board, together with any related documents

necessary in connection therewith, including without limitation all documents or certifications referenced in or attached to the Second Amendment (the "Amendment Documents") and hereby authorizes the President and Executive Director to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Amendment Documents on behalf of the EDA, and to carry out, on behalf of the EDA, the EDA's obligations thereunder.

2.02. The approval hereby given to the Amendment Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the appropriate officers of the EDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the City Attorney, may act in their behalf.

2.03. Upon execution and delivery of the Amendment Documents, the officers and employees of the EDA are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the EDA to implement the Amendment Documents.

Approved by the Board of Commissioners of the Chaska Economic Development Authority this 16th day of September, 2019.

Mark Windschitl, President

Attest: _____
Chaska Deputy Clerk