



AGENDA  
CHASKA ECONOMIC DEVELOPMENT AUTHORITY  
CHASKA CITY HALL - COUNCIL CHAMBERS & ZOOM  
Monday, September 13, 2021  
7:00 PM

1. Call to Order
2. Roll Call
3. Adopt Agenda
4. Approve Previous Meeting Minutes
  - A. EDA Minutes July 19, 2021
5. Discussion Items
  - A. Letter of Intent with Lariat Companies, Inc., for 3.72 acres of land at Chaska Boulevard and Fire Lane - Former Building Center Site
6. Other Business
7. Adjourn

**- MINUTES -**  
**CHASKA ECONOMIC DEVELOPMENT AUTHORITY**  
**JULY 19, 2021**

1. Call to Order

President Windschitl called the meeting to order at 8:11 pm.

2. Roll Call

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

Absent: None.

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

3. Agenda

Motion by Commissioner Huang, second by President Windschitl to adopt the agenda as presented.

Motion carried.

4. Minutes

This item was tabled until the next Commission meeting, as the April 5, 2021 EDA Commission Meeting Minutes were not included in the packet for review.

5. Adopt Resolution EDA 2021-2, Resolution Authorizing the Execution of a First Amendment to the Redevelopment Agreement for the Chaska Creek Industrial Project and an Assignment of Said Redevelopment Agreement

Assistant Executive Director Kabat presented this item to the Commission and provided some background. He stated this is part of the regular process in which the agreement needs to be assigned to the new owner of the project, Rock Point, but Oppidan will continue to retain the TIFF Note.

Executive Director Podhradsky stated Rock Point Holdings is one of the largest Industrial holding companies in the country and sees that as a positive sign as the City moves towards doing work on 44 and 212.

President Windschitl stated this is a common thing that happens in these big developments, it is just changing the name and responsibilities on the paperwork.

Commissioner Hatfield asked if that was the only thing being reviewed on this item. She stated there is a lot of paperwork in the packet, so she wants to be sure that is all they are looking at on this item.

Assistant Executive Director Kabat stated there are some minor clarifications made in some of the paperwork, but the main thing is the agreement being assigned to the new owner of the project, Rock Point.

Motion by Commissioner Huang, second by Commissioner Grau to adopt Resolution No. 2021-2 authorizing the execution of a first amendment to the redevelopment agreement for the Chaska Creek industrial project and an assignment of said redevelopment agreement.

Motion carried.

6. Other Business

There was no other business.

7. Adjourn

Motion by Commissioner Hatfield, second by Commissioner Huang to adjourn the meeting at 8:27 pm.

Motion carried.

# **REQUEST FOR ACTION**

## **CHASKA ECONOMIC DEVELOPMENT AUTHORITY**

### **September 13, 2021**

**Subject:**           **Letter of Intent with Lariat Companies, Inc., for 3.72 acres of land at Chaska Boulevard and Fire Lane - Former Chaska Building Center Site**

Prepared By:       Nate Kabat

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#### **Background**

The EDA has been working for several years to redevelop the site formerly occupied by the Chaska Building Center on Chaska Blvd (CSAH 61) between East Creek and Fire Lane. In 2012, the City and EDA created TIF 18 to support redevelopment on the site. Also in 2021, the EDA entered into a Redevelopment Agreement with Klingelhutz Land and Building Company to develop what is now the DDK Construction offices and Chaska Cabinetry & Millwork facility at 2970 Chaska Blvd. In 2018, the EDA entered into a Redevelopment Agreement with Formacoat, LLC to build what is now an approximate 30,000 square foot medical device manufacturing facility at 2960 Chaska Blvd. Presently about 3.72 acres of land remain for redevelopment on the corner of Fire Ln. and Chaska Blvd. The site was cleared of all pavement as a part of the Formacoat project and is considered "shovel ready".

#### **Update**

Over the last few months, Staff have been in discussion with Ed Flaherty of Lariat Companies, Inc. based out of Eden Prairie. Lariat is a developer and property manager of numerous commercial and industrial facilities in the Twin Cities area. Mr. Flaherty is proposing to build a small bay multi-tenant industrial facility on the remaining 3.72 acre parcel. The facility would seek to maximize the square footage possible to be built on the site, which is presently estimated around 40,000 square feet of industrial space. The small bays would be sized about 2,000 square feet each and targeted towards small industrial, manufacturing, and warehouse business operations. A profile of a typical tenant would include individuals or groups currently operating out of their home or running an online business who have built their business to a point of needing a more permanent dedicated location.

Attached to this memo is a Letter of Intent drafted by staff and signed by Mr. Flaherty. With an eye towards policy consistency, the Letter of Intent closely mirrors the deal structure used for the Formacoat redevelopment next door. Like the Formacoat project, Lariat Companies would purchase the site for \$1.50 per square foot for a total of \$243,065. The City will dedicate TIF to the project to support the land acquisition from Bremmer Bank who holds an interest in the site, cover area fees, and recuperate the costs that went into the pavement removal on the site.

**Recommendation**

The City's goal for the redevelopment of the Building Center site has always been to generate business/industrial jobs proximate to downtown to increase the daytime population for the benefit of the business community. The project proposed by Lariat Companies will complete the redevelopment of this site in line with the City's state goals. Staff frequently receive inquiries from small businesses seeking space to grow their business and believe that the project will fill an existing need in the SW metro region. Furthermore, the structure of the Letter of Intent is consistent with the approach that applied to the Formacoat project. With all the above, staff recommends the EDA authorize the EDA Vice-President to sign the Letter of Intent attached to this memo since the President will be absent for this evening's meeting.

**EDA BOARD ACTION REQUESTED**

Motion to authorize the EDA President Pro Tem to sign the Letter of Intent with Lariat Companies, Inc for 3.72 acres of land at the former Chaska Building Center site at Chaska Boulevard and Fire Lane.



# Chaska

July 20, 2021

Mr. Ed Flaherty  
Lariat Companies, Inc.  
8345 Crystal View Rd.  
Eden Prairie, MN 55344

Re: Letter of Intent to buy approximately 3.72 acres of land at Chaska Boulevard and Fire Lane in Chaska, Minnesota (PID 301880020).

Dear Ed,

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 Lariat Companies, Inc. and/or its assigns ("Buyer"), and Chaska Economic Development Authority ("Seller"). Please consider the following proposed terms and conditions:

**Buyer**

Lariat Companies, Inc. and/or its assigns

**Property**

Approximately 3.72 acres located on the NW corner of Chaska Boulevard and Fire Lane in Chaska, Minnesota. Identified as PID 301880020.

**Purchase Price, Closing Dates, and Construction Completion Dates**

Buyer will acquire PID 301880020 with a Closing Date on or before January 31, 2022, or on a date as mutually agreed to by the Buyer and Seller, for a Purchase Price of \$1.50 per square foot (Total Purchase Price of \$243,065 for 3.72 acres). Buyer will have a construction Completion Date no later than December 31, 2022.

**Earnest Money**

\$20,000.00 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 and following a sixty (60) day soils testing period 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. Buyer will pursue a multitenant light industrial manufacturing/office building of approximately 40,000 square feet. The City is willing to Close on the land following Final Approval.

### **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. The Initial Inspection Period may be extended upon the Buyer's request and Seller's approval.

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. 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**

Ninety (90) 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:**

Buyer acknowledges they are not represented by a Broker.

The Seller's Broker is Brian Netz of Newmark. The Seller will compensate their Broker per the Agreement with said Broker.

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 ninety (90) days, or thirty (30) days following receipt of the EDA Fee, whichever comes first. 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

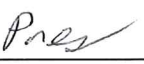
By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Agreed and Accepted:  
LARIAT COMPANIES, INC.  
AND/OR ITS ASSIGNS

By:  \_\_\_\_\_

Its:  \_\_\_\_\_

Date: 7/21/21

