



AGENDA
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
CHASKA CITY HALL - COUNCIL CHAMBERS & ZOOM
Monday, June 26, 2023
IMMEDIATELY FOLLOWING CITY COUNCIL MEETING

1. Call to Order
2. Roll Call
3. Adopt Agenda
4. Approve Previous Meeting Minutes
 - 4.A. EDA Meeting Minutes 6/5/2023
5. Discussion Items
 - 5.A. Approve an Amended and Restated Purchase and Redevelopment Agreement for the Ernst House/Chaska Yards Redevelopment Project
6. Other Business
7. Adjourn

**- MINUTES -
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
JUNE 5, 2023**

DRAFT

1. Call to Order

President Windschitl called the meeting to order at 7:51 p.m.

2. Roll Call

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

Absent: Commissioners Hubbard and Hatfield.

Also Present: Elise Durbin, Assistant Executive Director.

3. Agenda

Motion by Commissioner Huang, second by Commissioner Grau to adopt the agenda as presented.
Motion carried.

4. Minutes

4.A. Approve EDA Meeting Minutes of 5-1-2023

Motion by Commissioner Grau, second by Commissioner Huang to approve the minutes of the May 1, 2023 EDA Meeting Minutes.
Motion carried.

5. Discussion Items

5A. Resolution EDA 2023-43, Letter of Undertaking

Assistant Executive Director Durbin introduced and provided an overview of this item. The item has been resolved and requires no further action.

5B. Downtown Building Improvement Program Guidelines

Assistant Executive Director Durbin introduced and provided an overview of this item.

Commissioner Huang noted the livelihood and success of downtown businesses is a priority of the Council.

Motion by Commissioner Huang, second by Commissioner Grau to approve the program guidelines for the Downtown Building Improvement Plan.
Motion carried.

6. Other Business

President Windschitl noted Chaska gets a yearly estimate from the Metropolitan Council based on the census. There is an approximate increase of the Chaska population by 200 from April 2021 to April 2022. He summarized the number of each residence type and their high occupancy rates.

7. Adjourn

Motion by Commissioner Huang, second by Commissioner Grau to adjourn the meeting at 8:02 p.m.
Motion carried.

REQUEST FOR ACTION

CHASKA ECONOMIC DEVELOPMENT AUTHORITY

6/26/2023

Subject: **Approve an Amended and Restated Purchase and Redevelopment Agreement for the Ernst House/Chaska Yards Redevelopment Project**

Prepared By: Elise Durbin, Assistant Executive Director

Background

As Council is aware, the City and Carver County Community Development Agency (CDA) have been working together on the Ernst House/Chaska Yards project for several years. As the Final Site and Building Plan and Final Plat are now being completed, the documents related to the sale and funding for the project are also being finalized.

Amended and Restated Purchase and Redevelopment Agreement

On December 20, 2021, the City Council and EDA approved a Purchase and Redevelopment Agreement with the CDA to pursue the redevelopment of the property at 211 and 217 Walnut Street (Ernst/Ess House sites). In that agreement, the City and EDA agreed to:

- Sell the property to the Carver County CDA for \$400,000.
- Waive area fees.
- Contribute up to \$180,000 in TIF on a pay-go basis, up to \$500,000 from the Housing Trust Fund, and \$185,000 from CDA Growth Partnership Initiative grant awards for the project.

The Carver County CDA agreed to:

- Place the property into the Carver County Community Land Trust to preserve the homes as affordable owner-occupied units for qualified buyers.
- Obtain all project approvals through the Planning Commission and City Council including construction and building permits.
- Contribute \$439,210 in MHFA and Met Council land grant funds.
- Contribute \$206,300 in CDA funds towards project costs.
- Contribute \$2.1 million in property sale proceeds.
- Commence with the project by June 30, 2022 and complete the project by December 30, 2023.

When this agreement was entered into, the original intent had been to complete the planning process in spring 2022; however, the project design took some additional time and is now completing the planning process. Because of that, there is the need to update the Agreement.

The areas being updated in the Amended and Restated Purchase and Redevelopment Agreement include:

- The closing date will occur no later than October 1, 2023.
- The project will commence by November 1, 2023 and be completed no later than December 31, 2024.
- The budget has been changed to include updated pricing and additional grant funds that have been obtained.

The remainder of the agreement will stay the same as the project has not changed in a significant manner from what the original agreement had envisioned.

In addition to the EDA approving this Amended and Restated Purchase and Redevelopment Agreement, the City will also be asked to do the same as both are a party to it.

Recommendation

The City has stated objectives for the site at 211 and 217 Walnut Street to produce high quality housing units downtown that preserve the Ernst House, positively contribute to the historic district, and create affordable units into the future by attracting additional resources that would not be available otherwise. Staff believes that the Ernst House/Chaska Yards project meets these objectives, and recommends authorizing the President and Executive Director to sign the agreement because without the assistance the project is not viable.

CITY COUNCIL ACTION REQUESTED

Motion authorizing the President and Executive Director to Sign an Amended and Restated Purchase and Redevelopment Agreement with the City of Chaska and the Carver County Community Development Agency.