AGENDA
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
CHASKA CITY HALL - COUNCIL CHAMBERS & ZOOM
Monday, July 15, 2024
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 07/01/2024
5. Discussion Items
   - 5.A. Approve 2nd Downtown Business Improvement Program Loan Application from Chaska Commons LLC for 210 Chestnut
6. Other Business
7. Adjourn

DRAFT

- MINUTES -
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
JULY 1, 2024

1. Call to Order
President Windschitl called the meeting to order at 8:27 p.m.

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

Absent: Commissioner Grau.

Also Present: Elise Durbin, Assistant Executive Director and Matt Podhradsky, Executive Director.

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

4. Minutes
4.A. Approve EDA Meeting Minutes of 20-5-2024
Motion by Commissioner Hubbard, second by Commissioner Hatfield to approve the minutes of the May 20, 2024 EDA Meeting Minutes.
Motion carried.

5. Discussion Items
5A. Approve Ratification of Bond Sale – Chaska EDA Series 2024A
Executive Director Podhradsky introduced and provided an overview of this item.

Commissioner Huang pointed out the favorable rate required a strong bond rating, reserves, and other planning.

Motion by Commissioner Huang, second by Commissioner Hubbard to ratify the completed sale of the Chaska EDA Leased Revenue Bonds, Series 2024A.
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 8:34 p.m.
Motion carried.

REQUEST FOR ACTION
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
7/15/2024

Subject: **Approve Downtown Building Improvement Program Loan Application from Chaska Commons LLC for 210 Chestnut**

Prepared By: Julie Grove, Economic Development Coordinator

Background

Since the mid-1990's the Chaska Economic Development Authority (EDA) has offered a loan program to businesses and property owners in downtown Chaska to restore buildings throughout downtown. In 2023 the program was modified to include renovations on the rear of the building and amend funding amounts and terms. The purpose of the program is to encourage restoration of downtown buildings on both the front and rear facades in order to strengthen the overall character of the area.

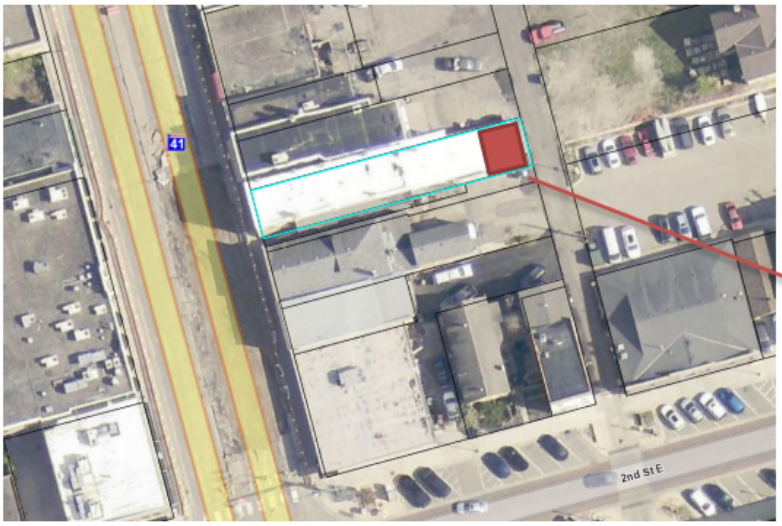
Current Request

Staff has been working with the property owners of 210 Chestnut Street N. for the past year on restorations to their property and have received a request for an additional Downtown Building Improvement Program loan for the 2nd phase of their exterior restoration project.

The property located at 210 N. Chestnut St. has undergone extensive renovations. The owners have renovated portions of the second-floor rental units and intend to renovate the first floor after their current tenant vacates upon full completion of the Downtown Highway 41 project.

In the summer of 2023, the property owners received a $35,178.32 Downtown Building Improvement Program Loan to restore the front exterior of the building which included removing the existing stucco on the front façade, exposing the original brick, reframing and masonry repairs, and installing a new storefront glass and high-quality windows (shown right).

The property owner has proposed a second phase of exterior renovations to the rear side of the building. This area sits along the paseo that the city is currently completing. The proposed alterations include the demolition and removal of a portion of the back of the building (highlighted in red on the following aerial and shown in the blue X on the photo below). The area depicted in red measures 17 feet long x 23.7 feet wide, or approximately 391 square feet.



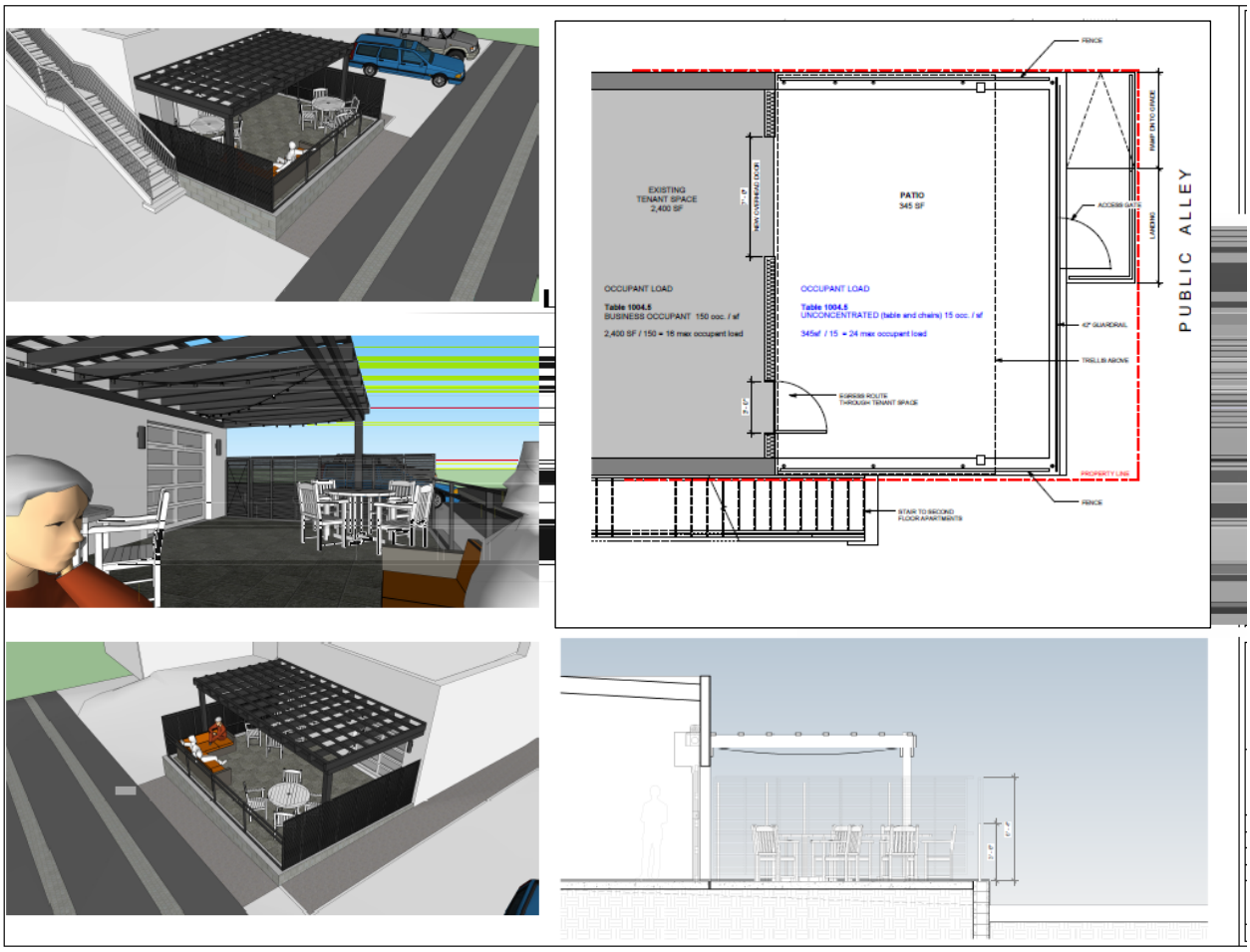
Approximate patio area shown in red box = 391 sq.ft.

Aerial view showing proposed new patio facing Paseo

Rear view showing the portion of the building being converted to an outdoor patio

The new patio (shown below) will feature a poured concrete floor, galvanized steel pergola and railings (that match the new stairs and deck recently installed on the side of the building), and wall mounted and string lighting. This design would convert unattractive, windowless masonry block walls into a new patio with black ornamental fencing on the sides with an open-facing railing along the Paseo. The patio would serve the 1st floor commercial tenant, which may be a co-working space or other retail/restaurant user. Access to the paseo is proposed via a ramp located on the east side of the patio, adjacent to the public alley and paseo.

New Patio facing the Paseo:



The Heritage Preservation Commission reviewed a Site Alteration Permit for the work on April 2nd and approved the request with the conditions that a demolition and building permit are obtained prior to construction commencement.

To assist with this second phase project the property owner has requested additional loan funds. The program allows for up to $60,000 in loan funds per property. To date, this property has been approved for a $35,178 loan, which leaves up to an additional $24,821.68 available in funding.

The total cost of the project is $50,000. Per the program guidelines, there is a 50 percent match by the property owner which is $25,000. The amount of loan funding available is approximately $24,821, thus the match requirement would be met. Half of this loan, or approximately $12,411 would be a low interest loan repayable over 10 years. The other half would be a deferred, forgivable loan, with 10 percent forgiven for each year that they remain the property owner. Should the property owners decide to sell before the end of the 10 years, they will be required to pay back the remaining balance of the forgivable portion of the loan, in addition to any outstanding balance on the loan.

The project advances the goals and objectives of the Downtown Building Improvement Program guidelines in the following ways:

- The new patio would activate the paseo, putting eyes on the paseo, and significantly increase the sense of walkability the city is aiming to achieve with the new paseo.
- The new patio will strengthen the economy of downtown Chaska by promoting other property owners to invest in their own properties.
- Lastly, the new patio will also increase the accessibility and design of this rear entrance that is otherwise not used and very unattractive. The new design will create a welcoming and attractive entrance to the building that will greet all of the future users of the public parking lot being built in 2024.

Staff recommends the EDA approve a loan in the amount up to $24,821.68.

EDA ACTION REQUESTED

Motion to approve the 2024 Downtown Building Improvement Program Loan request for Chaska Commons LLC for the patio work to be completed at 210 Chestnut and authorize the Assistant Executive Director to execute the necessary loan documents.