



AGENDA
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
CHASKA CITY HALL - COUNCIL CHAMBERS & ZOOM
Monday, January 6, 2025
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 12/16/2024
5. Discussion Items
 - 5.A. Adopt EDA Resolution 2025-6 Amending Resolution Authorizing Issuance of \$6,080,000 EDA Lease Revenue Refunding Bonds, Series 2025B
6. Action Items
 - 6.A. Authorize a contract with the Musicant Group to develop a Downtown Chaska Activation Plan
7. Other Business
8. Adjourn

**- MINUTES -
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
DECEMBER 16, 2024**

1. Call to Order

President Windschitl called the meeting to order at 9:01 p.m.

2. Roll Call

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

Absent: None.

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

3. Adopt Agenda

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

Motion carried.

4. Minutes

4.A. Approve EDA Meeting Minutes of 16-9-2024

Motion by Commissioner Huang, second by Commissioner Hubbard to approve the minutes of the September 16, 2024 EDA Meeting Minutes.

Motion carried.

5. Discussion Items

5A. Adopt Resolution No. EDA 2024-102 Adopting the 2024 EDA Budget and EDA Property Tax Levy for Payable 2025

Executive Director Podhradsky pointed out Chaska includes its EDA levy in the total levy, which not all cities do.

President Windschitl added the Council has discussed the budget in length over multiple meetings.

Motion by Commissioner Huang, second by Commissioner Hubbard to adopt EDA Resolution No. 2024-102 adopting the 2025 EDA Budget and an EDA property tax levy for payable 2025.

Motion carried.

5B. Adopt EDA Resolution No. 2024-109 Relating to Issuance of \$6,080,000 EDA Lease Revenue Refunding Bonds, Series 2025B

Executive Director Podhradsky provided an overview of this item.

Motion by Commissioner Grau, second by Commissioner Huang to adopt Resolution No. 2024-109 Relating to Lease Revenue Refunding Bonds, Series 2025B and Authoring the Issuance and Providing for the Sale Thereof.

Motion carried.

DRAFT

6. Other Business

There was no other business.

7. Adjourn

Motion by Commissioner Huang, second by Commissioner Hatfield to adjourn the meeting at 9:05 p.m.

Motion carried.

REQUEST FOR ACTION
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
1/6/2025

Subject: Adopt EDA Resolution No. 2025-6 Amending Resolution Authorizing Issuance of \$6,080,000 EDA Lease Revenue Refunding Bonds, Series 2025B

Prepared By: Noel Graczyk, Administrative Services Director
 Erica Mattice, Finance Division Director

Update

On December 16, 2024, the City requested the Chaska EDA to issue Lease Revenue Refunding Bonds, Series 2025B. As discussed in the original Request for Action, this refunding was expected to generate at least 1.8% in present value savings. Over the past month, interest rates for this type of debt have increased resulting in less than the originally anticipated savings.

This refunding was proposed to shorten the term of the remaining debt from eleven to ten years. This restructuring also eliminates the cost of maintaining a Debt Service Reserve Fund. This proposed refunding still generates over \$35,000 in annual debt service reductions and a total savings of over \$1.0 million in net present value savings over the remaining term of the bonds. The proposed resolution amends the original issuance parameters to now be based on generating at least \$1.0 million dollars in present value savings with a PAR amount that does not exceed \$7.0 million.

Also in late December, S&P Global Ratings (S&P) affirmed the AA- "Stable" rating for this issuance.

City staff and the Municipal Advisor both recommend moving forward with issuance of this series of refunding bonds. Adoption of the proposed resolution will permit the EDA and the City to move forward with issuance schedule at this time for Thursday, January 8, 2025.

EDA ACTION REQUESTED

Motion to adopt Resolution No. 2025-6 Amending Resolution Authorizing Issuance and Providing for Sale of EDA Lease Revenue Refunding Bonds, Series 2025B.

CERTIFICATION OF MINUTES RELATING TO
CITY OF CHASKA ECONOMIC DEVELOPMENT AUTHORITY
LEASE REVENUE REFUNDING BONDS, SERIES 2025B

Issuer: Economic Development Authority of the City of Chaska, Minnesota

Governing Body: Board of Commissioners

Kind, date, time and place of meeting: A regular meeting held on January 6, 2025, at 7:30 p.m., at the City Hall.

Commissioners Present:

Commissioners Absent:

Documents Attached:

Minutes of said meeting (including):

EDA RESOLUTION NO. 2025 - 6

RESOLUTION AMENDING RESOLUTION AUTHORIZING
ISSUANCE AND PROVIDING FOR SALE OF LEASE
REVENUE REFUNDING BONDS, SERIES 2025B

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the Bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said Bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on _____, 2025.

Secretary

Commissioner _____ introduced the following resolution and moved its adoption, which motion was seconded by Commissioner _____:

EDA RESOLUTION NO. 2025 - 6

RESOLUTION AMENDING RESOLUTION AUTHORIZING
ISSUANCE AND PROVIDING FOR SALE OF LEASE
REVENUE REFUNDING BONDS, SERIES 2025B

WHEREAS, pursuant to resolution 2024-109 adopted by the Board of Commissioners (the “Board”) of the Economic Development Authority of the City of Chaska, Minnesota (the “Authority”) on December 16, 2024 (the “Parameters Resolution”), the Board authorized the issuance and sale of the Authority’s Lease Revenue Refunding Bonds, Series 2025A (the “Bonds”), in one or more tax-exempt series, to D.A. Davidson & Co. in Plymouth, Minnesota (the “Underwriter”); and

WHEREAS, the Parameters resolution authorized the President and the Executive Director of the Authority, each individually, to approve the sale of the Bonds and execute a contract on the part of the Authority for the sale of the Bonds to the Underwriter, provided the principal amount does not to exceed \$7,000,000 and the current refunding to be effected by the Bonds of the Authority’s Lease Revenue Bonds, Series 2015B, dated as of April 15, 2015, and issued in the original principal amount of \$9,000,000 (the “Refunding”) results in a net present value savings to refunded debt service of at least 1.80%.

WHEREAS, due to market conditions, the Authority desires to amend the Parameters resolution to modify the parameters set forth in the paragraph above to permit the issuance and sale of the Bonds by the Authority to the Underwriter.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Authority as follows:

SECTION 1. Amended Authorization for Sale of the Bonds. The Authority has retained Baker Tilly Municipal Advisors LLC (“Baker Tilly”), an independent financial advisor, to assist the Authority in connection with a negotiated sale of the Bonds to the Underwriter.

In consultation with Baker Tilly, the President and the Executive Director of the Authority, each individually, are hereby authorized to approve the sale of the Bonds and execute a contract on the part of the Authority for the sale of the Bonds to the Underwriter, provided the principal amount does not to exceed \$7,000,000 and the Refunding results in gross present value debt service savings of at least \$1.0 million.

SECTION 2. All Other Provisions Unaltered. Other than the parameters set forth in paragraph 1 above, all other provisions of the Parameters Resolution shall remain unaltered and in force and effect.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the Resolution was declared duly passed and adopted.

REQUEST FOR ACTION CHASKA CITY COUNCIL 01/6/2025

Subject: Authorization of a contract with the Musicant Group to develop a Downtown Chaska Activation Plan

Prepared By: Julie Grove, Economic Development Coordinator

Background

In 2012, the Chaska City Council adopted the *Chaska Downtown Master Plan*. In that document, the vision for downtown was developed: “revitalize downtown Chaska as the heart of community destinations and gathering places that reflect and celebrate our historic character, traditional small-town atmosphere and values.” More recently, the City Council reaffirmed this vision in the Strategic Plan. One of the visions of that document is that “In 2025, Chaska has a vibrant downtown”.

The City has demonstrated strong leadership in realizing this vision by fostering a thriving downtown. Firemen’s Park and Chaska Event Center redevelopment was one of the first developments that came out of the Downtown Master Plan. Another notable example is the recent revitalization project involving the reconstruction of Highway 41 through downtown. This transformation converted the highway from a four-lane road to a two-lane road with turn lanes, along with significantly wider sidewalks and boulevards. Additionally, pedestrian walkways, known as Paseos, were created within the commercial core to provide safe pedestrian access to businesses without the need for a car. These Paseos are designed to foster public activities and create spaces for social interaction.

To further activate these Paseos and enhance downtown’s vibrancy, the City seeks to partner with the Musicant Group to develop a Downtown Activation Plan/Toolkit. This plan will serve as a guide for the City, businesses, and the local business district to foster social activity, attract foot traffic, and encourage visitors to socialize, shop, dine, and explore. The goal is to improve the downtown business environment by supporting businesses, the Chaska Downtown Business Alliance (CDBA), and community members in developing programming, hosting events, providing amenities, and creating unique destination experiences.

Proposal and Budget

In 2018, the Musicant Group collaborated with the City to develop concept plans and an activation strategy for the City Square West site. Building on that experience, the current proposal tasks the Musicant Group with engaging businesses, the CDBA, property owners, and visitors to conduct an assessment of downtown and generate recommendations for boosting commercial and social activity downtown. The end project will provide a placemaking toolkit that can be used by the City, CDBA, merchants, civic organizations, and other stakeholders. It will outline

recommendations and actionable steps that will be prioritized based on their impact, ease of implementation, and cost.

The proposal from the Musicant Group totals \$30,400 and includes the following key components:

- Engagement with businesses, staff, CDBA and visitors through surveys and a focus group
- Assessment of the physical environment, existing programs and events, funding/budgets, and communication strategies.
- Pilot planning/programming for vacant public spaces and plazas
- Recommendations for Activation Plan including:
 - Physical improvements (e.g., furniture, games, landscaping)
 - Programming and event ideas
 - Management systems
 - Storefront and Paseo improvements
- Implementation support, with ongoing advisory support to help implement recommendations.

The 2025 EDA budget allocates Contract & Professional Service funding that can be used for this project.

Staff recommends the EDA authorizes the execution of a contract with the Musicant Group to develop a Downtown Chaska Activation Plan. The Contract is attached to this staff report for review.

EDA ACTION REQUESTED

Motion to Authorize the Executive Director and Assistant Executive Director to negotiate and the President and Executive Director to execute a Contract with Musicant Group to develop a Downtown Chaska Activation Plan in an amount not to exceed \$30,400.

Master Services Agreement

Parties: The Musicant Group LLC, a Minnesota limited liability company (“Musicant”) // Chaska Economic Development Authority (“CLIENT”)

Effective date: **January 1, 2025**

- 1. Overview.** This Agreement, along with the attached Statement of Work (“Exhibit A”), lays out the scope of the project and sets all terms of the Agreement.
- 2. Services and Deliverables.** Musicant agrees to perform the services and provide the deliverables (collectively the “Project”) identified in Exhibit A.
- 3. Fees and Terms.** Client agrees to pay Musicant all fees identified in this Agreement. The Parties agree that Musicant will perform the Work identified in Exhibit A and that Client will pay Musicant on the schedule set forth below.

This is an agreement for services for a term from the date of execution and shall continue in effect until December 31, 2025. The parties agree that Musicant will perform the Work identified on Exhibit A for a compensation also found in Exhibit A. In the event that the scope of work increases, or decreases, in a material way, Musicant shall submit a change order to authorize the new scope and payment, which would require a signature by both parties to take effect. This agreement can be renewed for one year by a letter submitted by Musicant within 60 days of the termination date and then signed by the Client.

3.1 Invoices and Payment. The parties agree that Musicant will invoice Client as often as monthly for fee and reimbursable expenses. Client agrees to pay Musicant in full or to dispute any invoice within THIRTY (30) days of receipt.

3.2 Consequences of late payment. Client will be charged ONE AND ONE-HALF PERCENT (1.5%) INTEREST per month on all invoices more than fifteen days overdue. If collection becomes necessary, Client agrees to pay all collection fees, including reasonable attorney fees and court costs. Client agrees that if it fails pay invoices on time, Musicant may stop work on the Project until it receives payment. Any additional expenses associated with stopping and restarting the Project are Client’s responsibility. Further, Client shall reimburse Musicant in the event of a bounced check or other such fees incurred as a result of late or faulty payment.

3.3 Early Termination; Fees due if the Project is canceled. If Client cancels the work authorized under this Agreement before it is completed, Client will pay Musicant for all time spent on the project for which payment had not been made, plus any reimbursable costs incurred, cancellation fees, or other charges based on commitments to vendors made in the fulfillment of the project.

3.4 Client pays all third-party fees. All licenses or other third-party fees for content used in the Work—such as photos, music, graphics or software will be the responsibility of Client. Musicant will get Client’s authorization before

incurring these fees. Payment for fees shall be due within fifteen (15) days of request.

4. Intellectual Property.

4.1 Ownership. Upon Payment in Full to Musicant, all intellectual property created under this Agreement shall belong to Client.

4.1.1 Musicant shall retain ownership of any pre-existing templates utilized in the creation of Project work, but grants Client a gratis, perpetual, worldwide license to its use as delivered.

4.2 Attribution and display rights. Client agrees that Musicant shall retain attribution and portfolio rights in the Project.

4.2.1 Client agrees that The Musicant Group shall be credited as a producer and identified on all internal and external promotions of the Project.

4.2.2 Upon the successful completion of the Project, Client agrees to provide a testimonial regarding Musicant work.

5. Work for Hire.

5.1 This is a work for hire agreement. Musicant is an independent contractor and understands that Client offers no benefits and will withhold no taxes on Musicant's behalf.

5.2 Client understands and agrees that it is not Musicant's only client and that Musicant may perform services for other clients contemporaneous with the Project.

6. Assurances.

6.1 Musicant's Assurances.

6.1.1 No Conflict. Musicant has no conflicts that prevent it from entering into this Agreement.

6.1.2 No Infringement. Musicant's work will not infringe or violate the rights of Client or of any third party, or break any law.

6.1.3 Subcontractors. Musicant reserves the right to engage subcontractors to perform under this Agreement. Musicant is solely responsible for the work of any subcontractors it utilizes. Musicant is responsible for paying any subcontractors. Subcontractors will not be allowed to file liens against City of Chaska or its property.

6.2 Client's Assurances.

6.2.1 Client will provide dedicated contact, necessary content and materials. Client will provide Musicant with a dedicated primary point of contact with decision-making authority to efficiently steer the Project. Client's contact shall be responsible for providing all materials and content necessary to complete the Project. Client acknowledges that if it does not provide materials on time the project will be delayed, and Client may be charged additional fees.



6.2.2 Client has the rights to use all materials it provides. Client states unequivocally that it owns, or is otherwise authorized to use, any data, text, graphics, photos, designs, or other work it furnishes to Musicant for use in the Project.

7. Indemnification

7.1 Indemnification. The parties agree to indemnify and hold one another harmless against claims and suits brought against one party for the actions of another. This shall include the payment of attorney fees.

8. Confidentiality

8.1 Confidential Information. The Parties agree that all Confidential Information provided by Musicant or Client, or which the Parties may have learned under this Agreement, is solely the property of the originating Party. “Confidential Information” means: Information exchanged, directly or indirectly, between the Parties concerning sales and marketing, concepts, specifications, designs, artwork, or industry information which they consider confidential and proprietary.

8.2 Non-disclosure. Confidential Information will be used only for the purposes of this Agreement. This provision shall survive this Agreement and remain in effect so long as the Confidential Information remains confidential. A party shall be released from this obligation only if the Confidential Information becomes public knowledge either through disclosure by the Party to which it is confidential or a third party. The Parties agree to take all reasonable precautions to prevent inadvertent disclosure. Any non-disclosure obligation for the Client is subject to the Minnesota Government Data Practices Act.

8.3 Return or destruction of Confidential Information. At the end of this Project—or at any time upon a Party’s request—the other Party shall destroy or return the original and all copies of any materials containing Confidential Information.

9. Termination

9.1 Notwithstanding any other provisions of this Agreement, The Client may terminate this Agreement at any time, with or without cause upon a 45 days’ written notice to the other party. Musicant may terminate this Agreement for cause upon Thirty (15) days written notice to the other.

9.1.1 For purposes of this Agreement, “Cause” shall mean any breach of a material term of this Agreement.

9.1.1.1 The party in alleged breach shall have fifteen (15) days to cure following receipt of written notice of termination for cause from the other party (which such notice shall describe the breach in reasonable detail). If cure is made in that time, the termination shall be revoked, and the Project shall continue.

10. Project Provisions

10.1 No Guarantee: Musicant agrees to deliver professional quality work but offers no guaranty of any particular result.

10.2 Choice of Law: This Agreement is governed by the laws of the state of



Minnesota. Any lawsuits between the parties shall be venued in Carver County District Courts, Minnesota.

10.3 Attorney Fees: In any lawsuit between Client and Musicant, each side shall be responsible for its own attorneys' fees and costs.

10.4 Assignments Require Written Consent: Neither Musicant nor Client may assign its rights or delegate its duties under this Agreement to any third party without the prior written consent of the other Party.

10.5 Whole Agreement: The Agreement, along with Exhibit A, is the whole Agreement between the Parties. If you believe that you've agreed to a term not included in this Agreement, amend the Agreement before signing it.

10.6 Agreement is severable: If any term of this Agreement is found to be invalid or unenforceable, all other terms of this Agreement will remain effective.

10.7 Waiver: If either Party allows any breach or default under the agreement, that doesn't mean it consents to any later breach or default.

The Parties execute this Agreement as of the Effective Date.

Musicant:

Client:

The Musicant Group, LLC,
a Minnesota S Corporation

Chaska Economic Development Authority

By: _____
Name: Max
Musicant
Its: President

By: _____
Name: Taylor Hubbard
Its: President

And

By: _____
Name: Matt Podhradsky
Its: Executive Director



Exhibit A: Downtown Chaska Activation Plan

Context

The City of Chaska and the Downtown Chaska Business Association have been strong stewards of a growing and thriving downtown. Major city investments include the longstanding presence of city services in the downtown, the addition of the Curling Center to Fireman's Park and a number of signature events.

The business association, supported by an assessment district, has focused on promoting the downtown and area businesses via marketing and events efforts through its dedicated part time staff.

Recently, the Chestnut Street (Highway 41) was redone, creating more space for pedestrians and reducing street parking. The amount of parking was recouped through the addition of new publicly owned lots paired with the first phase of new "paseo" pedestrian and shared-woonerf style walkways. Events in City Square Park have also been removed and potential improvements put on hold as indigenous burial mounds are investigated.

Plans are in the works to expand the service district boundaries and potentially the pay-in rate in order to provide more capacity to the business association and grow their impact.

Downtown Chaska has a vibrant and diverse mix of businesses but faces challenges of:

- A narrative that it is struggling post road construction project
- Generating maximal community and commercial benefits from existing events, especially with City Square Park no longer a venue and spillover effects from Fireman's Park seem minimal
- Pedestrian access and experience traveling between destination uses
- A central place to gather with activities on an every day basis



Project Charter

Vision

Downtown Chaska provides experiences that are well known and attract and sustain businesses that are valued and patronized by area residents and regional visitors.

Outcomes

- The City and business association have a clear plan and budget for the use of potential new assessment funds
- The City and association are in alignment around the vision and plan for downtown events in 2025
- The City and association are in alignment around the most important small-scale physical improvements and associated operations to implement in 2025 to support downtown vitality

Deliverables

- Engage with businesses and visitors to discern what activities the city and business association should each focus on individually and together
- Craft a work plan, budget, and success metrics for what benefits would be delivered by an expanded service district
- Assess the public realm to discern easy and low cost improvements, programs, and operational measures for the Summer of 2025, with a specific focus on the paseo and a city owned vacant lot
- Assess and provide recommendations on how events, programming and promotion for both city and association can lead to greater community benefits and business success over the next 1-3 years
- Provide ongoing advisory support to relevant participants around their implementation of the recommendations

Strategies

- Focusing on providing more positive experiences for young families
- Transformation of city owned vacant lot into a space that drives visitation, length of stay, and visibility for the downtown and retail-restaurant businesses in particular
- Examine how events can drive more traffic, visibility, and return visitation
- Create broad alignment around best use of the new capacity potentially coming to the association
- Make journeys between destinations and to and from parking locations a benefit rather than just a necessity (or worse) whenever possible
- Incorporate relevant best practices from other communities



Budget and Schedule

		<i>Rate</i>	\$200
Phase/Deliverable	Deliverable Description	Timeline	Hours Est.
Engagement		January	
	Business survey and one focus group to discern business types, strengths, and desires		12
	Public survey to discern current and future desires and beliefs		10
	Four interviews with city staff to discern capacities and modes of collaboration		6
Experience Discernment		February	
	Defining personas and their desired experiences		8
	Creating priority experiences for the downtown		4
Activation Plan		March	
	Assessment and recommendation of how the following are and can better deliver desired experiences during the summer of 2025 and over the next 1-3 years		40
	Physical environment of Chestnut, Passeos, and public realm		
	Programming and events		
	Marketing, communications, and recruitment		
	Roles and responsibilities		
	Rules and regulations		
	Funding and budget		
Pilot Planning		March - April	
	Creating a draft budget, concept layout, operations, and programming plan for the city owned lot		20
Assessment District Recommendations and Plan		May - June	
	Translating Activation Plan into a concept level scope of work, budget, and outcomes for a larger future iteration of the business association		20
Implementation Support		April - September	
	Two meetings a month (one virtual, one in person) with association and/or city staff around the implementation of the pilot and other downtown activation efforts		27
	Evaluation support - devise and support collection of measures of success		5
		Total hours	152
		Total budget	\$30,400



