



Carver County Community Development Agency

Board of Commissioners Packet

October 19, 2023

5:00 p.m. - Regular Meeting

CDA Office, 705 N. Walnut Street, Chaska





**CARVER COUNTY CDA
BOARD OF COMMISSIONERS**

Agenda

Meeting Date: October 19, 2023

5:00 pm

CDA Boardroom, Chaska, MN

1. Call To Order and Roll Call

2. Audience

Anyone wishing to address the CDA Board on an item not on the agenda, or an item on the consent agenda, may notify Ellie Logelin (elliel@carvercda.org or 952-448-7715) and instructions will be given to participate during the meeting or provide written comments. Verbal comments are limited to five minutes.

3. Approval of Agenda and Meeting Minutes

A. Approval of Meeting Minutes – August 17, 2023 Regular Meeting

4. Consent Agenda

- A. Approval of September 2023 Dashboard
- B. Approval of October 2023 Dashboard
- C. Approval of Write-Off of Past Tenant Balances for August 2023
- D. Approval of Record of Disbursements – August 2023
- E. Approval of Record of Disbursements – September 2023
- F. Approval of Increase in Purchase Price for 856 Arobertum

5. Regular Agenda

- A. Approval of Increased Not to Exceed for Procurement at Rural Development Properties-Allison Streich
- B. CGPI – Pre-Development Application – City of Mayer – Chuck Swanson
- C. 4100 Peavey Road Office Building
- D. Approval of Chaska Yards Development Agreement-Chuck Swanson

6. Information

John Fahey, Carver County Commissioner
Nick, Koltavy, Assistant County Administrator Carver County

E. Adjournment

For More Information, call 952-448-7715

**Carver County CDA Board meeting agendas are available online at:
<https://www.carvercda.org/about-cccda/board-of-commissioners/>**

Next Meeting:

CDA Board of Commissioners Regular Meeting
November 16, 2023, at 5:00 pm
Carver County CDA Boardroom, 705 N Walnut St Chaska, MN 55318



Board of Commissioners

Meeting Minutes

Meeting Date: August 17, 2023

5:00 pm

CDA Boardroom, Chaska, MN

Board Chair Carlson called the meeting to order at 5:00 p.m.

COMMISSIONER ROLL CALL:

		Present	Absent
Chair	Sarah Carlson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vice Chair	Molly Koivumaki	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Secretary/Treasurer	Darrel Sudheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Commissioner	Adam Teske	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Commissioner	Greg Anderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>

CDA Staff in attendance:

Executive Director	Julie Frick
Deputy Director	Allison Streich
Director, Finance	Karen Reed
Director, Housing	Shanika Bumphurs
Director, Economic Development	Chuck Swanson
Specialist, Comm. / Econ. Dev.	Kari Steen
Office Administrator	Ellie Logelin

Others in attendance:

Nick Koktavy, Assistant County Administrator Carver County

AUDIENCE

No audience members addressed the board.

Molly Koivumaki joined the meeting at 5:02 p.m.

APPROVAL OF AGENDA AND MEETING MINUTES

23-32 Approval of Agenda and Meeting Minutes

BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners, that the agenda for the August 17, 2023, Regular CDA Board meeting be approved as written.

BE IT FURTHER RESOLVED by the Carver County Community Development Agency Board of Commissioners that the minutes for the July 20, 2023, Regular meeting be approved as written.

Motion: Anderson

Second: Teske

Ayes: 5 Nays: 0 Absent: 0 Abstain: 0

	Yes	No	Absent	Abstain
Carlson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Koivumaki	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sudheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teske	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



CONSENT AGENDA

23-33 Approval of the August 2023 Dashboard

BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners, that the August 2023 Dashboard is approved as written.

23-34 Approval of Write-Off of Past Tenant Balances for July 2023

BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners, that the Write-Off of Past Tenant Balances for July 2023 is approved as written.

23-35 Approval of Record of Disbursements – July 2023

BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners, that the July 2023 Record of Disbursements is approved as written.

23-36 Approval of the Certification and Acceptance of HTF (Housing Trust Fund) Grant Funds for the 2023-2025 Grant Term

I HEREBY CERTIFY that the Carver County Community Development Agency (the “CDA”), a public body corporate and politic of the County of Carver, which is a political subdivision of the State of Minnesota; that the following is a true and correct copy of the Resolutions duly and unanimously adopted by all of the members of the CDA on August 17, 2023, all of the members of the CDA being present and constituting a quorum for the transaction of business; that the meeting was called in compliance with all applicable laws of the CDA; that the Resolutions do not conflict with any laws of the CDA; that the Resolutions have not been in any way altered, amended, or repealed and are in full force and effect, unrevoked and unrescinded as of this date, and have been entered upon the regular Minute Book of the CDA as of this date; and that all of the members of the CDA have, and at the time of adoption of the Resolution had, full power and lawful authority to adopt the Resolutions and to confer the powers thereby granted to the officer(s) named therein, who has (have) full power and lawful authority to exercise the same.

WHEREAS, on this 17th day of August, 2023, there has been presented to the meeting of the members of the CDA a proposal for the CDA to receive a Housing Trust Fund Program Tenant-Based Rental Assistance Grant (the “Grant”) from the Minnesota Housing Finance Agency, a public body corporate and politic of the State of Minnesota, 400 Wabasha St N, Suite 400, St. Paul, Minnesota 55102 (the “Agency”), of a sum not to exceed Three Hundred Thirty Thousand Dollars and No/100 Dollars (\$330,000), the terms and receipt of which will be evidenced by the Grant Agreement between the CDA and the Agency.

NOW THEREFORE, be it resolved by the members of the HFA that the CDA is authorized to establish and administer a tenant-based rental assistance program; and

BE IT FURTHER RESOLVED that Julie M. Frick, the Executive Director, of the CDA, is authorized, on behalf of the CDA at any time hereafter and without further action by or authority or direction from the members of the CDA, to execute and deliver to the Agency, in the forms required by the Agency, the Grant Agreement and all other agreements, instruments, certificates and documents required by the Agency, and to do or cause to be done all other acts and things that the Officers may determine to be necessary or advisable under or in connection with the Grant, and that the execution by the Officers of any agreement, instrument, certificate or document, or the doing of any such act or thing, shall be conclusive evidence of their determination in that respect; and

BE IT FURTHER RESOLVED, that the Agency is authorized to rely on the continuing force and effect of these Resolutions until receipt by the Commissioner of the Agency at its principal office of notice in writing from the CDA of any amendments or alterations thereto.

Motion: Anderson

Second: Teske

Ayes: 5 Nays: Absent: Abstain:

	Yes	No	Absent	Abstain
Carlson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Koivumaki	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sudheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teske	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REGULAR AGENDA

Carver Place Presentation

Allison Streich presented an update on Carver Place.

Housing Compliance Overview

Allison Streich presented an overview on housing compliance.

APPROVAL OF THE 2024 BUDGET AND LEVY – REVISED

23-37 Approval of the 2024 Budget and Levy - Revised

Karen Reed presented.

WHEREAS, the Carver County Community Development Agency (the “Agency”) is duly organized and existing under the laws of the State of Minnesota, including Laws of Minnesota for 1980, Chapter 482, as amended (the “Special Law”); and

WHEREAS, with the approval of the Carver County Board of Commissioners (the “Carver County Board”), the Agency may levy special benefit taxes as authorized under Minnesota Statutes, section 469.107 or 469.033, Subd 6; and

WHEREAS, the Agency has prepared its 2024 General Administrative Operating Budget (the “2024 Budget”) and seeks the approval of the Carver County Board for the 2024 Budget and, to the extent required by law, the Agency’s levy of its special benefits tax, in order to continue the work of the Agency in Carver County;

WHEREAS, the Agency is required to certify a proposed special benefits tax levy to the Carver County Auditor (the “Auditor”) on or before September 30th, 2023, as required by Minnesota Statutes, Section 275.065, Subdivision 1(a), and to certify to the Auditor a final special benefits tax levy on or before December 27, 2023, which is five working days after December 20th, as required by Minnesota Statutes, Section 275.07;

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Carver County Community Development Agency as follows:

1. The 2024 Budget is hereby approved and directed to be submitted to Carver County pursuant to the requirements of Minnesota Statutes, Sections 469.033 and 275.065.
2. Subject to the consent of the Carver County Board, to the extent required under Minnesota Statutes, Section 469.033, and the Special Law, the Executive Director of the Agency is hereby authorized to certify to the Auditor on or before September 30, 2023, a proposed levy of the Agency’s special benefits tax for taxes payable in 2024 in the amount of \$3,374,610 which, based on current estimates of market value for property in Carver County, is the maximum permitted by law, and to determine the final

maximum amount of such levy and certify the final levy to the Auditor on or before December 27, 2023.

- 3. Upon approval of the Carver County Board of the Agency’s budget and levy of the special benefits tax, the County’s approving resolution shall be attached hereto and made a part of this resolution.

Motion: Anderson

Second: Teske

	Ayes: 5	Nays:	Absent:	Abstain:	
		Yes	No	Absent	Abstain
Carlson		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Koivumaki		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sudheimer		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teske		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anderson		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INFO Carver County update

Carver County Assistant County Administrator Koptavy provided an update.

- A. A Carver County Commissioner meeting will take place on September 5, 2023.
- B. The Chanhassen Library celebrated its 20th anniversary on August 16, 2023.
- C. The Connect Up Carver, fiber and high-speed internet project, is 50% complete.
 - a. 175 miles of 350 miles are now complete.
- D. Carver County is currently in its budget cycle, the final budget will be presented on August 22, 2023.
- E. Carver County is discussing the new Cannabis Laws and how that will impact the county on August 22, 2023.

INFORMATION - NONE

ADJOURNMENT

23-38 Adjournment

BE IT RESOLVED that the Carver County Community Development Agency Board of Commissioners hereby adjourns until Thursday, September 21, 2023.

Motion: Anderson

Second: Teske

	Ayes: 5	Nays:	Absent:	Abstain:	
		Yes	No	Absent	Abstain
Carlson		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Koivumaki		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sudheimer		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Teske		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anderson		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

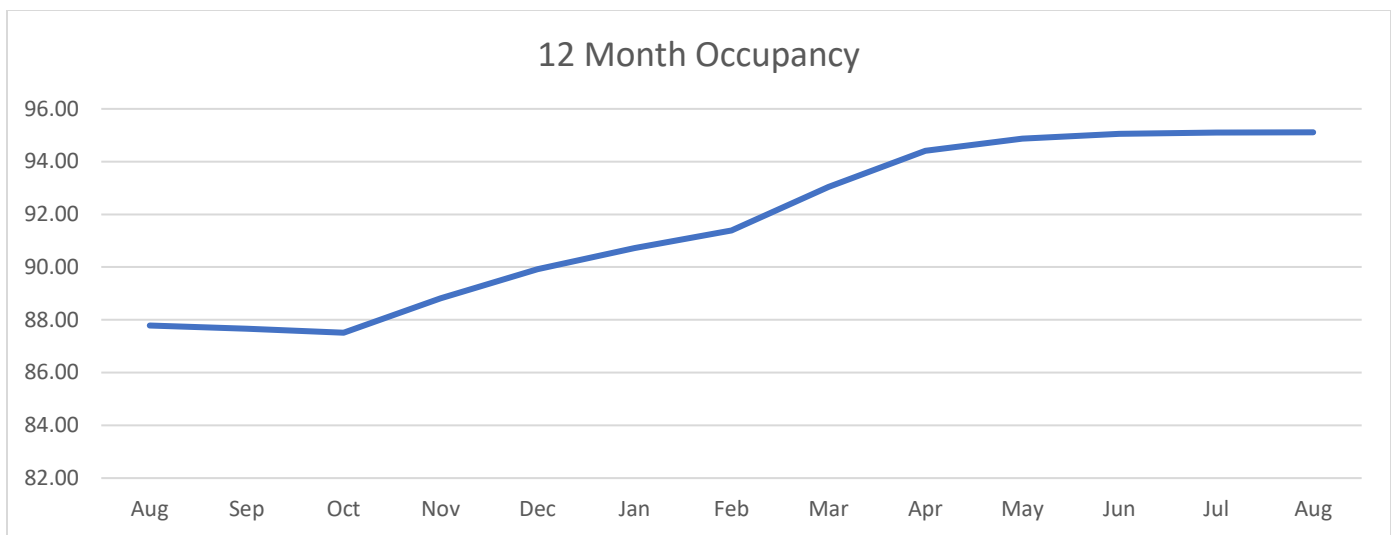
The CDA Board meeting adjourned at 5:48 p.m.

DASHBOARD/DEPARTMENT BOARD REPORT SEPTEMBER 2023

HOUSING UPDATES

HOUSING OCCUPANCY

	Workforce	Senior	Total
# Units	395	339	734
# Leased	388	325	713
Occupancy Rate	98%	96%	97%



The 12 Month Occupancy Report includes 13 vacant units at Hilltop/Mayer, that will not be leased until they are rehabbed

2023 Capital Improvements in Process

Property	Improvement Project	Status and Tentative Schedule
Brickyard	<ol style="list-style-type: none"> Brick and concrete repairs around entire building. Hallway Lighting Replacement 	<ol style="list-style-type: none"> Survey completed, met with Calyx, received final cost in September, we are deciding on how we will move forward with this, we are still planning on a phased in approach once the work is started. The lights have arrived, we are waiting for a time to schedule this, as this will be an in-house project, there were no rebates available for installation, but a rebate was available for the actual lighting.

Centennial	1. Fire Alarm Panels	1. Contract completed; we are waiting for a date to start the work.
Crossings	1. Roof Replacement 2. Entryway Concrete Replacement	1. Starting week of September 11 th , so far they have removed rock and staged materials. 2. Contract is signed, work expected to start early October.
Hilltop/Mayer	1. Property Transition and Rehab 2. Lighting 3. Heaters	1. The tentative date to start is October 16 th , we are working on finalized unit inspections and transfer households list. 2. Replaced interior lighting to LED's and replaced Exit signs. 3. Replaced all heaters at the entries of the buildings.
Oak Grove	1. Concrete Work: Sidewalks, Catch Basin, and Entry	1. Items have been marked; work anticipated to start the first week of October.
Lake Grace	1. Building Electrical Panel Replacements 2. Water Softener Installation 3. Parking Lot Repairs	1. The tentative start date is September 20 th . 2. Buildings B, C, and D are now completed. Waiting for the date to start Building A. 3. Project being pushed to 2024.
Spruce	1. Lighting Project	1. Updating all exterior security lights to LED.
Trail's Edge	1. 1 st Year Walk	1. First year construction walk of property with Frana taking place on September 20 th .

Staffing News:

- We welcomed 8 new employees to the department in August, including an Office Administrator!
- We are still looking to fill the following positions: Property Manager I, Property Manager II, Caretaker (3 positions), and a Housing Quality Specialist.

Training News:

- Housing Assistance Manager Andra W. and Shanika completed PBV RAD training.
- Maintenance Manager Chris R. and Shanika completed HQS NSPIRE Training.
- Property Managers Ryker A. and Ashley T., attend LIHTC training.

SPECIAL PROGRAMS

Program	Grant Term	# Units Under Contract	% Under Contract
Bridges	7/1/23-6/30/25	13	108%
Bridges RTC	7/1/23-6/30/25	3	150%
Housing Trust Fund	10/1/21-9/30/23	16	94%
CoC PSH	8/1/22-7/31/23	14	80% (1 September lease-up)

Resident Services

Presentations (2023)

Agency	Property	Number of Residents
SW Transit	Waybury	9
	Centennial	17
River Valley Health Services	Waybury	12
WeCAB	Waybury	7
	Centennial	19
CAP Agency	Waybury	15
	Centennial	3
	Oak Grove	10
	Crossings	14
	Trial's Edge	Early October
Medicare Update	Waybury	11/7/23
	Centennial	11/7/23
	Oak Grove	11/1/23
	Crossings	11/1/23

2023 YTD:

# of appointments	# of residents/clients	Mobile food shelf participants	Energy Assistance Program Application assistance
26	27	Waybury-26 Centennial-3 Crossings-4 Brickyard-4 Trail's Edge-5	14 new

CDA SERVICES BY COMMUNITY

The table below lists the main CDA services and number of participants or units for each Carver County Community. Numbers are year to date (or are noted accordingly).

	Metro HRA Housing Choice Vouchers	CDA Affordable Rental Units	CDA Subsidized Rental Units	CDA Rental Assistance Participants	Septic Loans and Grants	Community Growth Partnership Initiative (awards since 2016) plus outstanding Business Loan Funds	Entrepreneur Support Program (Thru Q4 2021)	Land Trust Units	Housing Rehab (single family and multifamily rental)	Commercial and Mixed-Use Rehab
Carver	17	9	9	6		3	3			
Chanhassen	45	59	20	2		5	3			
Chaska	145	183	174	24		3	9	27	2	
Cologne			3	2		1	5	1		
Hamburg										
Mayer			10					1		
New Germany				1		4				
NYA	3	47	10	1		3	5		3	7
Victoria		3	3			4	4	1		
Waconia	13	119	51	7		2	4	9		
Watertown	2		34			4	2	1	7	9
Townships					17	1				
Other							1			
TOTAL	225	420	314	43	17	30	36	40	12	16

FINANCE

FINANCE

		August 2023 YTD Actual	August 2023 YTD Budget	Variance
CDA	Revenue	9,698,502	9,939,906	-241,404
	Expenses	6,964,937	7,409,968	445,031
	Cash Balance	6,889,296		

		August 2023 YTD Actual	August 2023 YTD Budget	Variance
Properties	Revenue	5,183,778	5,126,991	56,787
	Expenses	3,373,796	3,481,873	108,077
	Cash Balance	3,644,799		

Revenue Recapture collected through August

Note-Write-off amounts and collected amounts may not be from the same year.

Property:	Written off:	Collected:	Notes:
Lake Grace	\$5,393	\$836	
Carver Homes	\$14,378	\$14,967	
Bluff Creek	\$ 21		
Oak Grove			
Hilltop	\$6,435		
Centennial	\$1,289		
Crossings			
Waybury	\$650		
Windstone	\$49,561	\$921	
Total:	\$77,727	\$16,724	

Other Finance updates

Consolidated YTD revenues for the CDA through August were \$9,698,502 and expenses were \$6,964,937. **Net Operating Income was \$2,733,565, 8% over budget.** YTD Revenues for the properties were \$5,183,778 and expenses were \$3,373,796. **Net Operating Income was \$1,809,982, 10.0% over budget.**

COMMUNITY & ECONOMIC DEVELOPMENT

COMMUNITY LAND TRUST (CCCLT)

Total Units	41
Total resales YTD	1
# of families helped	73
Waiting list	2
Acquisition this month	1
Funding amount by source for current acquisitions	N/A
Community	N/A

Notes:

Vacant Lot at 413 Franklin Ave NE, Watertown, will apply for funding in 2023

Chaska Yards (Ernst/Ess Project) Construction/Rehab phase. Start fall 2023, complete fall 2024. Phone call with Contractor to go over budget and timeline. Will have details in writing by October CDA Board Meeting

BUSINESS DEVELOPMENT - NEXTSTAGE

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Total 2023
Total Carver County Clients Assisted	15	12			27
# of Financing Events	3	0			3
Total Financing/Investment	\$111,000	\$0			\$111,000
New Business Starts	-				
New FT Jobs	-				
New PT Jobs	-				

MINNESOTA CITIES PARTICIPATION PROGRAM (MCP) –

2023 allocation is \$1,943,009 (increase of 9.4% from 2022). Numbers through August 2023.

	# Committed loans	Total \$	% of allocated funds
First Mortgage Loans	12	\$2,985,322	154%
Additional Start-up loans	5	\$1,535,127	N/A
Step up loans	15	\$34,544,410	N/A
Down payment assistance		\$173,200	N/A
TOTALS	32	\$9,064,859	N/A

COMMUNITY GROWTH PARTNERSHIP INITIATIVE (CGPI)

Open Grants:

Year	Grant	City	Project	Budget
2020	Comm. Development	CDA – Carver	103 Unit Senior Workforce Hsg	\$85,000
2020	Comm. Development	CDA – Chaska	Ernst House Rehab	\$85,000
2021	Comm. Development	CDA – Chaska	Ernst House Rehab	\$92,500
2022	Pre Development	Mayer	Old Firehall	\$7,500
2022	Pre Development	Chaska	Sewer Feasibility	\$7,500
2023	Pre Development	Laketown	Sewer Feasibility	\$7,500
2023	Pre Development	Norwood Young Am	Housing Study	\$7,500
2023	Pre Development	Chanhassen	Downtown Guideline	\$7,500
2023	Pre Development	New Germany	Sewer Feasibility	\$7,500
2023	Pre Development	Waconia	Waterford Assoc.	\$7,500
2023	Comm. Development	Mayer	Old Firehall	\$90,000
2023	Comm. Development	Carver	Mizzy's Pizza	\$90,000
2023	Comm. Development	Watertown	Watertown Wareho	\$90,000
2023	Comm. Development	Waconia Township	Sovereign Estates	\$90,000

SEPTIC / WELL LOAN PROGRAM (SSTS)

	2024 new assessments	Underway (anticipated 2024 assessment)	2023 Paid Off	Total active assessments
Applications	4	12	1	54

ECONOMIC DEVELOPMENT (social media)

FACEBOOK choosecarvercounty

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Total 2023
Facebook Reach	94	3,982			
Facebook Visits	87	422			
Facebook Page new likes	2	31			

ADMINISTRATIVE/OTHER ITEMS OF INTEREST

CDA staff toured a potential office building last week. The address is 4100 Peavey Road. It is generating revenue on approximately 28,500 square feet of warehouse space currently, the lease ends in July of 2025. I would like the space planner that conducted our need to look at the building and provide realistic options for use of the space. I expect to bring this back to you for consideration at the October 19th meeting.

The personnel policies are in the process of being updated to include the recent changes from the legislature, those should be in front of the board in November.

DASHBOARD/DEPARTMENT BOARD REPORT OCTOBER 2023

HOUSING UPDATES

HOUSING OCCUPANCY

	Workforce	Senior	Total
# Units	395	339	734
# Leased	387	323	710
Occupancy Rate	98%	95%	97%



The 12 Month Occupancy Report includes 13 vacant units at Hilltop/Mayer, that will not be leased until they are rehabbed

2023 Capital Improvements in Process

Property	Improvement Project	Status and Tentative Schedule
Brickyard	<ol style="list-style-type: none"> Brick and concrete repairs around entire building. Hallway Lighting Replacement 	<ol style="list-style-type: none"> Finalizing documents to bid out project. The lights have arrived, we are waiting for a time to schedule this, as this will be an in-house project, there were no rebates available for installation, but a rebate was available for the actual lighting.
Centennial	<ol style="list-style-type: none"> Fire Alarm Panels 	<ol style="list-style-type: none"> Contract completed; we are waiting for a date to start the work.

Crossings	<ol style="list-style-type: none"> 1. Roof Replacement 2. Entryway Concrete Replacement 	<ol style="list-style-type: none"> 1. Project in progress. 2. Contract is signed, work expected to start early October.
Hilltop/Mayer	<ol style="list-style-type: none"> 1. Property Transition and Rehab 	<ol style="list-style-type: none"> 1. Vacant unit rehabs are almost complete. First resident transfer on 10/16. Starting occupied unit rehabs in about two weeks.
Oak Grove	<ol style="list-style-type: none"> 1. Concrete Work: Sidewalks, Catch Basin, and Entry 	<ol style="list-style-type: none"> 1. Items have been marked; work anticipated to start the first week of October.
Lake Grace	<ol style="list-style-type: none"> 1. Building Electrical Panel Replacements 2. Water Softener Installation 3. Parking Lot Repairs 	<ol style="list-style-type: none"> 1. Project completed. 2. Buildings B, C, and D are now completed. Waiting for the date to start Building A. 3. Project being pushed to 2024.
Spruce	<ol style="list-style-type: none"> 1. Lighting Project 	<ol style="list-style-type: none"> 1. Project completed
Trail's Edge	<ol style="list-style-type: none"> 1. 1st Year Walk 	<ol style="list-style-type: none"> 1. First year construction walk has occurred and working on remaining warranty items.

Staffing News:

- Welcomed a new property manager in October.
- We are still looking to fill the following positions: Property Manager I, Caretaker (3 positions), and a Housing Quality Specialist.



SPECIAL PROGRAMS

Program	Grant Term	# Units Under Contract	% Under Contract
Bridges	7/1/23-6/30/25	13	108%
Bridges RTC	7/1/23-6/30/25	2	100%
Housing Trust Fund	10/1/23-9/30/25	15	94%
CoC PSH	8/1/23-7/31/24	14	93%

Resident Services

Presentations (2023)

Agency	Property	Number of Residents
SW Transit	Waybury	9
	Centennial	17
River Valley Health Services	Waybury	12
WeCAB	Waybury	7
	Centennial	19
CAP Agency	Waybury	15
	Centennial	3
	Oak Grove	10
	Crossings	14
Medicare Update	Trail's Edge	Early October
	Waybury	11/7/23
	Centennial	11/7/23
	Oak Grove	11/1/23
	Crossings	11/1/23

2023 YTD:

# of appointments	# of residents/clients	Mobile food shelf participants	Energy Assistance Program Application assistance
29	35	Waybury-26 Centennial-3 Crossings-4 Brickyard-4 Trail's Edge-5	25 new

CDA SERVICES BY COMMUNITY

The table below lists the main CDA services and number of participants or units for each Carver County Community. Numbers are year to date (or are noted accordingly).

	Metro HRA Housing Choice Vouchers	CDA Affordable Rental Units	CDA Subsidized Rental Units	CDA Rental Assistance Participants	Septic Loans and Grants	Community Growth Partnership Initiative (awards since 2016) plus outstanding Business Loan Funds	Entrepreneur Support Program (Thru Q4 2021)	Land Trust Units	Housing Rehab (single family and multifamily rental)	Commercial and Mixed-Use Rehab
Carver	17	9	9	6		3	3			
Chanhassen	45	59	20	2		5	3			
Chaska	145	183	174	24		3	9	27	2	
Cologne			3	2		1	5	1		
Hamburg										
Mayer			10					1		
New Germany				1		4				
NYA	3	47	10	1		3	5		3	7
Victoria		3	3			4	4	1		
Waconia	13	119	51	7		2	4	9		
Watertown	2		34			4	2	1	7	9
Townships					17	1				
Other							1			
TOTAL	225	420	314	43	17	30	36	40	12	16

FINANCE

FINANCE

		September 2023 YTD Actual	September 2023 YTD Budget	Variance
CDA	Revenue	10,937,765	11,179,781	-242,016
	Expenses	7,838,543	8,289,396	450,853
	Cash Balance	6,598,514		

		September 2023 YTD Actual	September 2023 YTD Budget	Variance
Properties	Revenue	5,841,343	5,773,248	68,095
	Expenses	3,787,821	3,890,195	102,374
	Cash Balance	3,474,533		

Revenue Recapture collected through September

Note-Write-off amounts and collected amounts may not be from the same year.

Property:	Written off:	Collected:	Notes:
Lake Grace	\$5,393	\$836	
Carver Homes	\$20,592	\$14,967	
Bluff Creek	\$ 21		
Oak Grove			
Hilltop	\$17,252		
Centennial	\$1,289		
Crossings	\$7,724		
Waybury	\$650		
Windstone	\$52,315	\$921	
Total:	\$105,236	\$16,724	

Other Finance updates

Consolidated YTD revenues for the CDA through September were \$10,937,765 and expenses were \$7,838,543. **Net Operating Income was \$3,099,222, 7% over budget.** YTD Revenues for the properties were \$5,841,343 and expenses were \$3,787,821. **Net Operating Income was \$5,053,522, 9.0% over budget.**

COMMUNITY & ECONOMIC DEVELOPMENT

COMMUNITY LAND TRUST (CCCLT)

Total Units	41
Total resales YTD	2
# of families helped	74
Waiting list	2
Acquisition this month	-
Funding amount by source for current acquisitions	N/A
Community	N/A

Notes:

Vacant Lot at 413 Franklin Ave NE, Watertown, will apply for funding in 2023

Chaska Yards (Ernst/Ess Project) Construction/Rehab phase. Start fall 2023, complete fall 2024.

Resale of 114117 Hundertmark Road Townhome in September 2023.

BUSINESS DEVELOPMENT - NEXTSTAGE

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Total 2023
Total Carver County Clients Assisted	15	12	12		39
# of Financing Events	3	-	2		5
Total Financing/Investment	\$111,000	-	\$170,000		\$281,000
New Business Starts	-	-	-		
Business Expansions	-	-	2		2
New FT Jobs	-	-	2		2
New PT Jobs	-	-	3		3

MINNESOTA CITIES PARTICIPATION PROGRAM (MCP) –

2023 allocation is \$1,943,009 (increase of 9.4% from 2022). Numbers through September, 2023

	# Committed loans	Total \$	% of allocated funds
First Mortgage Loans	15	\$3,672,252	189%
Additional Start-up loans	17	\$5,123,874	N/A
Step up loans	6	\$1,917,911	N/A
Down payment assistance		\$261,850	N/A
TOTALS	38	\$10,714,037	N/A

COMMUNITY GROWTH PARTNERSHIP INITIATIVE (CGPI)

Open Grants:

Year	Grant	City	Project	Budget
2020	Comm. Development	CDA – Carver	103 Unit Senior Workforce Hsg	\$85,000
2020	Comm. Development	CDA – Chaska	Ernst House Rehab	\$85,000
2021	Comm. Development	CDA – Chaska	Ernst House Rehab	\$92,500
2022	Pre Development	Mayer	Old Firehall	\$7,500
2022	Pre Development	Chaska	Sewer Feasibility	\$7,500
2023	Pre Development	Laketown	Sewer Feasibility	\$7,500
2023	Pre Development	Norwood Young Am	Housing Study	\$7,500
2023	Pre Development	Chanhassen	Downtown Guideline	\$7,500
2023	Pre Development	New Germany	Sewer Feasibility	\$7,500
2023	Pre Development	Waconia	Waterford Assoc.	\$7,500
2023	Comm. Development	Mayer	Old Firehall	\$90,000
2023	Comm. Development	Carver	Mizzy's Pizza	\$90,000
2023	Comm. Development	Watertown	Watertown Wareho	\$90,000
2023	Comm. Development	Waconia Township	Sovereign Estates	\$90,000

SEPTIC / WELL LOAN PROGRAM (SSTS)

	2024 new assessments	Underway (anticipated 2024 assessment)	2023 Paid Off	Total active assessments
Applications	5	13	1	57

ECONOMIC DEVELOPMENT (social media)

FACEBOOK choosecarvercounty

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Total 2023
Facebook Reach	94	3,982	1,091		
Facebook Visits	87	422	341		
Facebook Page new likes	2	31	13		

CHOOSECARVERCOUNTY.COM

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Total 2023
Page Views	-	-	-		
Average Engagement	-	-	-		
Top 3 Pages	-	-	-		

CHOOSECARVERCOUNTY.COM OFFICIALLY WENT LIVE OCTOBER 2ND, 2023!

ADMINISTRATIVE/OTHER ITEMS OF INTEREST

CDA staff toured a potential office building last week. The address is 4100 Peavey Road. It is generating revenue on approximately 28,500 square feet of warehouse space currently, the lease ends in July of 2025. Some information that the staff has been working on is looking at staffing needs for the next 7 years. If we were fully staffed today, we would be at 41, I fully expect to be at 55 within 7 years. It is impossible to continue in our current space and options are very limited in the market for office/warehouse space.

The personnel policies are in the process of being updated to include the recent changes from the legislature, those should be in front of the board in November.

Staff will be presenting, along with staff from MHP, to the county board for a work session to discuss establishment of the Local Housing Trust Fund on Tuesday, October 17 at 9:00 am.



Board of Commissioners

Request for Board Action

Meeting date: October 19, 2023

Agenda number: 4C

DEPARTMENT: Housing

FILE TYPE: Regular Consent

TITLE: Approval of Write-Off of Past Tenant Balances for August 2023

PURPOSE/ ACTION REQUESTED: Approve write-off of Past Tenant Balances

SUMMARY: The Carver County CDA's policy is to write off past tenant balances that have been submitted to MN Revenue Recapture and was approved by the CDA Board. When a past tenant moves out with a balance, the tenant has 10 business days to contact the CDA to either pay the balance in full or set up a repayment agreement. If the past tenant does not contact the CDA, the balance due is submitted to MN Revenue recapture. The CDA will "write-off" the past balance in Yardi once it has been submitted to MN Revenue Recapture. Any former resident that has been submitted to MN Revenue Recapture due to that past balance will remain there until such time as that balance is paid or the six-year statute of limitations has passed.

RECOMMENDATION: Staff recommend approval of the write-off of past tenant balances.

EXPLANATION OF FISCAL/ FTE IMPACTS:

None Current budget Other Amendment requested New FTE(s) requested

RESOLUTION:

BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners that the Past Tenant balance for August 2023 is hereby approved to be written off.

PREVIOUS BOARD ACTION

N/A

ATTACHMENTS

Past tenant balances

BOARD GOALS

Focused Housing Programs Collaboration Development/Redevelopment
 Financial Sustainability Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

Inform and Listen Discuss Involve N/A

CONTACT

Department Head: Shanika Bumphurs, Director of Property Management

Author: Allison Streich, Deputy Director

Tenant Unpaid Charges

Status = Past

Property Code	Unit Code	Tenant Status	Charge Type	Current Owed	Amount Paid
crossing					
Resident 1					
	208	Past	DAMAGE	\$7,724.04	\$575.17
Total for Resident 1				\$7,724.04	\$575.17
hilltop					
Resident 2					
	1G	Past	DAMAGE	\$3,434.93	\$0.00
	1G	Past	LATE	\$40.00	\$0.00
	1G	Past	RENT	\$6,485.62	\$2,113.38
	1G	Past	RA_OVER	\$856.00	\$48.00
Total for Resident 2				\$10,816.55	\$2,456.38
oakgrv					
Resident 3					
	407	Past	DAMAGE	\$1,012.19	\$452.79
Total for Resident 3				\$1,012.19	\$452.79
ph					
Resident 4					
	119WEST4	Past	DAMAGE	\$793.00	\$0.00
	119WEST4	Past	RENT	\$1,025.84	\$445.66
	119WEST4	Past	CLEAN	\$75.00	\$0.00
	119WEST4	Past	LATE	\$89.24	\$0.00
Total for Resident 4				\$1,983.08	\$936.16
Resident 5					
	6051W1ST	Past	CLEAN	\$248.91	\$336.09
	6051W1ST	Past	DAMAGE	\$3,982.08	\$0.00
Total for Resident 5				\$4,230.99	\$336.09
Resident 6					
	108BENT	Past	MISCTENA	\$3,484.85	\$985.31
Total for Resident 6				\$3,484.85	\$2,305.31
waybury					
Resident 7					
	303	Past	DAMAGE	\$100.00	\$0.00

303	Past	RENT	\$87.74	\$869.26
303	Past	PARKRENT	\$40.00	\$0.00

Total For Resident 7 \$227.74 \$869.26

windstn

Resident 8

F110533	Past	CLEAN	\$135.00	\$0.00
F110533	Past	DAMAGE	\$50.00	\$0.00
F110533	Past	MISCTENA	\$2,478.78	\$7.22

Total For Resident 8 \$2,663.78 \$7.22

Resident 9

W110535	Past	CLEAN	\$90.00	\$0.00
---------	------	-------	---------	--------

Total For Resident 9 \$90.00 \$0.00

Property Code	Charge Type	SubTotal
ph		
	CLEAN	323.91
	DAMAGE	4,775.08
	LATE	89.24
	MISCTENA	3,484.85
	RENT	1,025.84
	ph	9,698.92
windstn		
	CLEAN	225.00
	DAMAGE	50.00
	MISCTENA	2,478.78
	windstn	2,753.78
crossing		
	DAMAGE	7,724.04
	crossing	7,724.04
hilltop		
	DAMAGE	3,434.93
	LATE	40.00
	RA_OVER	856.00
	RENT	6,485.62
	hilltop	10,816.55
oakgrv		
	DAMAGE	1,012.19
	oakgrv	1,012.19
waybury		
	DAMAGE	100.00
	PARKRENT	40.00
	RENT	87.74
	waybury	227.74
	Grand Total	32,233.22



Board of Commissioners

Request for Board Action

Meeting date: October 19, 2023

Agenda number: 4D

DEPARTMENT: Finance

FILE TYPE: Regular - Consent

TITLE: Approval of Record of Disbursements - August 2023

PURPOSE/ ACTION REQUESTED: Approve Record of Disbursements for August 2023

SUMMARY: In August 2023, the Carver County Community Development Agency (CDA) had \$1,236,916.07 in disbursements and \$213,851.81 in payroll expenses. Attachment A provides the breakdown of disbursements. Additional detail is available from the Finance Department.

RECOMMENDATION: Staff recommends approval of the Record of Disbursements for August, 2023.

EXPLANATION OF FISCAL/ FTE IMPACTS:

None Current budget Other Amendment requested New FTE(s) requested

RESOLUTION:

BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners, that the August 2023 Record of Disbursements is approved as written.

PREVIOUS BOARD ACTION

N/A

ATTACHMENTS

Attachment A: Record of Disbursement - August 2023

BOARD GOALS

Focused Housing Programs Collaboration Development/Redevelopment

Financial Sustainability Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

Inform and Listen Discuss Involve N/A

CONTACT

Department Head: Karen Reed, Director of Finance

Author: Karen Reed, Director of Finance

**Carver County CDA
Record of Disbursements
For the Month of August 2023**

	Date	Amount	Total
Carver Homes	08/02/23	\$6,418.08	
	08/09/23	\$17,248.06	
	08/16/23	\$14,311.08	
	08/24/23	\$26,796.35	
			\$64,773.57
CDA	08/02/23	\$51,317.23	
	08/09/23	\$36,878.46	
	08/16/23	\$132,618.40 (1)	
	08/24/23	\$385,539.89 (2)	
			\$606,353.98
Properties	08/02/23	\$97,847.75	
	08/09/23	\$101,263.90	
	08/16/23	\$86,115.04	
	08/24/23	\$280,561.83 (3)	
			\$565,788.52
Total August 2023 Disbursements			\$1,236,916.07
August 2023 Payroll			
	08/02/23	\$68,574.90	
	08/16/23	\$67,104.76	
	08/30/23	\$78,172.15	
			\$213,851.81

Disbursement detail is available in the Finance Office

- (1) City of NYA - \$100,000 - 2022 CGPI grant
- (2) Apple Ford - \$170,000 - 4 maintenance trucks
Land Title - \$80,000 - land contribution - 1532 Niskanen
- (3) Clear interfund to CDA - \$248,000



Board of Commissioners

Request for Board Action

Meeting date: October 19, 2023

Agenda number: 4E

DEPARTMENT: Finance

FILE TYPE: Regular - Consent

TITLE: Approval of Record of Disbursements - September 2023

PURPOSE/ ACTION REQUESTED: Approve Record of Disbursements for September 2023

SUMMARY: In September 2023, the Carver County Community Development Agency (CDA) had \$887,260.56 in disbursements and \$156,018.48 in payroll expenses. Attachment A provides the breakdown of disbursements. Additional detail is available from the Finance Department.

RECOMMENDATION: Staff recommends approval of the Record of Disbursements for September, 2023.

EXPLANATION OF FISCAL/ FTE IMPACTS:

None Current budget Other Amendment requested New FTE(s) requested

RESOLUTION:

BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners, that the September 2023 Record of Disbursements is approved as written.

PREVIOUS BOARD ACTION

N/A

ATTACHMENTS

Attachment A: Record of Disbursement - September 2023

BOARD GOALS

Focused Housing Programs Collaboration Development/Redevelopment

Financial Sustainability Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

Inform and Listen Discuss Involve N/A

CONTACT

Department Head: Karen Reed, Director of Finance

Author: Karen Reed, Director of Finance

**Carver County CDA
Record of Disbursements
For the Month of September 2023**

	Date	Amount	Total
Carver Homes	09/07/23	\$3,475.65	
	09/15/23	\$7,163.39	
	09/21/23	\$20,233.52	
	09/28/23	\$18,143.99	
			\$49,016.55
CDA	09/07/23	\$67,493.16	
	09/15/23	\$66,923.49	
	09/21/23	\$94,872.38 (1)	
	09/28/23	\$22,170.19	
			\$251,459.22
Properties	09/07/23	\$92,320.18 (2)	
	09/15/23	\$97,583.33	
	09/21/23	\$34,963.38	
	09/28/23	\$361,917.90 (3)	
			\$586,784.79
Total September 2023 Disbursements			\$887,260.56
September 2023 Payroll			
	09/13/23	\$78,180.27	
	09/27/23	\$77,838.21	
			\$156,018.48

Disbursement detail is available in the Finance Office

- (1) **Kaas Wilson - \$36,000 - architectural fees - Carver Place**
- (2) **Mint Roofing - \$25,000 - Centennial Hill
SR Mechanical - \$15,000 - install of 14 magic paks**
- (3) **Mint Roofing - \$237,000 - Crossings
Wells Fargo - \$32,000 Construction interest - Trail's Edge**



Board of Commissioners

Request for Board Action

Meeting date: October 19, 2023

Agenda number: 4F

DEPARTMENT: Community & Economic Development

FILE TYPE: Regular - Consent

TITLE: 856 Arboretum

PURPOSE/ ACTION REQUESTED: Approve the \$5,000 increase in value/purchase price

SUMMARY: In July of 2022, the CDA board approved the purchase of 856 Arboretum. Due to some extenuating circumstances, the family wasn't able to continue forward with the sale.

. Carver County transportation is planning future roadway improvements along the Highway 5 corridor/Arboretum area in Victoria, Chanhassen and Chaska. The property, a rambler-style home built in 1960, has a new septic system, sump pump and drain tulle updated and sits on .65 acres.

Features of the house include:

- 3 bedrooms
- 1 bathroom
- Living room, dinette, family room, and kitchen
- 2 car attached garage
- 2,304 finished square feet

Timeline

The intent is that the CDA purchases the property now, holds it and rents it until the time of the roadway improvements—tentatively scheduled for 2024 or 2025 dependent upon funding. At the time of the roadway project, the CDA will sell the property back to the county and work with any tenants in the home.

. An appraisal has been completed and the property has been appraised at \$330,000.

RECOMMENDATION: To approve the proposed increase of \$5,000 for a total of \$330,000.

EXPLANATION OF FISCAL/ FTE IMPACTS:

None Current budget Other Amendment requested New FTE(s) requested

RESOLUTION:

WHEREAS, pursuant to the laws of the State of Minnesota, particularly Minnesota Statutes, Sections 469.001 through 469.047 (the “Act”), the Carver Community Development Agency (the “Agency”) desires to purchase 856 Arboretum Boulevard, Victoria, Minnesota.

WHEREAS, on this 19th day of October 2023, there has been presented to the meeting of the members of the CDA a proposal for the CDA to purchase an additional rental unit at a not to exceed amount of \$330,000.

WHEREAS, the Agency has the desire to purchase 856 Arboretum Boulevard in Victoria as another affordable rental option within the community.

WHEREAS, the Agency is working with Carver County to draft a Memorandum of Understanding to outline terms for future sale of 856 Arboretum Boulevard at future date for purposes of a roadway project.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Carver County Community Development Agency as follows:

1. That the Executive Director is hereby authorized to execute and deliver a purchase agreement in a not to exceed amount of \$330,000, to purchase said Property on behalf of the Agency, subject to agreement on a Memorandum of Understanding with Carver County and the final approval of the Executive Director.
2. That the Executive Director is hereby authorized to execute a Memorandum of Understanding with Carver County regarding a future sale of said Property.

PREVIOUS BOARD ACTION

Approved July 21, 2022 - Resolution 22-18

ATTACHMENTS

Carver County CDA and Carver County MOU

BOARD GOALS

Focused Housing Programs Collaboration Development/Redevelopment
 Financial Sustainability Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

Inform and Listen Discuss Involve N/A

CONTACT

Department Head: Julie Frick

Author: Julie Frick

**Memorandum of Understanding between
Carver County Community Development Agency and County of Carver
for Purchase and Conveyance of Improved Real Property in Carver County**

THIS MEMORANDUM OF UNDERSTANDING (“**MOU**”) is made and entered into this _____ day of _____ 2023, by and between the Carver County Community Development Agency, a public body corporate and politic of the State of Minnesota (“**CDA**”) and the County of Carver, a political subdivision of the State of Minnesota (“**Carver County**”). The CDA and Carver County are referred to collectively hereinafter as the “**Parties**.”

RECITALS

WHEREAS, the CDA has the general purposes of providing affordable, adequate, and safe housing to protect the health, safety, morals, and welfare of the public, and of fostering community and economic development within Carver County.

WHEREAS, the CDA has statutory authority to purchase real property to advance its purposes, after its governing body adopts a resolution declaring that the acquisition is necessary for a purpose set forth in Minnesota Statutes, Chapter 469.

WHEREAS, the CDA has statutory authority to lease, sell, transfer, and convey real property within Carver County, and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments.

WHEREAS, Chan and Diane Jung, (“**Jungs**”) are the sole record owners in fee simple of the real property located at 856 Arboretum Boulevard, Victoria, Carver County, Minnesota; identified by Tax Parcel Identification Number 650071000; and legally described in Exhibit A, attached hereto and incorporated herein (“**Property**”).

WHEREAS, the Property has approximately 0.65 acres and is improved with a single-family residence that has approximately 1,152 square foot above ground, four bedrooms, and an attached 2-car garage.

WHEREAS, Jungs wish to sell the Property to the CDA within the next month for the amount of Three-Hundred and Thirty Thousand Dollars and No Cents (\$330,000), an amount equal to the fair market value of the Property as determined by its appraised value as of August 31, 2023, (“**CDA Purchase Price**”).

WHEREAS, after acquiring the Property, the CDA wishes to lease the Property for a period of approximately two (2) to eight (8) years.

WHEREAS, the CDA’s purchase of the Property, and the CDA’s subsequent lease of the Property advance the CDA’s statutory purposes and interests.

WHEREAS, the Minnesota Department of Transportation (“**MnDOT**”) and Carver County wish to reconstruct Trunk Highway 5 (“**TH 5**”) near County State Aid Highway 13 (“**CSAH 13**”) in

Victoria, Minnesota starting in approximately 2025 (“**Project**”), provided the Project receives all necessary approvals and sufficient funding.

WHEREAS, MnDOT and Carver County have informal and unapproved plans for the Project, that include widening TH 5 at a location where TH 5 abuts the Property.

WHEREAS, MnDOT and Carver County recognize that the Project may need an undetermined type or types, and area or areas, of real property interests from the Property if the Project receives all necessary approvals and sufficient funding.

WHEREAS, Minnesota Statute § 373.01, Subd. 1(a)(2) permits Carver County to acquire real property for the use of Carver County.

WHEREAS, Carver County desires to purchase the Property in about two (2) years from the CDA, for an amount that equals the CDA Purchase Price (“**Carver County Purchase Price**”).

WHEREAS, the Parties now enter into this MOU to summarize current understandings of the Parties regarding the terms and conditions under which the CDA shall sell and transfer good and marketable title to and possession of the Property to Carver County, and the terms and conditions under which Carver County shall purchase and receive good and marketable title to and possession of the Property from the CDA. The Parties understand that any easement documents, conveyance documents, or purchase agreement that the Parties later execute for said conveyance shall be consistent with the terms and conditions of this MOU, and furthermore shall contain additional terms and conditions necessary to effectuate the conveyance of the Property from the CDA to Carver County.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the Parties currently understand and agree that the obligations of the Parties related to the transfer of title to and possession of the Property from the CDA to Carver County to be as follows:

1. Recitals. The recitals set forth above are true and correct, and hereby are made part of this Agreement in their entirety by reference, as if fully set forth herein.
2. Conditions Precedent to CDA’s Obligations under MOU
 - a. The CDA’s obligation to sell and convey the Property to Carver County is conditioned upon CDA’s governing body adopting a resolution which:
 - 1) Approves this MOU;
 - 2) Authorizes the CDA to purchase the Property from Jungs in the amount of the CDA Purchase Price;
 - 3) Authorizes the CDA to lease the Property for about two (2) to eight (8) years; and

- 4) Authorizes the CDA to convey the Property by Warranty Deed to Carver County for the amount of the Carver County Purchase Price.
 - b. CDA's obligation to sell, and transfer title to and possession of the Property to Carver County for the amount of Carver County's Purchase Price is conditioned upon the CDA purchasing and acquiring marketable title to and possession of the Property from Jungs for the amount of the CDA's Purchase Price.
3. Conditions Precedent to Carver County's Obligations under MOU:
 - a. Carver County's obligation to purchase, and acquire good and marketable title to and possession of the Property from the CDA for the amount of Carver County's Purchase Price is conditioned upon Carver County's governing body adopting a resolution which:
 - 1) Approves this MOU; and
 - 2) Authorizes Carver County to purchase the Property from the CDA for the amount of Carver County's Purchase Price.
 - b. Carver County shall not be obligated to purchase, or acquire good and marketable title to and possession of the Property, if the Property is damaged or destroyed by fire, casualty, any natural disaster, or by any other cause to such an extent that the single family residence becomes uninhabitable, unless the CDA remedies said damage at its sole expense to the full and reasonable satisfaction of Carver County, and without causing an any unreasonable delay or expense to the Project.

4. Obligations of CDA

Provided all of the Conditions Precedent in Sections of 2 and 3 of this MOU are fully satisfied, then:

- a. The CDA shall be solely responsible for maintaining the Property in a state of reasonable repair, from the date that the CDA acquires good and marketable title to and possession of the Property until the CDA conveys good and marketable title to and possession of the Property to Carver County.
- b. The CDA shall permit Carver County, its officers, employees, agents, contractors, and subcontractors to enter the Property for the purposes of investigating, monitoring, surveying, boring, or any other similar activity that Carver County deems reasonably necessary for the Project, or to identify the existence and extent of a release of a hazardous substance,

pollutant, or contaminant that Carver County has reason to believe is present on the Property.

- c. While abiding by applicable federal, state and local law, the CDA shall ensure that no person, individual, family, or household member or lessee occupies or is in possession of the Property as a renter of CDA (“**Lessee**”), on any date that would entitle the Lessee to receive any protections and/or assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. 4601, et. seq., and any other applicable federal or state law (“**Relocation Benefits**”), due to the Project. If any Lessee seeks and is determined by MnDOT or Carver County to be eligible for any Relocation Benefits due to the Project, then the CDA shall reimburse Carver County for the full amount the costs of said Relocation Benefits within ninety (90) days of Carver County making a request for payment of Relocation Benefits. The CDA shall sell and convey by Warranty Deed and shall transfer good and marketable title of record to, subject to the title exceptions in Section 4(f) below (“**Title Exceptions**”) and shall deliver possession of the Property to Carver County at a time (“**Closing Date**”) and location that is mutually agreeable to the Parties.
- d. The CDA shall not be entitled to any damages, including for any and all claims which the CDA could assert related to Carver County’s purchase of, or any manner in which Carver County may use, encumber, retain or convey any portion the Property, including, but not limited to real estate, fixtures, improvements, severance, construction-related interference, demolition and related expenses, relocation, reestablishment, litigation expenses, appraisal fees, expert fees, interest, and attorney fees. Furthermore, every Owner shall be required by the CDA to waive in writing any and all claims against Carver County related to the Property.
- e. The Title Exceptions shall include building and zoning laws, ordinances, state and federal regulations.
- f. The CDA shall retain title to and possession of the Property until the Possession Date that Carver County identifies in the Notice of Intent to Purchase pursuant to Section 5(b) below, and the CDA agrees that said Possession Date may occur anytime up to ten (10) years after the date that the CDA acquires title and possession of the Property less the required three hundred and sixty-day (360) notice term therein. Upon Carver County’s Notice of Intent to Purchase, the CDA shall take all necessary steps to ensure that the Property is vacant upon Carver County’s Possession Date.

- g. The CDA shall sell the Property to Carver County for the amount of the Carver County Purchase Price (\$330,000), regardless of when the Closing Date occurs, unless the Parties agree otherwise in writing.
- h. The CDA shall not allow or cause any liens or encumbrances, of any kind whatsoever, to be placed against the Property, or otherwise sell, transfer, encumber quitclaim or otherwise assign or allow any real property interests in the Property without the prior written consent of Carver County.

5. Obligations of Carver County

Provided all of the Conditions Precedent in Sections of 2 and 3 of this MOU are fully satisfied, then:

- a. Carver County shall not have any maintenance obligations related to the Property, unless and until Carver County acquires title to and possession of the Property.
- b. When Carver County decides the date upon which Carver County desires to acquire good and marketable title to and possession of the Property by purchasing the Property from the CDA according to the terms of this MOU (“**Possession Date**”), then at least three hundred and sixty (360) days prior to the Possession Date, Carver County shall notify the CDA in writing of its intent to purchase and acquire marketable title to and possession of the Property on the Possession Date (“**Notice of Intent to Purchase**”).
- c. Carver County shall complete the transaction on the Closing Date, unless the Parties agree otherwise in writing.

6. Closing Date

In no event shall the Closing Date occur more than eight (8) years after the date that the CDA acquires title and possession of the Property, or later than the Possession Date as defined in Section 5(b) above, unless the Parties agree otherwise in writing.

7. Effective Date

This MOU shall become effective on the date that the last of the Parties signs and dates this MOU and shall remain effective for a period of eight (8) years, after which this MOU shall expire by its terms.

8. Indemnification

Each party shall be liable for its own acts to the extent provided by law and hereby agrees to indemnify, hold harmless and defend the other, its officers and employees against any and all liability, loss, costs, damages, expenses, claims or actions, including attorney’s fees which the other, its officers and employees may hereafter

sustain, incur or be required to pay, arising out of or by reason of any act or omission of the party, its agents, servants or employees, in the execution or performance or failure to adequately perform its obligations pursuant to this Agreement. It is understood and agreed that the County's liability shall be limited by the provisions of Minn. Stat. Chap. 466 and/or other applicable law.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE]

**CARVER COUNTY
COMMUNITY DEVELOPMENT AGENCY**

By: _____
Julie Frick

Executive Director

By: _____
Sign

Print Name and Position

COUNTY OF CARVER

By: _____
John P. Fahey, Board of Commissioners
Its Chair

By: _____
Dave Hemze
Its County Administrator

EXHIBIT A

(Legal Description of Property)

P/O NW1/4 SW1/4 S 174' OF W 172' OF E 799' SECTION 07 TOWNSHIP 116 RANGE 023



Board of Commissioners

Request for Board Action

Meeting date: October 19, 2023

Agenda number: 5A

DEPARTMENT: Housing

FILE TYPE: Regular Agenda

TITLE: Approval of an Increased Not to Exceed for Procurement at Rural Development Properties

PURPOSE/ ACTION REQUESTED: Approval of an increased not to exceed amount for the rural development unit rehabs.

SUMMARY: The CDA approved the procurement for the rural development unit rehabs at the April 20, 2023 board meeting. The rehab is set to begin within the next month. Staff is requesting an increase in the Not to Exceed to better account for change orders that may be needed.

RECOMMENDATION: Approval of an increased not to exceed amount for the rural development unit rehabs in the total amount of \$1,570,000.

EXPLANATION OF FISCAL/ FTE IMPACTS:

None Current budget Other Amendment requested New FTE(s) requested

RESOLUTION:

WHEREAS, the Carver County Community Development Agency (herein called the CDA) has accepted a Best Value bid for the unit rehab work at Hilltop I, II and Mayer Elderly;

WHEREAS, the CDA purchased Hilltop I, II and Mayer Elderly in 2021 with outlined work that needed to be completed as part of the purchase under a Capital Needs Assessment (the “Improvements”); and

WHEREAS, the CDA board has authorized a loan from the CDA to the property for the Improvements; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of CDA that the Contracting Officer or his/her designee be authorized to increase the amount of not to exceed to \$1,570,000.

PREVIOUS BOARD ACTION

Approval of Resolution 23-09

ATTACHMENTS

None

BOARD GOALS

Focused Housing Programs Collaboration Development/Redevelopment
 Financial Sustainability Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

Inform and Listen Discuss Involve N/A

CONTACT

Department Head: Shanika Bumphurs, Director of Property Management

Author: Allison Streich, Deputy Director



Board of Commissioners

Request for Board Action

Meeting date: October 19th, 2023

Agenda number: 5B

DEPARTMENT: Community & Economic Development

FILE TYPE: Regular Agenda

TITLE: 2023 CGPI Pre-Development application for the City of Mayer Old Creamery project

PURPOSE/ ACTION REQUESTED: Approval of Pre-Development Application

SUMMARY: The Community Growth Partnership Initiative Grant Program (CGPI) started in January 2016 with the goals to increase the tax base and improve the quality of life in Carver County through Affordable Housing, Community Development, and Predevelopment strategies. As part of the 2023 CDA budget \$400,000 was allocated to the CGPI program. 10% (\$40,000) is reserved for Predevelopment grants leaving \$360,000 for Community Development & Housing grants.

We received one (1) additional application for Pre-development funds

Mayer	\$7,500	Old Creamery Building project
-------	---------	-------------------------------

- Notes:
- 1) We have allocated \$37,500 of the budgeted \$40,000 for 2023. Funding This project will put us \$5,000 over budget for 2023 of which our Finance Director indicated would be acceptable for this year.
 - 2) City of Mayer has been allocated \$90,000 for 2023.

RECOMMENDATION: CDA staff recommends the CDA Board fund the following project.

Pre-Development: Fund the City of Mayer Pre-Development grant application in the amount of \$7,500.

EXPLANATION OF FISCAL/ FTE IMPACTS:

None Current budget Other Amendment requested New FTE(s) requested

continued on next page

RESOLUTION:

WHEREAS, the Carver County Community Development Agency (CDA) established a Community Growth Partnership Initiative program (Initiative) in 2016 to assist Carver County cities with redevelopment goals and promote the development of affordable housing; and

WHEREAS, the Initiative program has an approved budget of available grant funds of \$400,000 for the fiscal year ending December 31, 2023; and

WHEREAS, Carver County cities and townships can apply up to \$100,000 per community development project (through one or a combination of projects per local government) and up to \$7,500 per pre-development grant (one per local government);

WHEREAS, the CDA received one pre-development grant application for the month of October 2023; and

WHEREAS, the CDA staff reviewed the application based upon the threshold and grant guidelines;

WHEREAS, the CDA staff recommends approving one pre-development grant application; and

NOW, THEREFORE, BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners as follows:

That the following projects be awarded upon the grantees meeting program guidelines, and entering into grant agreements with the CDA, in form and content acceptable to the Executive Director of the CDA; and

APPLICANT	PROJECT	GRANT SOURCE	FUNDING AMOUNT
City of Mayer	Old Creamery Building	Pre-Development	\$7,500

PREVIOUS BOARD ACTION

NA

ATTACHMENTS

23 CGPI Pre-Development Grant Application – City of Mayer Old Creamery

BOARD GOALS

- Focused Housing Programs
- Collaboration
- Development/Redevelopment
- Financial Sustainability
- Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

- Inform and Listen
- Discuss
- Involve
- N/A

CONTACT

Department Head: Chuck Swanson, Director of Community and Economic Development
Author: Chuck Swanson, Director of Community and Economic Development

Community Growth Partnership Initiative 2023 Community Development Grant Application

Project name: Old Creamery Pre-Development Assessment

Applicant: City of Mayer

Contact name: Nicholas Johnson, City Administrator

Contact email and phone: cityadmin@cityofmayer.com 952-657-1502

Authorized official for contract execution (name and title): Nicholas Johnson, City Administrator

Project Summary:

The City of Mayer identified the Old Creamery as a dilapidated and blight condition property in need of rehabilitation or removal. The property owner came to the City and expressed their desire to rehabilitate the property into a usable condition once again. The Old Creamery, while not on the historic register, is one of the oldest standing buildings in Mayer. The City shares the interest with the property owner to determine if the structure is salvageable and to what extent rehabilitation is needed.

1. Request Details

1a. Request Amount: \$7,500

1b. Proposed activities/use of CGPI funds (check all applicable boxes)

- | | | |
|--|---|--|
| <input type="checkbox"/> Acquisition | <input type="checkbox"/> Utilities | <input type="checkbox"/> Sidewalks/Trails |
| <input type="checkbox"/> Lighting | <input type="checkbox"/> Site Work | <input type="checkbox"/> Demolition |
| <input type="checkbox"/> Landscaping | <input type="checkbox"/> Roadways | <input type="checkbox"/> Stormwater |
| <input type="checkbox"/> Streetscaping | <input type="checkbox"/> Soil Remediation | <input type="checkbox"/> Environmental cleanup |
| <input type="checkbox"/> Parking | <input type="checkbox"/> Relocation | |
| <input checked="" type="checkbox"/> Other (list) – Structural Integrity Report | | |

2. Readiness Details

Milestone	Commitment date or anticipated date	Amount
<i>Construction Timeline</i>		
Market/feasibility study	October 2023	Not Applicable
Land use approvals (including any zoning, comprehensive plan amendments, variances, etc.)		Not Applicable
Environmental approvals		Not Applicable
Construction bids		Not Applicable
Permits		Not Applicable
Site control		Not Applicable
Financial closing		Not Applicable
Clean up/demolition		Not Applicable
Begin construction		Not Applicable
Project completion		Not Applicable
<i>Project Funding Sources</i>		
First mortgage		
General partner cash/other equity		\$11,500
Syndication proceeds		
Deferred loans		
TIF		
Sales tax/energy rebates		
Deferred developer fee		
Met Council TOD/LCDA/TBRA		
DEED Redevelopment/Cleanup		
DEED MIF/JCF		
Carver County CDA CGPI		\$7,500
City		
Other:		
Other:		

2a. Total development cost: N/A

Percentage of funds committed: 100%

2b. List other sources of funds requested or considered but not obtained for the project and explain why.
No other sources of funds have been requested.

3. Project Details

3a. Site address(es): 113 5th Street NW, Mayer, MN 55360

3b. Site size: 0.89 acres

3c. Number of parcels: 1

3d. Parcel ID(s): 500011101

Housing

3e. Are there any existing housing units on the site: Yes No

If so, how many?

Are any of the units vacant? Yes No N/A

3f. Are any of the existing units affordable? Yes No

3g. Housing Units (Indicate the number of housing units planned in the project)

	Total Units	New Units	Retained Units	Owner-Occupied	Rental Units	Market Rate	Affordable Units	Affordability Level (% AMI)
Single Family								
Townhome								
Apartments/Condos								
Duplexes								
Other (Specify)								

3h. Is there a mechanism to ensure long term affordability? Yes No

3i. If yes, please describe the type and length of affordability.

3j. Who is the target population for these units (seniors, families, etc.)?

3k. If the project is a rental project, is the owner willing to accept Tenant Based Rental Assistance (Housing Choice Voucher or other tenant based rental assistance)?

Yes No

Commercial

3l. Are there existing commercial buildings on the site: Yes No If so, how many?

Are any of the units vacant? Yes No N/A

3m. Commercial square footage *(Indicate the square footage and jobs planned for the project)*

	Total square footage	New square footage	Retained square footage	New FTEs	Retained FTEs	Jobs with wages ≥\$17/hour
Retail/commercial						
Industrial						
Office						
Other (Specify)	~5,200					
Vacant Building						

3n. List and describe any businesses that will be located on the site. Identify any that are Small Business Enterprises (SBE), Women Business Enterprises (WBE), Minority Business Enterprises (MBE) or Veteran owned.

N/A.

4. Project Costs

4a. Current taxable market value of the site: \$51,300

4b. Anticipated taxable market value after redevelopment: N/A

4c. Development costs

Acquisition cost: N/A

Total development cost: N/A

4d. Proposed cost of activities/use of CGPI funds

Activity	Total Cost	CGPI Request
Acquisition		
Utilities		
Sidewalks/Trails		
Lighting		
Site Work		
Demolition		
Landscaping		
Roadways		
Stormwater		
Streetscaping		
Soil Remediation		
Environmental cleanup		
Parking		
Other: Structural Integrity Report	\$19,000	\$7,500
Other		

5. Narrative

5a. Describe how this project fits into the city's goals and the Redevelopment Plan, its public purpose, any extraordinary costs, and the community's need for the project. Describe other projects completed/underway as part of the Redevelopment Plan or in the area and how this project may catalyze additional (re)development.

The Old Creamery has sat vacant and without use for several years. The dilapidation and blight condition of the property has reached a point where rehabilitation is mandatory to prevent total collapse of the building. One of the central goals of any city is to promote best use of commercial property for the benefit of the community. The property is zoned commercial. A dilapidated and blighted property like the Old Creamery may have life anew with rehabilitation. In order to determine that an assessment study is necessary. The assessment study includes the following performed by two consultants:

Structural Assessment Consultant:

- Review any past assessment or inspection reports that are available.
- Observe the exposed structural conditions and make limited measurements as needed to develop a basic level of understanding of the condition of the existing structural elements.
- Document and understand the structural capacity and level of deterioration of representative portions of the existing roof structural elements.
- Provide recommendations to retrofit or strengthen, if necessary, damaged or deficient structural elements.

Overall Project Consultant:

Phase 1: Baseline Assessment

- Structural Assessment: We propose to facilitate a structural assessment of the structure by a licensed professional engineer to address the short-term safety, the compromised roof, document capacity and condition, and provide recommendations for stabilization.
- Re-use exploration and defining Next Steps: We understand that you have entertained several options for future use of the Creamery. We offer to meet with you and discuss and explore these options to inform and align stabilization efforts with potential future use.

Phase 2: Historic & Re-use Assessment

- Upon establishing a baseline assessment, including the addressing of immediate structural concerns, we offer to provide an historic assessment, which we consider a valuable next step in determining the future use of the Creamery.
- Historic Background Check: We propose to perform a search of historic documentation and databases in order to verify historic status. At this stage, the goal would be a cursory study in order to align stabilization or other efforts with the historic nature of the building. It would also serve as a basis for discussion of historic value, and a gauge for interest in further study.
- Historic Integrity and NRHP Eligibility It is our understanding that the building does not have a local or national historic designation, and does not lie in a designated historic district. However, based on the results of the Historic Background Check, we propose to evaluate the building and its history in order to inform its continued stewardship in that regard. Specifically, we will review its eligibility for nomination to the National Register of Historic Places (NRHP). This research will be essential in consideration of seeking funding sources and gaining support for its preservation.
- Re-use Options. We propose to develop a summary table of options for the building, indicating an approximate magnitude of cost, time, and complexity. Options will be informed by the current physical conditions of the building, as well as our experience with historic buildings, private ownership, and similar projects. We will review these options with you in order to obtain your feedback, and to determine acceptable options for further planning and analysis.

Phase 3: Final Steps

- Project Leadership for Re-use. We offer the following services for your consideration in planning for re-use:
- Assemble a team, including architectural and engineering professionals as necessary to develop a re-use plan for the building and site.
- Coordinate and/or review designs in historical context and inform viability based on our project experience.
- State and Federal Historic Tax Credit Certification. If historic tax credits are a good project fit, then we can work with you on the HTC application through the design and construction phases. Our services typically include advising on design and repair solutions to meet historic preservation requirements, completion of the federal historic tax credit application (Parts 1, 2, and 3), and completion of Minnesota's state historic tax credit application (Parts A and B).
- Design Feasibility. We will work with you to assess the feasibility of your proposed program and design for historic tax credits, providing feedback and advice regarding:
- Compatibility of the proposed program and overall design with the design requirements of the tax credit program.
- Potential historic tax credit investor project partners active in the Minnesota market.

5b. Provide a brief history of the site including previous uses, slum or blight, activities, contamination and other attempts at redevelopment.

The site was home to a creamery operation in Mayer before it went out of business (date unknown). The building sat empty for many years, into decades, with no use. Years of unuse have resulted in dilapidation and blight conditions. The roof has partially caved in, windows are broken out, the electrical and HVAC no longer function. In the mid-2010's, soil contamination cleanup was performed to remediate the years of creamery use and waste discharged.

5c. How does your project create a more livable community? Include information about the mix of uses, proximity to transit, reduced/shared parking, resiliency, walkable neighborhoods, green space, increased density, benefits to businesses/organizations, and community building elements.

N/A.

5d. Describe any contamination on the project site or in the redevelopment plan area. Was a Response Action Plan developed? Will the project be cleaning up any contaminated soil, hazardous waste or other elements? If so, describe the type of clean up.

As mentioned in 5b, soils contamination was identified and cleaned up under MPCA guidance.

5e. Describe how the project is maximizing the potential of the site.

The assessment study on the property will determine the ultimate future feasibility of rehabilitation or removal.

5f. Will any existing residents, tenants or businesses be temporarily or permanently relocated as a part of this project? If so, please describe how relocation will occur.

N/A.

5g. Describe the biggest challenges or extraordinary costs facing your project and explain why the project is not feasible without CGPI funds. Please include any challenges not previously described such as status of site control, financing, rents and returns, tenants/leasing and other items pertinent to a successful project.

For the pre-development portion of this project, the largest cost is the assessment study itself.

Attachments

1. City Resolution (sample is attached and must contain all provisions listed)
2. Location map
3. Site plan and elevations (if available)
4. Existing conditions photos
5. Redevelopment plan (if it is a redevelopment project)
6. Relocation plan (if applicable)
7. Copies of any funding commitments
8. Evidence of site control
9. Development pro forma that includes such things as sources and uses, financing assumptions of any debt, debt service coverage ratio, loan to value, loan to cost, percent equity and cash on cash return.

City of Mayer
Resolution 2023-32

Resolution Approving an Application for the Carver County Community Development Agency Community Growth Partnership Initiative Grant Program

WHEREAS, the City of Mayer has identified a proposed project within the city that meets the Carver County Community Development Agency (CDA) Community Growth Partnership Initiative Grant Program's purpose and criteria; and

WHEREAS, the City has established a Redevelopment Plan of which the proposed project is a component; and

WHEREAS, the City has the capacity and capability to ensure the proposed project will be completed and administered within the Community Growth Partnership Initiative predevelopment program guidelines; and

WHEREAS, the City has the legal authority to apply for financial assistance; and

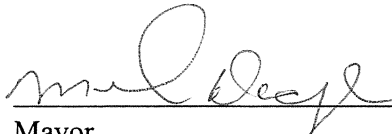
WHEREAS, the City is supportive of affordable housing and of the CDA's mission to improve the lives of Carver County residents through affordable housing and community development.

NOW THEREFORE BE IT RESOLVED that the City of Mayer approves the application for funding from the Carver County CDA Community Growth Partnership Initiative Grant program.

BE IT FURTHER RESOLVED that if the application is approved by the Carver County CDA, Nicholas Johnson, the City Administrator, is hereby authorized to execute such agreements as are necessary to receive and use the funding for the proposed project.

Adopted by the City Council for the City of Mayer, Minnesota this 9th day of October, 2023.

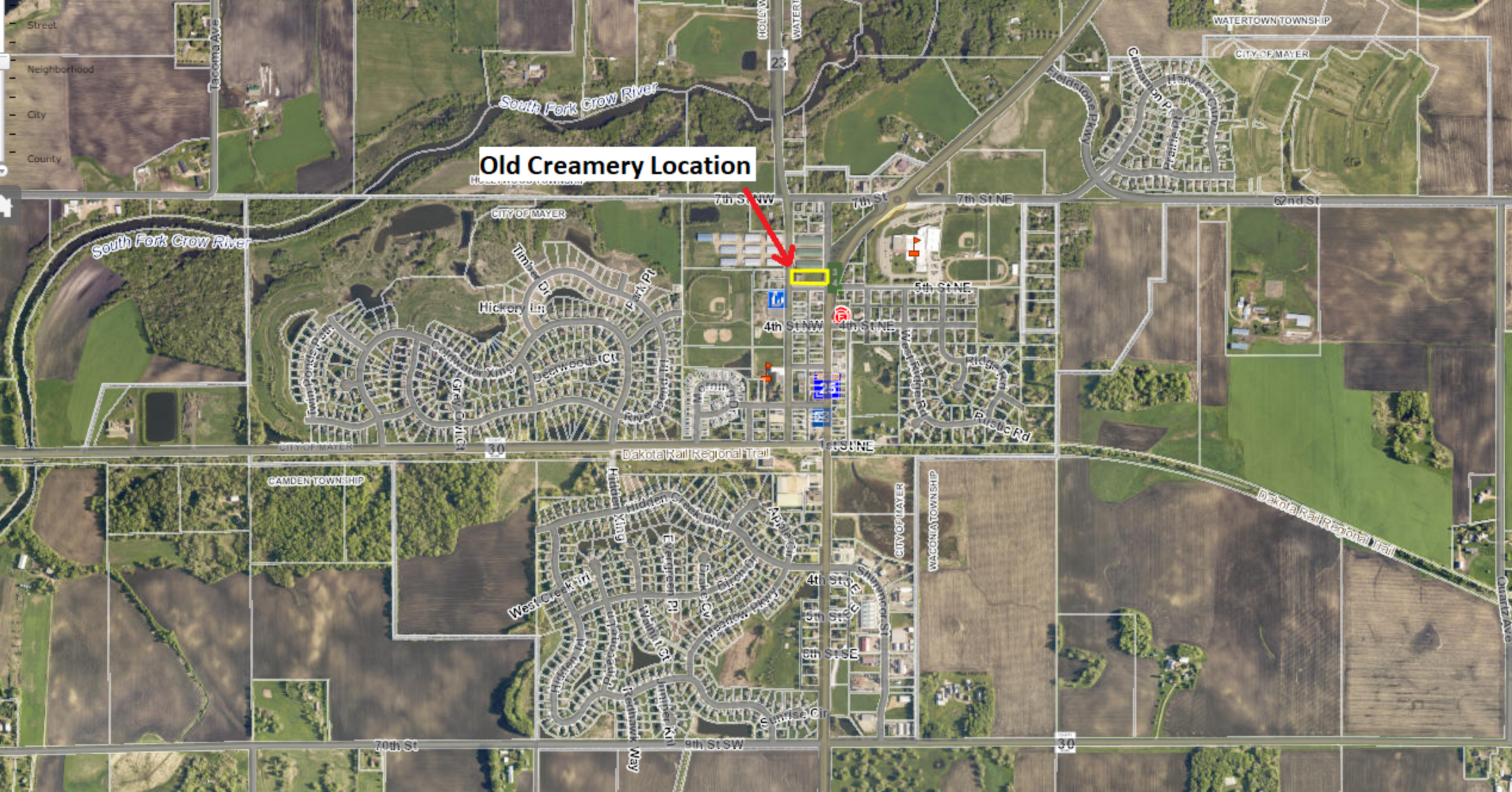
Attest:



Mayor



City Clerk

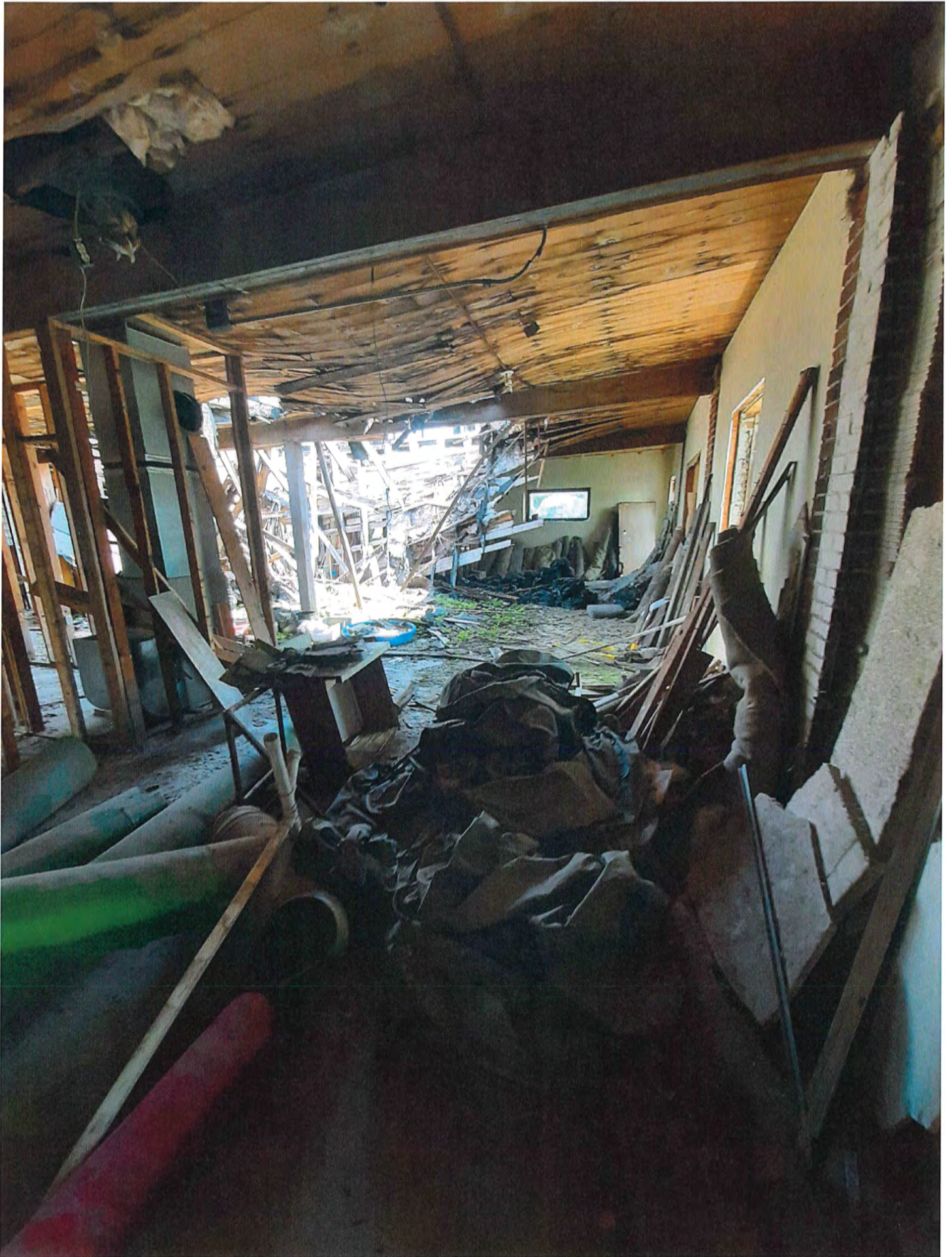


Old Creamery Location



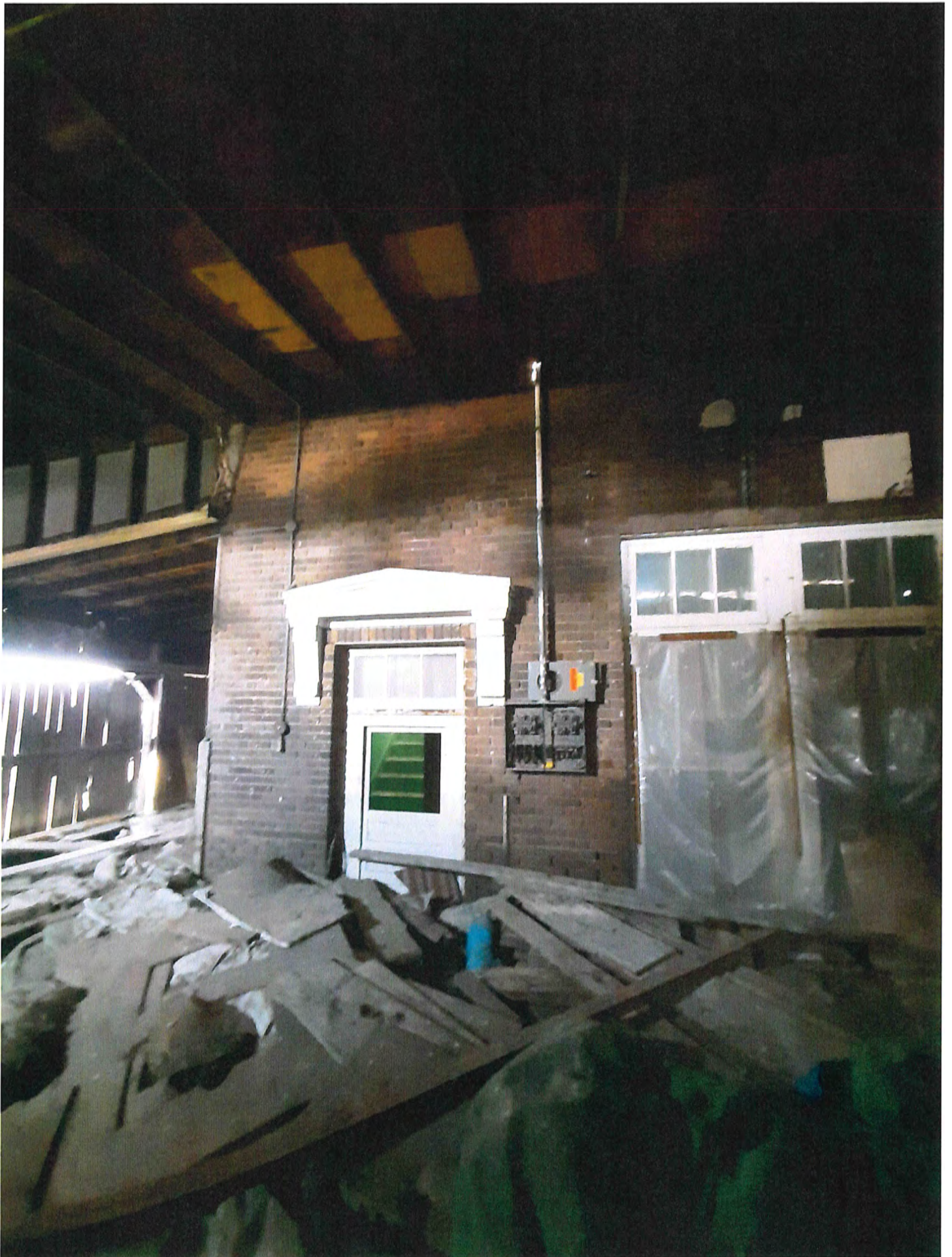


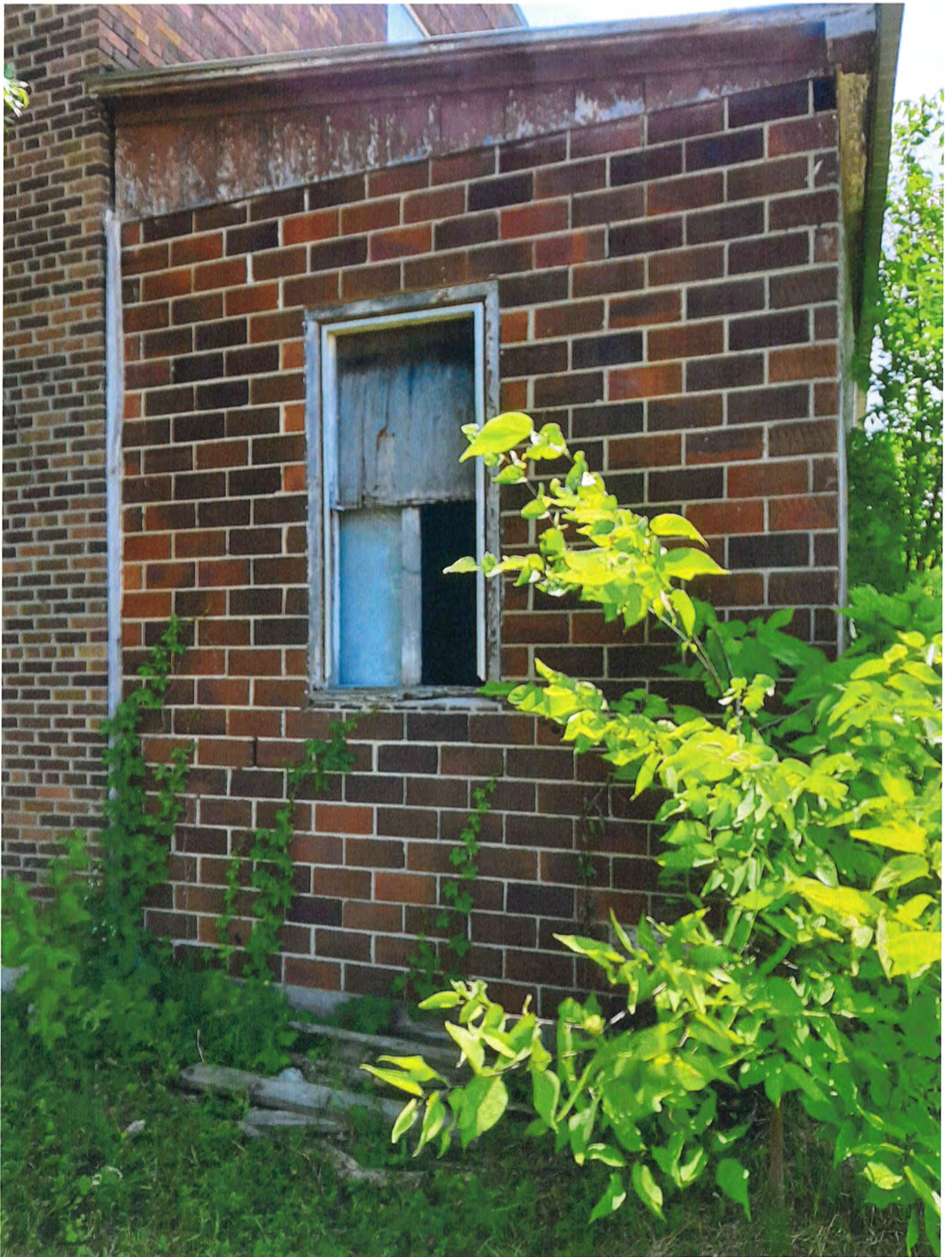
Bluejay Ave
5th St NW





















**Carver County
Property Tax Department**
600 East 4th Street, P.O. Box 69
Chaska, MN 55318-0069
(952) 361-1910 • www.co.carver.mn.us

For the following visit our website at www.co.carver.mn.us
 • Pay your taxes online
 • Sign up for our Tax Payment Reminder
 • Print additional copies of your Tax Statement

Property ID #: **50.0011101**

Taxpayer:

38531*180**G50**1.3055**1/6*****AUTOALL FOR AADC 553
 NICK VLCEK
 PO BOX 44355
 EDEN PRAIRIE MN 55344-1355



REFUNDS?

You may be eligible for one or more refunds to reduce your property tax. Read the back of this statement to find out how to apply.

Bill #: 1472640

Property Address:
113 5TH ST NW
MAYER MN 55360

Property Description:

Acres: 0.98
 Section 01 Township 116 Range 026S 150' OF FOLLOW
 DESC TRACT: THAT P/O NE1/4 DESC AS: COMM AT NE
 CORN NE1/4 TH W 366' TH S 300' TO PT OF BEG TH E
 183' TH S 33' TH E 183' TO E LINE NE1/4 TH S 489.34'
 TH N 89°W 366' TH N 518.00' TO PT OF BEG EXC: S 33'
 THEREOF.

Line 13 Special Assessment Detail:

2021 STREET PROJECT 1,929.90
 7TH ST & ASH IMP 1,418.84

Principal: 1,827.90
 Interest: 1,520.84

2023 PROPERTY TAX STATEMENT

VALUES AND CLASSIFICATION

Taxes Payable Year:		2022	2023
Step 1	Estimated Market Value:	51,300	52,600
	Homestead Exclusion:		
	Taxable Market Value:	51,300	52,600
	New Improvements/ Expired Exclusions:		
	Property Classification:	Comm/Ind	Comm/Ind
<i>Sent in March 2022</i>			
Step 2	PROPOSED TAX		
	Proposed Tax:		1,016.00
<i>Sent in November 2022</i>			
Step 3	PROPERTY TAX STATEMENT		
	First half taxes due:	05/15/2023	2,160.00
	Second half taxes due:	10/16/2023	2,160.00
	Total Taxes Due in 2023:		4,320.00

Tax Detail for Your Property

Taxes Payable Year:		2022	2023	
1. Use this amount on Form M1PR to see if you are eligible for a property tax refund. File by August 15. If this box is checked, you owe delinquent taxes and are not eligible. <input type="checkbox"/>				
2. Use these amounts on Form M1PR to see if you are eligible for a special refund.				
Tax and Credits	3. Property taxes before credits	1,035.26	971.26	
	4. Credits that reduce property taxes			
	A. Agricultural market value credits			
	B. Other Credits			
	5. Property taxes after credits	1,035.26	971.26	
Property Tax By Jurisdiction	6. County			
		A. Carver County	162.42	146.63
		B. Co Rail Authority	0.52	0.44
	7. City or Town	CITY OF MAYER	229.56	222.95
	8. State General Tax			
	9. School District	SD 0111 WATERTOWN-MAYER		
		A. Voter Approved Levies	154.28	135.51
		B. Other Local Levies	79.43	68.43
	10. Special Taxing Districts			
		A. Metro Council	3.02	2.74
	B. Metro Mosquito Control	1.73	1.57	
	C. Carver County CDA	7.75	7.02	
	D. Watershed	4.07	3.68	
	E. Fiscal	392.48	382.29	
	11. Non-school voter approved referenda levies			
	12. Total property tax before special assessments	1,035.26	971.26	
	13. Special Assessments	Interest: 1,520.84 Principal: 1,827.90	3,348.74	3,348.74
	14. TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS	4,384.00	4,320.00	

1-25-23_v3

Please fold on perforation BEFORE tearing

2nd HALF PAYMENT STUB - PAYABLE 2023

To pay online go to www.co.carver.mn.us
 The online payment feature is available for a current year tax payment.
 Delinquent payments cannot be paid online.

PLEASE INDICATE YOUR ADDRESS CORRECTION
 ON REVERSE SIDE OF THIS PAYMENT STUB.

Property ID #: **50.0011101**

TO AVOID PENALTY PAY ON OR BEFORE: 10/16/2023

SECOND 1/2 TAX AMOUNT DUE: 2,160.00

Bill #: 1472640

Taxpayer:
NICK VLCEK
PO BOX 44355
EDEN PRAIRIE MN 55344-1355

Make checks payable to and remit to:

CARVER COUNTY
 P.O. BOX 69
 CHASKA, MN 55318-0069

Your canceled check is proof of payment. Please write your Property ID # on your check. Postdated checks are not held. Only official U.S. Postmark determines payment mail date. No receipt sent unless requested and is void until check is honored. Manufactured Home taxes of \$50.00 or less and Real Estate taxes of \$100.00 or less must be paid in full. If you pay your taxes late, you will be charged a penalty. See back for details.

02 2023 500011101 000216000 6

Please fold on perforation BEFORE tearing

1st HALF PAYMENT STUB - PAYABLE 2023

To pay online go to www.co.carver.mn.us
 The online payment feature is available for a current year tax payment.
 Delinquent payments cannot be paid online.

PLEASE INDICATE YOUR ADDRESS CORRECTION
 ON REVERSE SIDE OF THIS PAYMENT STUB.

Property ID #: **50.0011101**

TO AVOID PENALTY PAY ON OR BEFORE: 05/15/2023

FULL TAX AMOUNT: 4,320.00
FIRST 1/2 TAX AMOUNT DUE: 2,160.00

Bill #: 1472640

Taxpayer:
NICK VLCEK
PO BOX 44355
EDEN PRAIRIE MN 55344-1355

Make checks payable to and remit to:

CARVER COUNTY
 P.O. BOX 69
 CHASKA, MN 55318-0069

Your canceled check is proof of payment. Please write your Property ID # on your check. Postdated checks are not held. Only official U.S. Postmark determines payment mail date. No receipt sent unless requested and is void until check is honored. Manufactured Home taxes of \$50.00 or less and Real Estate taxes of \$100.00 or less must be paid in full. If you pay your taxes late, you will be charged a penalty. See back for details.

01 2023 500011101 000216000 8

↑ DETACH HERE AND RETURN THIS STUB WITH YOUR SECOND HALF PAYMENT



↑ DETACH HERE AND RETURN THIS STUB WITH YOUR FIRST HALF PAYMENT

\$\$\$ REFUNDS

You may qualify for one or both refunds from the State of Minnesota based on your 2023 Property Taxes.

If you owned and occupied this property as your homestead on January 2, 2023, you *may* qualify for one or both of the following homestead credit refunds:

- Property Tax Refund** - If your taxes exceed certain income-based thresholds, and your total household income is less than \$128,280.
- Special Property Tax Refund** - If you also owned and occupied this property as your homestead on January 2, 2022 and **both** of the following are true:
 - The net property tax on your homestead increased by more than 12% from 2022 to 2023.
 - The increase was at least \$100, not due to improvements on the property.

For Form M1PR and instructions:



www.revenue.state.mn.us



(651) 296-3781



Minnesota Tax Forms
Mail Station 1421
St. Paul, MN 55146-1421

Make sure to provide your Property ID Number on your M1PR to ensure prompt processing.

Senior Citizen Property Tax Deferral

The Senior Citizen Deferral Program provides a **low-interest loan** to senior citizens having difficulty paying property taxes. This is not a tax forgiveness program, however, this program:

- Limits the maximum amount of property tax paid to 3% of total household income, and
- Ensures the amount of tax paid remains the same as long as you participate in this program.

To be eligible, you must file an application by **November 1, 2023**, as well as:

- Be at least 65 years old,
- Have a household income of \$60,000 or less, and
- Have lived in your home for at least 15 years.

To receive a fact sheet and application for this program, or to file an on-line application, go to www.revenue.state.mn.us and type "deferral" into the search box. You may also call the Senior Deferral Administrator at (651) 556-4803 to have the information mailed to you.

SENIOR CITIZEN
PROPERTY TAX
DEFERRAL

If you are interested in information regarding special tax programs, please contact the following offices: **For blind, disabled, or paraplegic** classification contact the Assessor's Office at (952) 361-1960. For Veterans Exclusion of value, contact Veterans Services at (952) 442-2323.

Penalty for Late Payment of Property Tax

If you pay your first half or second half property tax after the due dates, a penalty will be added to your tax. The later you pay, the greater the penalty you will pay. The table below shows the penalty amounts added to your tax if your property taxes are not paid before the date shown. To avoid a penalty, envelopes must be postmarked by the due date to be considered paid on time. First half tax payments must be paid in full with penalty (if applicable) prior to applying money toward second half payment. If you are unsure of how penalty is calculated, the amount due, or want to discuss delinquent tax, please contact us at (952) 361-1910.

Property Type:	2023											2024
	May 16	June 1	July 1	Aug 1	Sep 1	Oct 1	Oct 17	Nov 1	Nov 16	Dec 1	Jan 2	
Homesteads and Seasonal Rec.	1st half	2%	4%	5%	6%	7%	8%	8%	8%	-	8%	10%
	2nd half	-	-	-	-	-	2%	4%	4%	5%	7%	7%
	Both Unpaid	-	-	-	-	-	5%	6%	6%	6.5%	8.5%	8.5%
Agricultural Homesteads	1st half	2%	4%	5%	6%	7%	8%	8%	8%	8%	10%	10%
	2nd half	-	-	-	-	-	-	-	2%	4%	6%	6%
	Both Unpaid	-	-	-	-	-	-	-	5%	6%	8%	8%
Nonhomesteads	1st half	4%	8%	9%	10%	11%	12%	12%	12%	-	12%	14%
	2nd half	-	-	-	-	-	4%	8%	8%	-	9%	11%
	Both Unpaid	-	-	-	-	-	8%	10%	10%	-	10.5%	12.5%
Agricultural Nonhomesteads	1st half	4%	8%	9%	10%	11%	12%	12%	12%	12%	14%	14%
	2nd half	-	-	-	-	-	-	-	4%	8%	10%	10%
	Both Unpaid	-	-	-	-	-	-	-	8%	10%	12%	12%
Personal Property	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Manufactured Homes	1st half	-	-	-	-	8%	8%	8%	8%	8%	8%	8%
	2nd half	-	-	-	-	-	-	-	8%	8%	8%	8%

Personal Property Located on Leased Government-owned Land:

Taxes may be paid in two installments due at the same time as real property taxes. These taxes are subject to the same penalty schedule and penalty rates as real property taxes. All other personal property taxes are due in full on or before May 15, 2023.

Note to manufactured homeowners:

The title to your manufactured home cannot be transferred unless all current year and delinquent personal property taxes are paid at the time of transfer.

1-25-23_v3

Please fold on perforation BEFORE tearing

ADDRESS CORRECTION

NEW ADDRESS:

NAME _____

STREET ADDRESS _____

CITY _____

STATE _____ ZIP CODE _____

THIS STUB MUST ACCOMPANY SECOND HALF PAYMENT

IMPORTANT ADDITIONAL NOTES:

On the property described hereon, check your statements to see that all your property is included. **(We are not responsible for any omitted parcels.)**

We do not mail second half statements.

Payment: We are prohibited from holding post-dated checks. Payments are processed on date received. Payment must be in U.S. dollars, by money order or draft from a U.S. bank or branch. Draft must have bank's coded transit number along bottom edge. Payment not meeting these requirements cannot be accepted since substantial collection fees will be charged by the banks involved.

M.S. 276.017 SUBD. 3. Proof of timely payment. The postmark or registration mark of the United States Postal Service qualifies as proof of timely mailing. Mailing, or the time of mailing, may also be established by a delivery service's records or other available evidence. The postmark of a private postage meter or an electronic stamp purchased online may not be used as proof of a timely mailing made under this section.

Please fold on perforation BEFORE tearing

ADDRESS CORRECTION

38531 1/3

NEW ADDRESS:

NAME _____

STREET ADDRESS _____

CITY _____

STATE _____ ZIP CODE _____

THIS STUB MUST ACCOMPANY FIRST HALF PAYMENT

IMPORTANT ADDITIONAL NOTES:

On the property described hereon, check your statements to see that all your property is included. **(We are not responsible for any omitted parcels.)**

We do not mail second half statements.

Payment: We are prohibited from holding post-dated checks. Payments are processed on date received. Payment must be in U.S. dollars, by money order or draft from a U.S. bank or branch. Draft must have bank's coded transit number along bottom edge. Payment not meeting these requirements cannot be accepted since substantial collection fees will be charged by the banks involved.

M.S. 276.017 SUBD. 3. Proof of timely payment. The postmark or registration mark of the United States Postal Service qualifies as proof of timely mailing. Mailing, or the time of mailing, may also be established by a delivery service's records or other available evidence. The postmark of a private postage meter or an electronic stamp purchased online may not be used as proof of a timely mailing made under this section.



For Sale/Lease

4100 Peavey Rd,
Chaska, MN

- Excellent Owner/User opportunity with tenant income
- Underground Parking Garage

Sale/Lease Listing Agents

Joe Owen cCM, SIOR
Executive Vice President
+1 952 897 7888
joe.owen@colliers.com

Corbin Chapman
Associate Vice President
+1 952 374 5811
corbin.chapman@colliers.com

Mark Kolstrud cPM, SIOR
Vice Chair
+1 952 897 7790
mark.kolstrud@colliers.com

Debt & Equity Agents
Tony Carlson
Senior Vice President
+1 952 994 7917
tony.carlson@colliers.com

Chris Perry
Senior Vice President
+1 612 376 4051
chris.r.perry@colliers.com



1600 Utica Avenue S, Suite 300
St. Louis Park, MN 55416
+1 952 897 7700
colliers.com/msp

Joe Owen CIM, SIOR
Executive Vice President
+1 952 897 7888
joe.owen@colliers.com

Corbin Chapman
Associate Vice President
+1 952 374 5811
corbin.chapman@colliers.com

Mark Kolsrud CPM, SIOR
Vice Chair
+1 952 897 7790
mark.kolsrud@colliers.com

Tony Carlson
Senior Vice President
+1 952 994 7917
tony.carlson@colliers.com

Chris Perry
Senior Vice President
+1 612 376 4051
chris.r.perry@colliers.com



This document has been prepared by Colliers International for advertising and general information only. Colliers International makes no guarantees, representations or warranties of any kind, expressed or implied, regarding the information including, but not limited to, warranties of content, accuracy and reliability. Any interested party should undertake their own inquiries as to the accuracy of the information. Colliers International excludes any liability, direct or indirect, for any damages arising out of this document and excludes all liability for loss and damages arising there from. This publication is the copyrighted property of Colliers International and/or its licensors. All rights reserved.

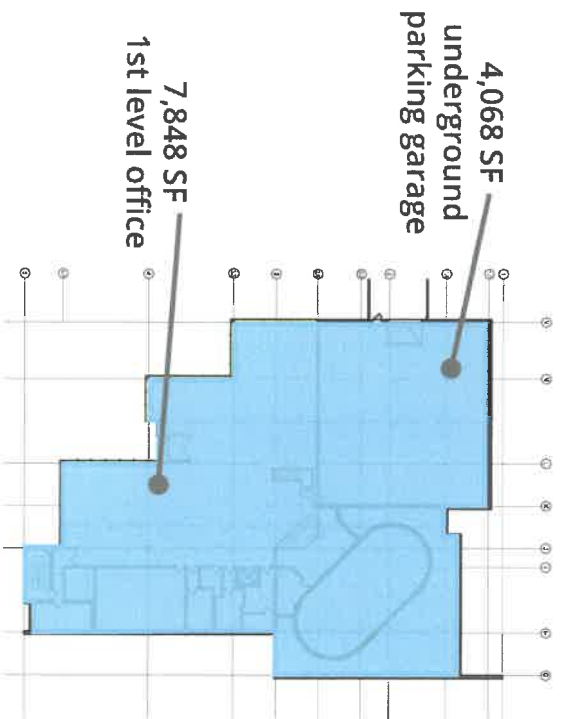
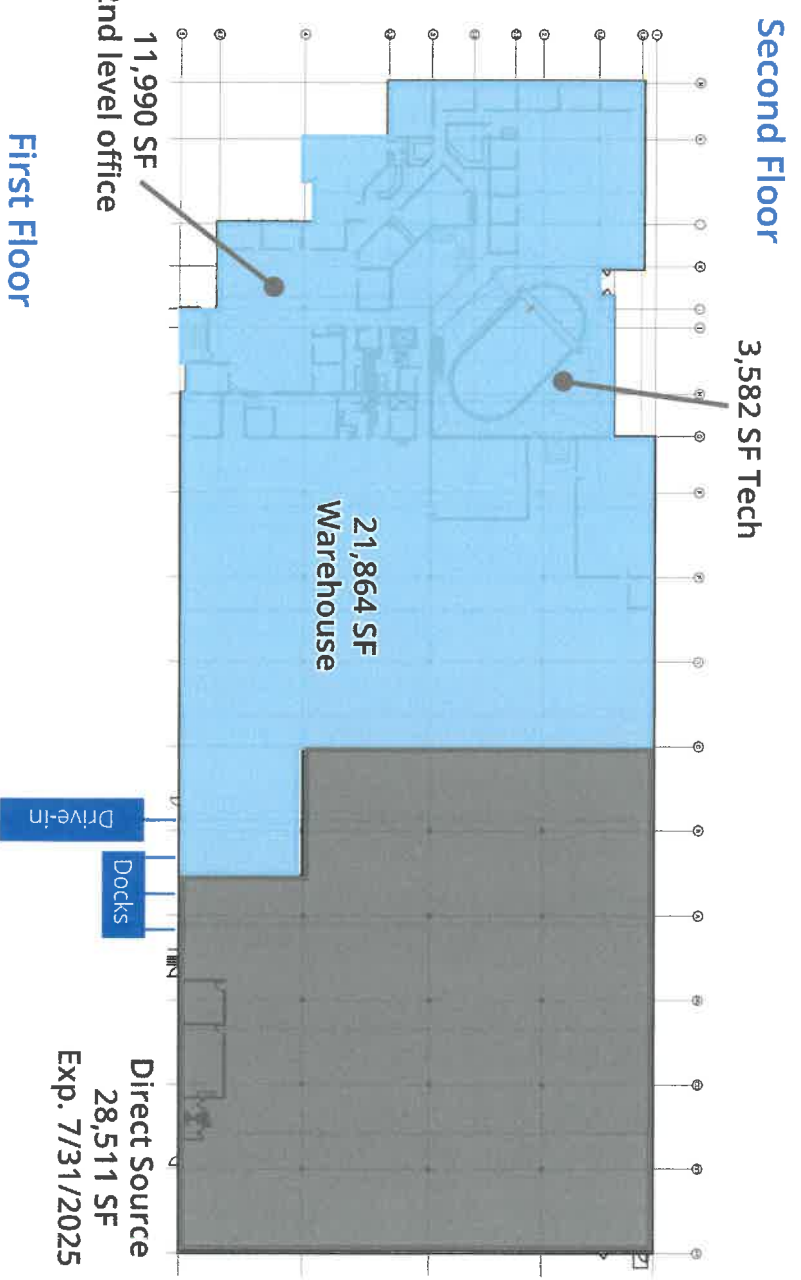
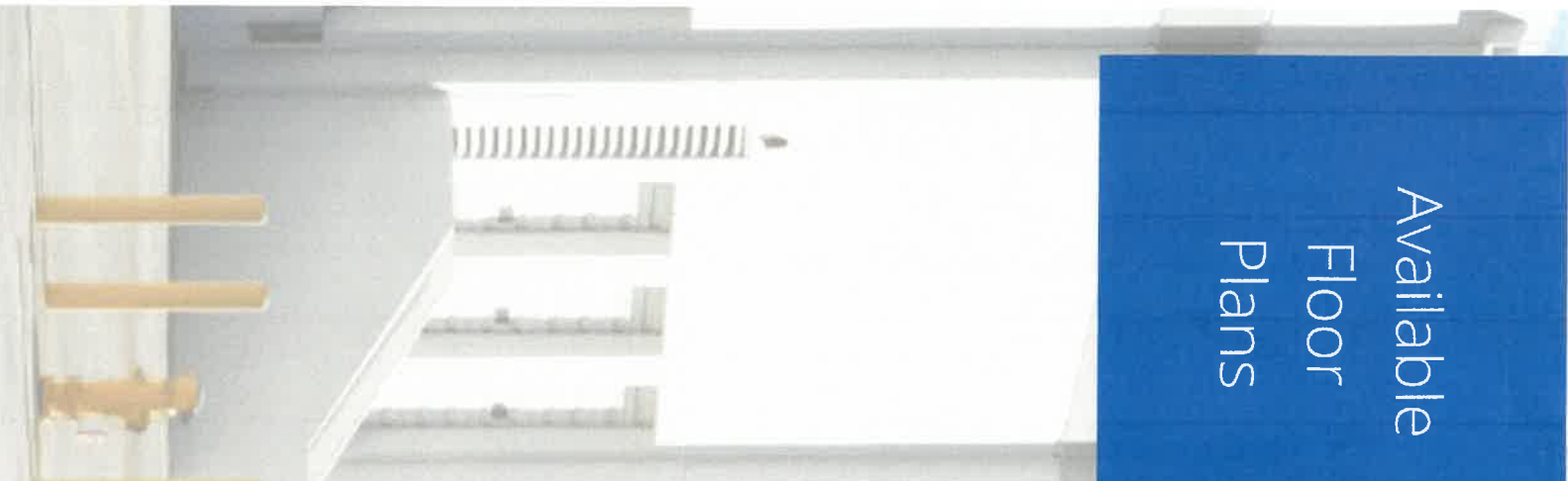
Property Overview

Address	4100 Peavey Rd, Chaska, MN
Building SF	78,029 SF (including underground parking garage)
Site Size	5.59 acres
Available for Lease	19,748 SF 1st & 2nd Floor Office 4,068 SF Garage 4,384 SF Tech 21,864 SF Warehouse <u>50,064 SF Total</u>
Loading	3 dock doors 1 drive-in
Parking	Significant employee parking 12 underground parking garage stalls
Zoning	PID: Planned Industrial Development
Year Built	1988
Lease Rates	Negotiable
Sale Price	Negotiable
CAM/Tax (2023)	\$1.63 PSF CAM \$1.23 PSF Tax \$0.17 PSF Insurance <u>\$3.03 PSF Total</u>
Clear Height	17'

Tenant Income

- Direct Source: 28,511 SF expiring 7/31/2025
- Current - 7/31/2024: \$5.57 PSF Net
- 8/1/2024: \$5.74 PSF Net

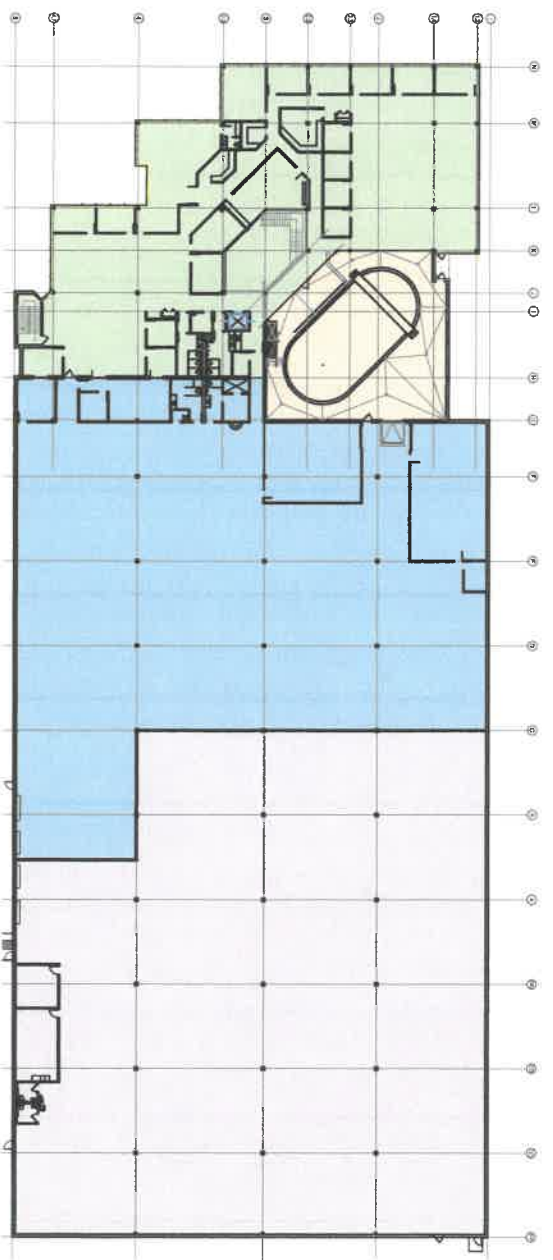
Available Floor Plans



Currently Available:
 19,748 SF 1st Floor Office
 4,068 SF Garage
 4,384 SF Tech
 21,864 SF Warehouse
50,064 SF Total

Current Floor Plans

Second Floor



Suite 100 - Archive Data

Aeration Industries
Office =
Whse. = 49,518 sq. ft.
Total =
Lease Expiration: 10.31.2023

Suite 100 - 2023 Data

Aeration Industries - 2nd Floor:
Office = 11,990 s.f.
Tech = 3,582 s.f.
Whse. = 21,864 s.f.
Total = 37,436 s.f.
Lease Expiration: 10.31.2023

Suite 100 - 2023 Data

Aeration Industries - 1st Floor:
Office = 7,848 s.f.
Garage = 4,068 s.f.
Tech = 558 s.f.
Total = 12,474 s.f.
Lease Expiration: 10.31.2023

Suite 100 - 2023 Data

Aeration Industries - Bldg Summary:
Office = 19,748 s.f.
Garage = 4,068 s.f.
Tech = 4,384 s.f.
Whse. = 21,864 s.f.
Total = 50,064 s.f.
Lease Expiration: 10.31.2023

First Floor

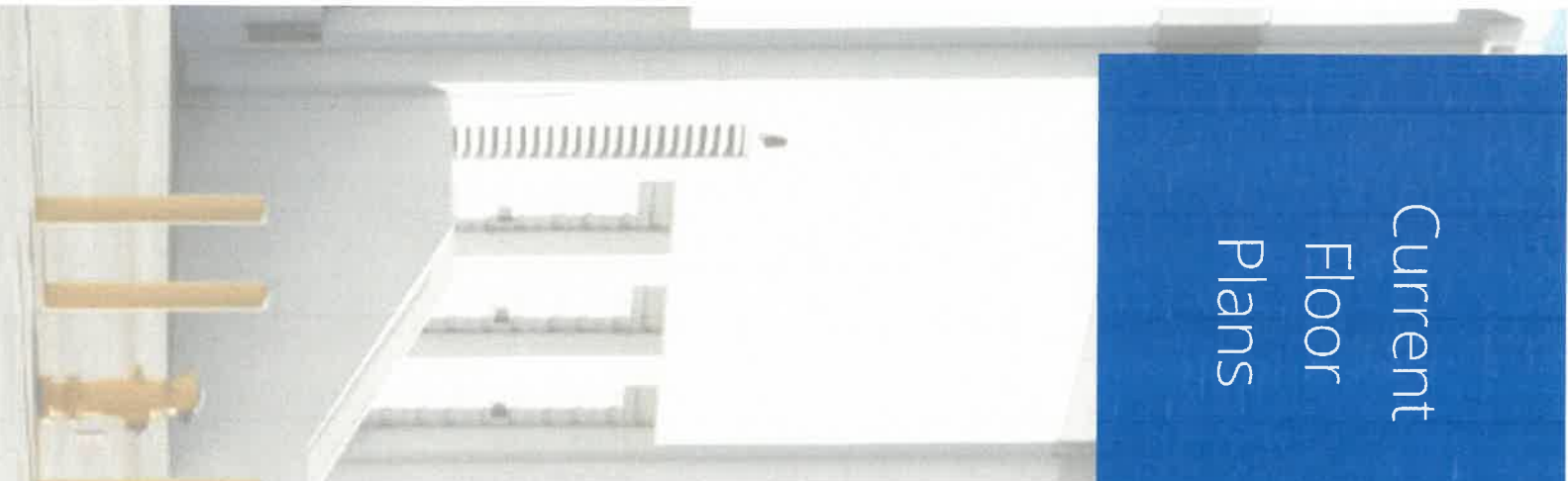


Suite 200 - Archive Data

Direct Source, Inc.
Whse. = 28,511 sq. ft.
Lease Expiration: 10.31.2021

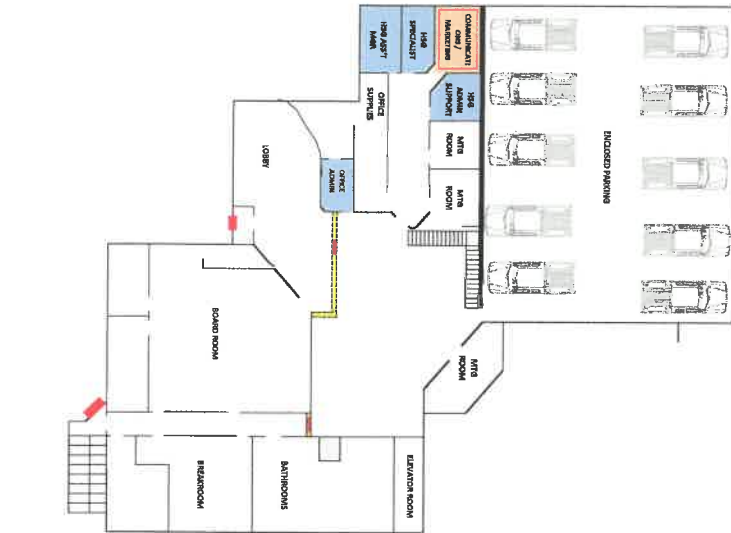
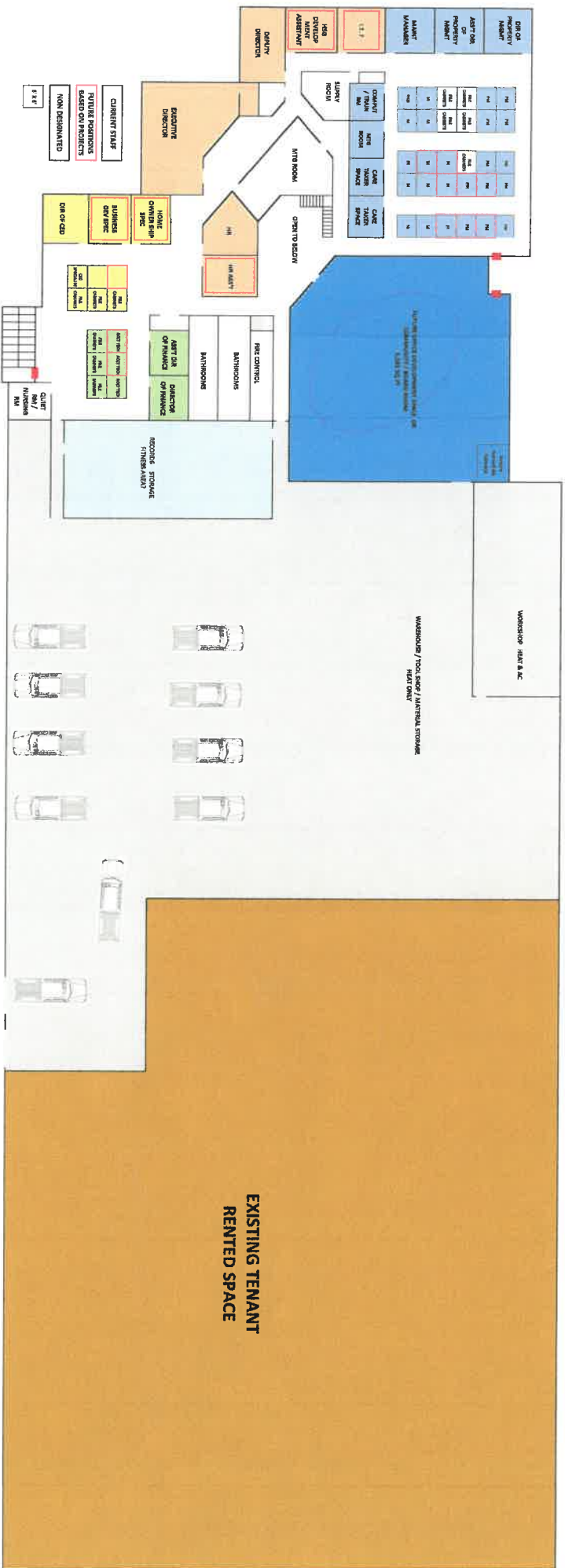
Suite 200 - 2023 Data

Direct Source, Inc. - 2nd Floor:
Whse. = 28,348 sq. ft.
Lease Expiration: 10.31.2021

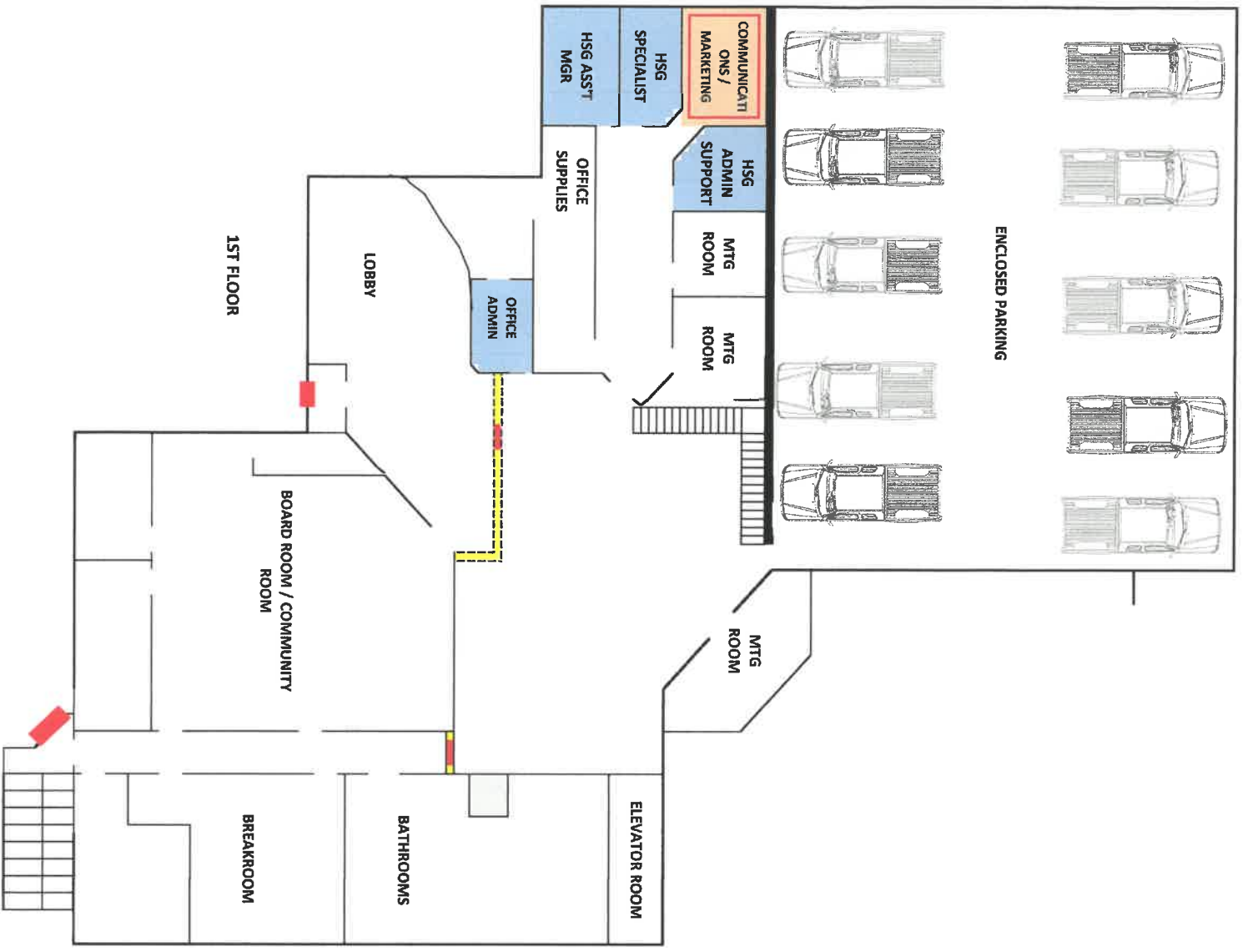


Area Aerial





CONCEPT ONLY



1ST FLOOR



2ND FLOOR

CURRENT STAFF
 FUTURE POSITIONS
 BASED ON PROJECTS
 NON DESIGNATED

6' X 6'

QUIET RM /
 NURSING RM

FILE CABINETS
 FILE CABINETS
 FILE CABINETS
 FILE CABINETS
 CD SPECIALIST

ACCTECH ACCTECH ACCTECH
 FILE CABINETS FILE CABINETS FILE CABINETS

RECORDS STORAGE
 FITNESS AREA?

BATHROOMS
 BATHROOMS

ASST DIR
 OF FINANCE
 DIRECTOR
 OF FINANCE

FIRE CONTROL

FUTURE MULTI-PURPOSE ROOM
 3,582 SQ FT

Future
 Forced Air
 Furnace

OPEN TO BELOW

MTG ROOM

EXECUTIVE
 DIRECTOR

HR

HR ASST

DEPUTY
 DIRECTOR

SUPPLY
 ROOM

COMPUT
 / TRAIN
 RM

MTG
 ROOM

CARE
 TAKER
 SPACE

CARE
 TAKER
 SPACE

FILE CABINETS FILE CABINETS
 FILE CABINETS FILE CABINETS
 FILE CABINETS FILE CABINETS
 FILE CABINETS FILE CABINETS

FILE CABINETS FILE CABINETS
 FILE CABINETS FILE CABINETS
 FILE CABINETS FILE CABINETS

FILE CABINETS FILE CABINETS
 FILE CABINETS FILE CABINETS

DIR OF
 PROPERTY
 MGMT

ASST DIR
 OF
 PROPERTY
 MGMT

MAINT
 MANAGER

L.T. ?

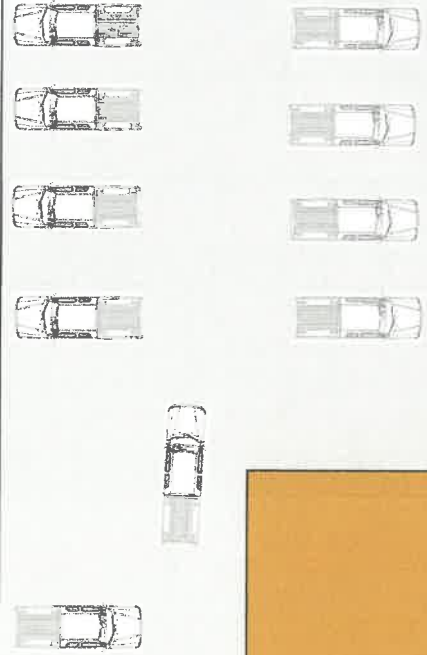
HSG
 DEVELOP
 MENT
 ASSISTANT

1000 sq ft
1000 sq ft
1000 sq ft

WORKSHOP HEAT & AC

WAREHOUSE / TOOL SHOP / MATERIAL
STORAGE
HEAT ONLY

RECORDS STORAGE
FITNESS AREA?



EXISTING TENANT
RENTED SPACE

WAREHOUSE SPACE

Property Card	Parcel ID Number 301470010
----------------------	-----------------------------------

Taxpayer Information
Taxpayer Name MSP SW ACQUISITION LLC C/O MARVIN F POER & COMPANY
Mailing Address 700 N PEARL ST STE N1650 DALLAS, TX 75201-



Property Address
Address 4100 PEAVEY RD City CHASKA, MN 55318

Parcel Information			
Uses	Industrial	Acres	5.59
		Plat	CHASKA BUSINESS LOFTS
		Lot	001
		Block	001
Legal Description			

Building Information		
Building Style	Above Grade Finished Sq Ft	Total Bedrooms
Year Built	Garage	

Miscellaneous Information				
School District	Watershed District	Homestead	Green Acres	Ag Preserve
0112	WS 067 CARVER CO WMO	N	N	N

Assessor Information				
Estimated Market Value	2022 Values (Payable 2023)	2023 Values (Payable 2024)	Last Sale	
Land	\$936,400.00	\$936,400.00	Date of Sale	10/24/2017
Building	\$2,079,200.00	\$2,287,500.00	Sale Value	\$5,117,000.00
Total	\$3,015,600.00	\$3,223,900.00		

The data provided herewith is for reference purposes only. This data is not suitable for legal, engineering, surveying or other similar purposes. Carver County does not guarantee the accuracy of the information contained herein. This data is furnished on an 'as is' basis and Carver County makes no representations or warranties, either expressed or implied, for the merchantability or fitness of the information provided for any purpose. This disclaimer is provided pursuant to Minnesota Statutes §466.03 and the user of the data provided herein acknowledges that Carver County shall not be liable for any damages, and by using this data in any way expressly waives all claims, and agrees to defend, indemnify, and hold harmless Carver County, its officials, officers, agents, employees, etc. from any and all claims brought by anyone who uses the information provided for herein, its employees or agents, or third parties which arise out of user's access. By acceptance of this data, the user agrees not to transmit this data or provide access to it or any part of it to another party unless the user includes with the data a copy of this disclaimer.

MEMORANDUM

TO: Julie Frick, Director, Carver County CDA
FROM: Schane Rudlang and Nick Anhut
DATE: October 13, 2023
SUBJECT: 4100 Peavey Road Financing – Preliminary Options

Background

The Carver County Community Development Agency (“CDA”) is analyzing various options to move its internal operations and house its staff. An existing building at 4100 Peavey Road in Chaska is available for sale. The building was built in 1988 and is 78,000 square feet over two floors. The CDA intends to utilize a portion of the building itself, and lease approximately 28,000 square feet to a private user. The CDA Staff have estimated that approximately \$6.2 million will be needed to acquire the property and facilitate the initial furnishing / buildout.

As the primary function of the new facility is to serve as a governmental use, the CDA can consider utilizing tax-exempt financing as a funding source. Tax-exempt financing is expected to carry a lower interest cost than conventional financing alternatives. Since the intent is to preserve the flexibility to lease a portion of the building to a private user, only the portion of the total project cost directly attributable to the CDA’s use of the facility qualifies for the tax-exemption. A separate source must be used to fund the “private use.” Upon preliminary discussion with Bond Counsel, up to \$4.22 million of the total acquisition / buildout cost estimate could benefit from tax-exempt financing.

Financing Options

Ehlers considered a number of financing options, and has discussed those with Staff. The primary options being considered currently consists of utilizing approximately \$2 million in CDA cash and financing the remaining \$4.22 million of the total with the following estimates and assumptions:

- Portion financed would be non-private use, as such bonds can be tax-exempt
- Obtain a credit rating as part of the costs of issuance
- AA-rated interest rates assumed at current market levels plus a 50 basis points (0.50%) cushion
- Debt service secured by CDA Levy
- Call provision (early redemption) offered at 9-11 years from issuance
- Cost of Issuance: \$65,000
- Bidding allowance for Underwriter’s Discount: 1.2% or \$50,640

Summary

The following page includes a summary of the estimated principal and interest and the associated 105% levy coverage calculated on both a 20- and a 30-year example bond financing. These estimates assume interest-only payments within the first year, and level amortization thereafter.

Please contact either of us at 651-697-8500 with any questions.

20 Year Financing		
True Interest Cost (TIC): 5.077%		
Year	Total P & I	105% Levy
		Coverage
1	204,978	215,226
2	339,978	356,976
3	338,700	355,635
4	337,330	354,197
5	335,805	352,595
6	339,055	356,008
7	336,855	353,698
8	339,430	356,402
9	336,555	353,383
10	338,455	355,378
11	334,905	351,650
12	336,033	352,834
13	336,398	353,217
14	336,078	352,881
15	339,940	356,937
16	337,940	354,837
17	335,315	352,081
18	337,055	353,908
19	337,893	354,787
20	337,813	354,703
21	336,800	353,640

30 Year Financing		
True Interest Cost (TIC): 5.292%		
Year	Total P & I	105% Levy
		Coverage
1	215,038	225,789
2	285,038	299,289
3	286,783	301,122
4	283,370	297,539
5	284,995	299,245
6	286,395	300,715
7	282,570	296,699
8	283,745	297,932
9	284,695	298,930
10	285,420	299,691
11	285,920	300,216
12	286,143	300,450
13	285,973	300,271
14	285,453	299,725
15	284,513	298,738
16	283,263	297,426
17	286,698	301,032
18	284,558	298,785
19	287,090	301,445
20	284,030	298,232
21	285,630	299,912
22	286,705	301,040
23	282,165	296,273
24	282,360	296,478
25	287,025	301,376
26	285,790	300,080
27	284,020	298,221
28	286,715	301,051
29	283,485	297,659
30	284,715	298,951

Carver County CDA, MN

\$4,220,000 General Obligation Bonds, Series 2024

Assumes Current Market BQ AAA Rates plus 50bps

30 Years

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+	105% Overlevy
02/01/2024	-	-	-	-	-
02/01/2025	-	-	204,217.50	204,217.50	214,428.38
02/01/2026	75,000.00	4.400%	204,217.50	279,217.50	293,178.38
02/01/2027	75,000.00	4.300%	200,917.50	275,917.50	289,713.38
02/01/2028	80,000.00	4.250%	197,692.50	277,692.50	291,577.13
02/01/2029	85,000.00	4.250%	194,292.50	279,292.50	293,257.13
02/01/2030	85,000.00	4.250%	190,680.00	275,680.00	289,464.00
02/01/2031	90,000.00	4.250%	187,067.50	277,067.50	290,920.88
02/01/2032	95,000.00	4.250%	183,242.50	278,242.50	292,154.63
02/01/2033	100,000.00	4.250%	179,205.00	279,205.00	293,165.25
02/01/2034	100,000.00	4.250%	174,955.00	274,955.00	288,702.75
02/01/2035	105,000.00	4.300%	170,705.00	275,705.00	289,490.25
02/01/2036	110,000.00	4.450%	166,190.00	276,190.00	289,999.50
02/01/2037	115,000.00	4.550%	161,295.00	276,295.00	290,109.75
02/01/2038	120,000.00	4.700%	156,062.50	276,062.50	289,865.63
02/01/2039	125,000.00	4.750%	150,422.50	275,422.50	289,193.63
02/01/2040	135,000.00	4.800%	144,485.00	279,485.00	293,459.25
02/01/2041	140,000.00	4.850%	138,005.00	278,005.00	291,905.25
02/01/2042	145,000.00	4.900%	131,215.00	276,215.00	290,025.75
02/01/2043	155,000.00	4.950%	124,110.00	279,110.00	293,065.50
02/01/2044	160,000.00	5.000%	116,437.50	276,437.50	290,259.38
02/01/2045	170,000.00	5.000%	108,437.50	278,437.50	292,359.38
02/01/2046	175,000.00	5.050%	99,937.50	274,937.50	288,684.38
02/01/2047	185,000.00	5.050%	91,100.00	276,100.00	289,905.00
02/01/2048	195,000.00	5.050%	81,757.50	276,757.50	290,595.38
02/01/2049	205,000.00	5.100%	71,910.00	276,910.00	290,755.50
02/01/2050	215,000.00	5.100%	61,455.00	276,455.00	290,277.75
02/01/2051	225,000.00	5.100%	50,490.00	275,490.00	289,264.50
02/01/2052	240,000.00	5.150%	39,015.00	279,015.00	292,965.75
02/01/2053	250,000.00	5.150%	26,655.00	276,655.00	290,487.75
02/01/2054	265,000.00	5.200%	13,780.00	278,780.00	292,719.00
Total	\$4,220,000.00	-	\$4,019,952.50	\$8,239,952.50	\$8,651,950.13

Significant Dates

Dated	2/01/2024
First Coupon Date	2/01/2025

Yield Statistics

Bond Year Dollars	\$80,805.00
Average Life	19.148 Years
Average Coupon	4.9748809%
Net Interest Cost (NIC)	5.0375503%
True Interest Cost (TIC)	5.0389120%
Bond Yield for Arbitrage Purposes	4.9355166%
All Inclusive Cost (AIC)	5.1744432%

IRS Form 8038

Net Interest Cost	4.9748809%
Weighted Average Maturity	19.148 Years

Series 2024 GO Bonds - 30 | SINGLE PURPOSE | 10/10/2023 | 8:44 AM



Carver County CDA, MN

\$4,220,000 General Obligation Bonds, Series 2024

Assumes Current Market BQ AAA Rates plus 50bps

20 Years

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2024	-	-	-	-	-
02/01/2025	-	-	194,262.50	194,262.50	203,975.63
02/01/2026	135,000.00	4.400%	194,262.50	329,262.50	345,725.63
02/01/2027	140,000.00	4.300%	188,322.50	328,322.50	344,738.63
02/01/2028	150,000.00	4.250%	182,302.50	332,302.50	348,917.63
02/01/2029	155,000.00	4.250%	175,927.50	330,927.50	347,473.88
02/01/2030	160,000.00	4.250%	169,340.00	329,340.00	345,807.00
02/01/2031	170,000.00	4.250%	162,540.00	332,540.00	349,167.00
02/01/2032	175,000.00	4.250%	155,315.00	330,315.00	346,830.75
02/01/2033	185,000.00	4.250%	147,877.50	332,877.50	349,521.38
02/01/2034	190,000.00	4.250%	140,015.00	330,015.00	346,515.75
02/01/2035	200,000.00	4.300%	131,940.00	331,940.00	348,537.00
02/01/2036	205,000.00	4.450%	123,340.00	328,340.00	344,757.00
02/01/2037	215,000.00	4.550%	114,217.50	329,217.50	345,678.38
02/01/2038	225,000.00	4.700%	104,435.00	329,435.00	345,906.75
02/01/2039	235,000.00	4.750%	93,860.00	328,860.00	345,303.00
02/01/2040	250,000.00	4.800%	82,697.50	332,697.50	349,332.38
02/01/2041	260,000.00	4.850%	70,697.50	330,697.50	347,232.38
02/01/2042	270,000.00	4.900%	58,087.50	328,087.50	344,491.88
02/01/2043	285,000.00	4.950%	44,857.50	329,857.50	346,350.38
02/01/2044	300,000.00	5.000%	30,750.00	330,750.00	347,287.50
02/01/2045	315,000.00	5.000%	15,750.00	330,750.00	347,287.50
Total	\$4,220,000.00	-	\$2,580,797.50	\$6,800,797.50	\$7,140,837.38

Significant Dates

Dated	2/01/2024
First Coupon Date	2/01/2025

Yield Statistics

Bond Year Dollars	\$54,620.00
Average Life	12.943 Years
Average Coupon	4.7250046%
Net Interest Cost (NIC)	4.8177179%
True Interest Cost (TIC)	4.8236679%
Bond Yield for Arbitrage Purposes	4.6929418%
All Inclusive Cost (AIC)	4.9948453%

IRS Form 8038

Net Interest Cost	4.7250046%
Weighted Average Maturity	12.943 Years

SQUARE FOOTAGE

	SQ FT	SQ FT	SQ FT
FIRST FLOOR OFFICE AREA	7,848		
FIRST FLOOR PARKING	4,068	11,916	
SECOND FLOOR OFFICE	11,990		
2ND FLOOR POOL AREA	3,582		
2ND FLOOR WAREHOUSE	21,864	37,436	49,352
RENTED WAREHOUSE SPACE	28,511	28,511	
		<u>77,863</u>	SQ FT
INCUBATOR SPACE			

	SQ FT	Difference	X Larger
CURRENT OFFICE	7,000	12,838	2.8

LEO A DALY REPORT: SPACE NEEDS			
OFFICE	11,026	8,812	1.8
WAREHOUSE	5,000	16,864	4.4
INCUBATOR	10,000		
	<u>26,026</u>	25,676	1.9

STATISTICS

	SQ FT	\$ / SQ FT	
LAST SOLD (10/24/2017)	77,863	\$65.72	\$5,117,000
COMPS (2020-PRESENT)		\$98.00	
COMPS (2021-PRESENT)		\$108.00	
COST TO BUILD WHOLE BUILDING	77,863	\$343.00	\$26,707,009
COST TO BUILD W/O RENTED SPACE	49,352	\$343.00	\$16,927,736
ASKING PRICE	77,863	\$89.90	\$7,000,000

PURCHASE

SOURCES	YEARS	RATE	
DOWN PAYMENT (CDA CASH)			\$1,300,000
DEBT ?	30		\$4,200,000
CDA CASH ?			\$733,320
TOTAL SOURCES			\$6,233,320

USES	SQ FT	\$ / SQ FT	
OFFER PRICE	77,863	\$70.64	\$5,500,000
BUILDOUT / REFRESH / SOFT COSTS			\$733,320
TOTAL USES			\$6,233,320

BUILDOUT / REFRESH / SOFT COSTS

	SQ FT	\$ / SQ FT		
BUILDOUT POOL AREA	3,582	\$60.00	\$214,920	} Potential Costs
FLOORING/CEILING/ELECTRICAL/HVAC FINISH DRYWALL / TRIM				
REFRESH - FLOORING	19,838	\$11.00	\$218,218	
REFRESH - PAINT	30,000	\$3.00	\$90,000	
WAREHOUSE VENTILATION/CATCH BASINS			\$60,000	
MOVING / OFFICE FURNITURE / NETWORK / COPIERS / ETC	19,838	\$5.05	\$100,182	
MISC. /			\$50,000	
TOTAL BUILDOUT/REFRESH/SOFT COSTS			\$733,320	

OPERATING

SOURCES	SQ FT	\$ / SQ FT	
CAM / TAX	28,511	3.03	\$86,388
NET	28,511	5.57	\$158,806
		8.60	\$245,195
OPERATING CASH NEEDED TO FUND USES			\$85,843
TOTAL SOURCES			\$331,038

Monthly \$7,154

USES	SQ FT	\$ / SQ FT	
INSURANCE	77,863	0.2	\$15,573
WATER/ELECTRICAL	12	2500	\$30,000
GAS (HEATING)	12	900	\$10,800
DEBT SERVICE			\$274,665
TOTAL USES			\$331,038

	Therms	\$/Therm	
Jan	3724	0.71863	2,796
Feb	3500	0.71863	2,635
Mar	3793	0.71863	2,846
Apr	2400	0.71863	1,845
May	1200	0.71863	982
Jun	10	0.71863	127
Jul	10	0.71863	127
Aug	10	0.71863	127
Sep	10	0.71863	127
Oct	500	0.71863	479
Nov	900	0.71863	767
Dec	2100	0.71863	1,629
		Annual	14,488
		Monthly	1,207

705 WALNUT STREET (CURRENT OFFICE)

CURRENT INSURANCE (INCLUDED)	\$0	
CURRENT UTILITIES (ALLOCATED CAM)	\$21,009	\$1,751
CURRENT DEBT SERVICE - (ALLOCATED RENT)	\$51,804	\$4,317
*TOTAL COSTS	\$72,813 *	\$6,068

* COSTS WOULD GO AWAY AFTER CURRENT OFFICE IS RENTED

	ANNUAL	MONTHLY
OPERATING CASH NEEDED TO FUND USES - DIFFERENCE FROM CURRENT OFFICE TO 4100 PEAVEY	\$13,030	\$1,086

ROOF: YEAR INSTALLED: 2003
 BALLASTED 45 MIL EPDM
 TOP INSULATION LAYER:
 POLYISOCYANURATE - 3.00"



Board of Commissioners

Request for Board Action

Meeting date: October 19th, 2023

Agenda number: 5D

DEPARTMENT: Community & Economic Development

FILE TYPE: Regular Agenda

TITLE: Carver County Community Land Trust – Chaska Yards Redevelopment Agreement

PURPOSE/ ACTION REQUESTED: Approval of Redevelopment Agreement with City of Chaska.

SUMMARY: The CDA and City of Chaska have been working together since the summer of 2020 on redeveloping the Ernst house and adjacent vacant land. The City of Chaska Planning Commission and Heritage Preservation Commission have voted in favor of the latest project designs. In June 2023, the City of Chaska City Council approved the final plat for the project. The final steps to move the project forward are to sign the Redevelopment Agreement with the City and negotiate final contracts with the General Contractor.

The City of Chaska approved the Development Agreement in June 2023, and will be on the agenda to approve the updated dates on a revised Development Agreement on October 16th, 2023.

RECOMMENDATION: CDA staff recommends authorizing the Executive Director in signing the Redevelopment Agreement with the City of Chaska.

EXPLANATION OF FISCAL/ FTE IMPACTS:

None Current budget Other Amendment requested New FTE(s) requested

continued on next page

RESOLUTION:

WHEREAS, the Carver County Community Development Agency (CDA) established a Community Growth Partnership Initiative program (Initiative) in 2016 to assist Carver County cities with redevelopment goals and promote the development of affordable housing; and

WHEREAS, the Carver County Community Development Agency (CDA) runs the Carver County Community Land Trust (CCCLT) which seeks to provide permanently affordable homeownership options in Carver County; and

WHEREAS, the City of Chaska and the CDA have partnered together to preserve one unit and develop three new units of permanently affordable housing in the City’s historic downtown area; and

WHEREAS, funding has been received from a number of sources for gap financing in order to bring these units into the CCCLT portfolio; and

WHEREAS, the City of Chaska Heritage Preservation Commission, the City of Chaska Planning Commission, and the City of Chaska City Council have approved the final plat for development.

WHEREAS, the CDA staff recommends entering into a Redevelopment Agreement with the City of Chaska;

NOW, THEREFORE, BE IT RESOLVED by the Carver County Community Development Agency Board of Commissioners as follows:

The CDA Board of Commissioners will enter into a new Amended and Restated Purchase and Redevelopment Agreement with the City of Chaska.

PREVIOUS BOARD ACTION

NA

ATTACHMENTS

Amended and Restated Purchase and Redevelopment Agreement

BOARD GOALS

- Focused Housing Programs Collaboration Development/Redevelopment
- Financial Sustainability Operational Effectiveness

PUBLIC ENGAGEMENT LEVEL

- Inform and Listen Discuss Involve N/A

CONTACT

Department Head: Chuck Swanson, Director of Community and Economic Development
Author: Chuck Swanson, Director of Community and Economic Development

AMENDED AND RESTATED PURCHASE AND REDEVELOPMENT AGREEMENT

By and Among

CITY OF CHASKA, MINNESOTA

And

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA

And

CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY

for the

ERNST HOUSE REDEVELOPMENT PROJECT

Dated as of _____, 2023

TABLE OF CONTENTS

ARTICLE I RECITALS; EXHIBITS, DEFINITIONS..... 2

 1.1 Recitals..... 2

 1.2 Exhibits 2

 1.3 Definitions 2

ARTICLE II REPRESENTATIONS AND WARRANTIES 4

 2.1 City Representations 4

 2.2 EDA Representations..... 4

 2.3 Developer Representations 5

ARTICLE III PROPERTY TRANSFER; LAND WRITE DOWN; RIGHT OF REVERTER..... 5

 3.1 Property Transfer 5

 3.2 Use and Ownership of Development Property 5

 3.3 Time and Place..... 6

 3.4 Purchase Price; Land Write Down..... 6

 3.5 Title to the Development Property..... 6

 3.6 Due Diligence 6

 3.7 Conditions Precedent to Closing..... 7

 3.8 Land Transfer Closing 8

 3.9 Right of Reverter 9

ARTICLE IV PROJECT REQUIREMENTS 10

 4.1 Commencement and Completion of Project 10

 4.2 Zoning Land Use Approvals; Building Permit 10

 4.3 EDA Review of Development Plans..... 11

 4.4 Undertaking of Project..... 11

 4.5 Certificate of Completion 11

 4.6 Progress Reports 12

 4.7 Access to Development Property..... 12

ARTICLE V PROJECT FINANCING; PUBLIC ASSISTANCE 12

 5.1 Project Financing 12

 5.2 Grant Applications..... 12

 5.3 Waiver of Area Fees 12

 5.4 City Contribution to Design Fees 13

 5.5 Housing Trust Fund Contribution..... 13

 5.6 TIF Assistance 13

 5.7 Funding Gap; Funding Surplus; Public Assistance Adjustment..... 14

 5.8 Legal and Administrative Expenses..... 15

ARTICLE VI PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER 15

 6.1 Transfer of Property and Assignment..... 15

ARTICLE VII	EVENT OF DEFAULT; FEES	15
7.1	Events of Default	15
7.2	Remedies on Default	16
7.3	No Remedy Exclusive	16
7.4	Waivers	16
7.5	Agreement to Pay Attorneys' Fees	17
ARTICLE VIII	INDEMNIFICATION; INSURANCE	17
8.1	Indemnification	17
8.2	Insurance	18
ARTICLE IX	OTHER COVENANTS	19
9.1	Real Property Taxes	19
9.2	Action to Reduce Taxes	19
9.3	Damage or Destruction	19
9.4	Relocation Costs	20
9.5	Restrictions on Use	20
ARTICLE X	GENERAL PROVISIONS	20
10.1	Conflicts of Interest; City Representatives Not Individually Liable	20
10.2	Equal Employment Opportunity	20
10.3	Titles of Articles and Sections	20
10.4	Business Subsidies Act	20
10.5	Term of Agreement	21
10.6	Provisions Surviving Termination	21
10.7	Notices and Demands	21
10.8	Governing Law, Jurisdiction, Venue and Waiver of Trial by Jury	22
10.9	Binding Effect	22
10.10	Severability	22
10.11	Amendments, Changes and Modifications	22
10.12	Further Assurances and Corrective Instruments	22
10.13	City/EDA Approval	22
10.14	No Waiver of Governmental Immunity and Limitations on Liability	22
10.15	Memorandum of Agreement	23
10.16	Superseding Effect	23
10.17	Data Practices Act	23
10.18	City and EDA Regulatory Authority	23
10.19	Time is of the Essence	23
10.20	Relationship of Parties	23
10.21	Captions	23
10.22	Counterparts	23
10.23	Amendment and Restatement	23

List of Exhibits

<u>Exhibit A</u>	Legal Description of the Development Property
<u>Exhibit B</u>	Sources and Uses Budget
<u>Exhibit C</u>	Qualified Costs
<u>Exhibit D</u>	Form of Certificate of Completion
<u>Exhibit E</u>	Form of Ground Lease
<u>Exhibit F</u>	Form of Limited Tax Increment Revenue Note
<u>Exhibit G</u>	Form of Project Funding Certificate
<u>Exhibit H</u>	Form of Trust Fund Grant Agreement
<u>Exhibit I</u>	Memorandum of Redevelopment Agreement

AMENDED AND RESTATED PURCHASE AND REDEVELOPMENT AGREEMENT

This Amended and Restated Purchase and Redevelopment Agreement (this “Agreement”), is made and entered into as of _____, 2023 (the “Effective Date”), by and among the CITY OF CHASKA, MINNESOTA, a municipal corporation and political subdivision of the State of Minnesota (the “City”), the ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA, a body corporate and politic of the State of Minnesota (the “EDA”), and CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY (the “Developer”).

Recitals:

A. The City has designated a Redevelopment District in the City denominated the Redevelopment Project Area No. 4 (the “Redevelopment District”) and adopted a Redevelopment Plan (the “Redevelopment Plan”) therefor, pursuant to and in accordance with Minnesota Statutes (“M.S.”), Sections 469.124 to 469.133, as amended.

B. The City adopted a resolution establishing Tax Increment Financing (Redevelopment) District No. 22, a “redevelopment district” (the “TIF District”) pursuant to M.S., Section 469.174, Subdivision 10, and approved a Tax Increment Financing Plan therefor (the “TIF Plan”).

C. The TIF District includes certain real property currently owned by the EDA and located at 211 Walnut Street and 217 Walnut Street in the City and legally described in **Exhibit A** attached hereto (collectively, the “Development Property”).

D. Developer has proposed an affordable housing redevelopment project on the Development Property (the “Project”) that consists of (i) the rehabilitation of that certain existing historical structure located on that portion of the Development Property having an address of 211 Walnut Street and known as the “Ernst House” to create a new single-family housing unit (the “Ernst House”) and (ii) the construction of three (3) new single-family townhome housing units on that portion of the Development Property having an address of 217 Walnut Street (the Ernst House and such new single-family townhome housing units are each referred to herein as a “Residential Unit” and, collectively, the “Residential Units”).

E. Developer has further proposed that all four (4) such Residential Units be made part of the Carver County Community Land Trust (the “Land Trust”) such that the improvements constituting each Residential Unit shall be thereafter sold to households having incomes at or below **80%** of the Area Median Income for the Minneapolis-Saint Paul-Bloomington Metropolitan Statistical Area (including adjustments for household size) (“Qualified Households”) and the Development Property underlying each such Residential Unit shall be leased to each such Qualified Household pursuant to a long-term ground lease substantially, and in all material respects, in the form attached hereto as **Exhibit E** (each, a “Ground Lease”).

F. In order to achieve the objectives of the Redevelopment Plan and the TIF Plan, the City and EDA intend to provide certain assistance to Developer, to finance the Project including, without limitation, through (i) tax increment financing (“TIF”), as described in M.S., Sections 469.174 through 469.1794 (the “TIF Act”) and (ii) transferring the Development Property to the Land Trust for no cost.

G. The City and EDA have determined that, in order to accomplish the purposes specified in and to carry out the Redevelopment Plan and the TIF Plan, it is necessary and desirable for the City and the EDA to reimburse Developer for certain costs to be incurred and paid by Developer in connection with the Project.

H. The City will apply tax increment revenues generated from the TIF District to (i) pay or reimburse the City for administrative expenses relating to the TIF District to the extent permitted by the TIF Act and (ii) reimburse Developer, with interest, for certain costs incurred in connection with the construction of the Project.

I. The City and EDA believe that the development activities associated with the Project pursuant to this Agreement are in the best interests of the City and benefit the health, safety, morals and welfare of its residents, and comply with the applicable state and local laws and requirements under which the Project has been undertaken and is being assisted.

J. As more particularly described in Section 20.23, this Agreement amends, restates, supersedes, and replaces, in its entirety, the Original Agreement (as defined in Section 20.23).

NOW, THEREFORE, in consideration of the foregoing premises and the mutual obligations set forth in this Agreement, the parties hereto hereby agree as follows:

Article I
Recitals; Exhibits, Definitions

1.1 Recitals. The Recitals are true and correct statements of fact and are incorporated into this Amendment by this reference, including the definitions set forth therein.

1.2 Exhibits. All Exhibits referred to in and attached to this Agreement upon execution are incorporated in and form a part of this Agreement as if fully set forth herein.

1.3 Definitions. Unless the context otherwise specifies or requires, the following terms have the following definitions. Certain other capitalized terms are defined elsewhere in this Agreement. All defined terms may be used in the singular or the plural, as the context requires.

“Act” means M.S., Sections 469.124 to 469.133.

“Agreement” means this Agreement, as the same may be from time to time modified, amended or supplemented.

“Available Tax Increment” has the definition given it in Section 5.6(a)(iv).

“Board” means the Board of Commissioners of the EDA.

“Business Subsidies Act” means M.S., Sections 116J.993 through 116J.995.

“Certificate of Completion” means a certification in the form attached hereto as Exhibit D, to be provided to Developer pursuant to this Agreement.

“City” means the City of Chaska, Minnesota.

“City Council” means the City Council of the City.

“Commencement” means actual physical construction of the first visible improvement to the Development Property made in furtherance of the construction of the Project, specifically including pouring footings and foundations, but specifically excluding demolition of and environmental remediation, if any, related to the improvements on the Development Property existing of the Effective Date.

“Completion” means Developer’s receipt of the Certificate of Completion.

“County” means the County of Carver, Minnesota, a political subdivision of the State of Minnesota.

“Default” or “default” means any event which would with the passage of time or giving of notice, or both, be an Event of Default hereunder.

“Default Notice” means written notice from the City and/or the EDA to Developer setting forth the default and the action required to remedy the same.

“Developer” means Carver County Community Development Agency.

“Development Property” means that certain real property located at 211 Walnut Street and 217 Walnut Street in Chaska, Minnesota and legally described in **Exhibit A** attached hereto.

“Ernst House” means that certain existing historical structure located on that portion of the Development Property have an address of 211 Walnut Street.

“Escrow Agent” means **Title Mark, LLC** or a different reputable title insurance company selected by Developer and reasonably approved by the EDA and having an office in Carver County, Minnesota.

“Event of Default” means as any of the events set forth in Section 7.1 hereof.

“Land Trust” means Carver County Community Land Trust, a program of the Carver County Community Development Agency.

“Mortgage” means any mortgage made by Developer which covers, in whole or in part, the Development Property.

“Mortgagee” means the owner or holder of a Mortgage.

“M.S.” means Minnesota Statutes.

“Project” means the rehabilitation of the Ernst House and the construction of the other Residential Units for the creation of four (4) new affordable homeownership units, as described in Recital D.

“Project Approvals” has the definition given it in Section 4.2.

“Qualified Costs” means costs incurred by Developer in connection with construction of the Project that are reimbursable from tax increment pursuant to Sections 469.174, Subd. 10 and 469.1761 of the TIF Act, and which are shown on **Exhibit C** to this Agreement or are otherwise approved in advance by the City and the EDA in writing; which costs include, but are not limited to the costs of renovation of the Ernst House.

“Redevelopment District” means Redevelopment Project Area No. 4, designated pursuant to the Act.

“Redevelopment Plan” means the Redevelopment Plan developed for Redevelopment Project Area No. 4.

“Sources and Uses Budget” means a detailed sources and uses pro forma for the Project, in the form attached as Exhibit B.

“State” means the State of Minnesota.

“Termination Date” means the earlier of (i) the date the TIF Note is paid in full, (ii) the date on which the TIF District expires or is otherwise terminated, or (iii) the date this Agreement is terminated or rescinded in accordance with its terms.

“TIF Act” means M.S., Sections 469.174 through 469.1794, as amended.

“TIF Assistance” means the Available Tax Increment to be paid under Section 5.6 hereof.

“TIF District” means Tax Increment Financing (Redevelopment) District No. 22, a redevelopment district, established by the City Council on April 15, 2019.

“TIF Note” means the Tax Increment Revenue Note (Ernst House Redevelopment) to be executed by the City and delivered to Developer pursuant to Section 5.6 hereof, the form of which is attached hereto as Exhibit F. The total principal amount of the TIF Note issued to reimburse Developer for Qualified Costs of the Project will not exceed **\$180,000**.

“TIF Plan” means the Tax Increment Financing Plan for the TIF District approved by the City Council.

“Unavoidable Delay” means a failure or delay in a party’s performance of its obligations under this Agreement, or during any cure period specified in this Agreement which does not entail the mere payment of money, not within the party’s reasonable control, including but not limited to acts of God, governmental agencies, the other party, strikes, labor disputes (except disputes which could be resolved by using union labor), fire or other casualty, lack of materials, or declarations of any state, federal or local government, pandemics, epidemics (including the COVID-19 virus); provided that within 10 days after a party impaired by the delay has actual (as opposed to constructive) knowledge of the delay it shall give the other party notice of the delay and the estimated length of the delay, and shall give the other party notice of the actual length of the delay within 10 days after the cause of the delay has ceased to exist. The parties shall pursue with reasonable diligence the avoidance and removal of any such delay. Unavoidable Delay shall not extend performance of any obligation unless the notices required in this definition are given as herein required.

Article II

Representations and Warranties

2.1 City Representations. The City makes the following representations to Developer:

(a) The City a municipal corporation and political subdivision of the State. Under the provisions of the Act and the TIF Act, the City has the power to enter into this Agreement and carry out its obligations hereunder.

2.2 EDA Representations. The EDA makes the following representations to Developer:

(a) The EDA is a public body corporate and politic and a governmental subdivision of the State, duly organized and existing under State law and the EDA has the authority to enter into this Agreement and carry out its obligations hereunder.

2.3 Developer Representations. Developer represents and warrants that:

(a) Developer is a local government agency created by the Minnesota Legislature and has power to enter into this Agreement and has duly authorized, by all necessary corporate action, the execution and delivery of this Agreement.

(b) Developer will, subject to and as required by Agreement, construct the Project in accordance with the terms of this Agreement, the TIF Plan and all applicable local, state and federal laws and regulations.

(c) At such time or times as may be required by law, Developer will have complied with all local, state and federal environmental laws and regulations applicable to the Project, and will have obtained any and all necessary environmental reviews, licenses and clearances. Developer has received no written notice from any local, state or federal official that the activities of Developer or the City with respect to the Development Property may be or will be in violation of any environmental law or regulation. Developer has no actual knowledge of any facts the existence of which would cause it to be in violation of any local, state or federal environmental law, regulation or review procedure with respect to the Development Property.

(d) Neither the execution or delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented by, limited by, conflicts with, or results in a breach of, any restriction, agreement or instrument to which Developer is now a party or by which Developer is bound.

(e) Developer has no actual knowledge that any member of the City Council, or any other officer of the City has any direct or indirect financial interest in Developer, the Development Property, or the Project.

(f) Developer reasonably expects that it will be able to obtain financing in the amount shown in the preliminary Sources and Uses Budget attached hereto as **Exhibit B**, which amounts will be sufficient, together with funds provided by the City and the EDA and any other public agencies, to enable Developer to construct the Project, as provided herein.

(g) Developer would not undertake the Project without the financial assistance to be provided by the City pursuant to this Agreement and the TIF Plan.

Article III

Property Transfer; Land Write Down; Right of Reverter

3.1 Property Transfer. Subject to the terms and conditions of this Agreement, the EDA shall sell and convey to the Land Trust, and Developer will cause the Land Trust to accept from the EDA, fee ownership of the Development Property (the "Land Transfer").

3.2 Use and Ownership of Development Property. Upon the Land Transfer, the use and ownership of the Development Property shall be made perpetually subject to the terms and conditions of the Land Trust, such that the Development Property will be owned by the Land Trust for the purpose of preserving the affordability of housing units on the Development Property through the sale of the Residential Units only to Qualified Households and long-term leasing of the Development Property underlying the Residential Units only to Qualified Households or other persons and families of low and moderate income in compliance with M.S. Section 462A.31 and any successor statute, regulation, or law

governing community land trusts in Minnesota (the “Land Trust Use”), each pursuant to a Ground Lease. At the closing of any sale of a Residential Unit to a Qualified Household, Developer shall prepare, execute, and record on the title to the applicable portion of the Development Property a Ground Lease with such Qualified Household and promptly thereafter deliver to the City and EDA a fully executed and recorded Ground Lease for each Qualified Household. During the term of this Agreement, Developer shall also deliver to the City and EDA any amendments, modifications, restatements, and/or replacements of any Ground Leases affecting the Development Property. Developer shall otherwise cause the Development Property and Project to be in compliance with all of the conditions, covenants, restrictions and limitations imposed by this Agreement and all applicable laws, ordinances and regulations.

3.3 Time and Place. Subject to the terms and conditions of this Agreement, the closing of the Land Transfer (the “Closing”) shall be on a date mutually agreeable to the EDA and Developer the (“Closing Date”), but in no event later than **December 31, 2023** (the “Outside Closing Date”).

3.4 Purchase Price; Land Write Down. In consideration of Developer’s fulfillment of its obligations under this Agreement, and the conditions precedent to closing set forth in Section 3.7, the EDA agrees to sell the Development Property to the Land Trust for **\$400,000.00** (the “Purchase Price”), allocated as follows: (i) **\$100,000** to the portion of the Development Property located at 211 Walnut Street and **\$300,000** to the portion of the Development Property located at 217 Walnut Street. Developer acknowledges that the EDA previously acquired the Development Property for a market price and the EDA’s book value for the Development Property is as set forth on the Sources and Uses Budget attached here to as Exhibit B and, therefore, the Land Transfer to the Land Trust for the Purchase Price represents the EDA’s write down of the full cost of the Development Property (the “Land Write Down”), such Land Write Down being provided for the purposes of facilitating the financial feasibility of the Project and the creation of affordable housing in the City.

3.5 Title to the Development Property. Developer shall be responsible for performing any and all title and survey examination or due diligence of the Development Property that Developer deems prudent, at Developer’s sole cost and expense. No later than 30 days after the Effective Date, Developer may, by written notice to the EDA, object to any defects in the title to the Development Property. If Developer fails to so object, Developer will be deemed to have waived any right to object to title matters. If Developer so objects, the EDA may either (i) elect by written notice to Developer not to address such objections, in which case, Developer may elect to terminate this Agreement within three business days after such notice from the EDA or (ii) elect by written notice to Developer to attempt to address one or more of any such objections to the reasonable satisfaction of Developer, and if any such objection is not satisfactorily addressed by the Outside Closing Date, Developer may, as its sole remedy, elect to terminate this Agreement for failure of a Closing condition within three business days thereafter.

3.6 Due Diligence. Developer shall have until the date this is 60 days after the Effective Date (the “Due Diligence Deadline”) to conduct non-invasive inspections or reviews customary in the sale of commercial real estate in Minnesota of the Development Property. During this period, the EDA will make reasonable accommodations for Developer, or Developer’s agents, to enter and inspect and evaluate the Development Property. Developer may terminate this Agreement, at Developer’s sole and absolute discretion, if the Development Property is not satisfactory and if Developer provides notice to the EDA before the expiration of the Due Diligence Deadline. If Developer so terminates, Developer shall provide the EDA any reports or information relating to due diligence that were prepared by Developer or Developer’s agents. Developer shall defend, indemnify and hold harmless the EDA and the City, and their respective tenants, agents, employees and contractors, and the Development Property, from and against any and all loss, cost, damage, liability, settlement, cause of action or threat thereof or expense (including, without limitation, reasonable attorneys’ fees and costs) relating to the inspections or the activities at the

Development Property of Developer, its employees, agents, and contractors. The foregoing indemnity shall survive the Closing or the earlier termination this Agreement.

3.7 Conditions Precedent to Closing.

(a) EDA Contingencies. The EDA's obligation to close on the Land Transfer is expressly conditioned upon each of the following contingencies being satisfied or waived by the EDA on or before the Outside Closing Date:

(i) Developer shall have performed all of its obligations required to be performed by Developer under this Agreement as of the date of Closing Date and shall not be in default under this Agreement.

(ii) Developer shall have delivered to the EDA all of the Developer Deliveries in accordance with Section 3.8(a).

(iii) Developer shall have delivered Project Funding Certificate to the EDA and the EDA shall have approved the same.

(iv) Developer shall have obtained all Project Approvals, which may be conditioned only on Developer's acquisition of the Development Property.

(v) Developer shall have obtained all required construction and building permits necessary to immediately Commence construction of the Project.

(i) The representations and warranties of Developer hereunder shall be true and correct as the Closing Date.

(b) Developer Contingencies. Developer obligation to close on the Land Transfer is expressly conditioned upon each of the following contingencies being satisfied or waived by Developer on or before the Outside Closing Date:

(i) The EDA shall have delivered to Developer all of the EDA Deliveries in accordance with Section 3.8(b).

(ii) The EDA shall have approved the Financing Commitment.

(vi) Developer shall have obtained all Project Approvals, which may be conditioned only on Developer's acquisition of the Development Property.

(iii) The EDA shall have cured any objections to the title of the Development Property agreed to cured by the EDA in writing in accordance with Section 3.5, if any

(c) EDA and Developer Options. In the event that any of the foregoing contingencies are not satisfied on or before the Outside Closing Date Developer or the EDA, as applicable, may:

(i) terminate this Agreement by written notice to the other party; or

(ii) waive such failure and proceed to Closing.

In the event that all of the above conditions required to be satisfied as provided in this Section 3.7 have not been satisfied (or waived by the applicable party) by the Outside Closing Date,

then either the City and the EDA or Developer may terminate this Agreement if such conditions are not satisfied within 30 days following notice to the non-terminating party by the terminating party. Upon such termination, the provisions of this Agreement relating to the Project shall terminate and, except as provided in Section 10.6, neither Developer, the City nor the EDA shall have any further liability or obligation to the other hereunder.

3.8 Land Transfer Closing. The Closing of the Land Transfer will close, as provided below.

(a) Developer Deliveries. At the Closing, Developer shall execute, where appropriate, and deliver all of the following to the City and/or EDA, as applicable (collectively, the “Developer Deliveries”):

(i) The Purchase Price in immediately available funds.

(ii) Developer’s original executed counterpart to the Trust Fund Grant Agreement.

(iii) Such affidavits of Developer and/or the Land Trust or other documents as may be reasonably required by the Escrow Agent (including a Certificate of Real Estate Value) to record the Deed and issue any title insurance policy required by Developer.

(iv) A resolution of the governing body of Developer authorizing and approving the transaction contemplated by this Agreement, certified as true and correct by an officer of Developer.

(v) Any other instruments or other deliveries required by this Agreement or otherwise reasonably requested by the Escrow Agent, the City, or the EDA to consummate the Closing.

(a) EDA Deliveries. At the Closing, the City and/or the EDA, as applicable, shall execute, where appropriate, and deliver all of the following (collectively, the “EDA Deliveries”):

(i) A quit claim deed in the Minnesota Uniform Conveyancing Blank form properly executed on behalf of the EDA conveying the Development Property to the Land Trust (the “Deed”).

(ii) A Minnesota Uniform Conveyancing Blank Form 50.1.3 Affidavit Regarding Business Entity.

(iii) A non-foreign affidavit containing such information as required by Internal Revenue Code Section 1445(b)(ii) and any regulations relating thereto.

(iv) A Minnesota Well Disclosure Certificate unless the Deed includes this Statement: “Seller certifies that Seller does not know of any wells on the described real property.”

(v) The City’s and EDA’s original executed counterpart to the Memorandum.

(vi) The City’s original executed counterpart to the Trust Fund Grant Agreement.

(vii) Such information as required by Developer or Escrow Agent to permit Developer or Escrow Agent to file an electronic certificate of real estate value.

(viii) Any other instruments or other deliveries required by this Agreement or otherwise reasonably requested by the Escrow Agent or Developer to consummate the Closing.

(b) Prorations. The EDA and Developer shall make the following prorations and allocations of costs and expenses of each Land Transfer:

(i) Developer will be responsible for title examination costs, title insurance premiums and the cost of any survey.

(ii) Developer will be responsible for all costs and expenses associated with the Project Approvals.

(iii) Developer will pay the closing fee and any escrow fees imposed by the Escrow Agent in connection with the Land Transfer.

(iv) Developer shall pay the state deed tax due on the Deed to be delivered by the EDA under this Agreement.

(v) Developer shall pay the cost of recording the Deed and all other documents.

(vi) All real estate taxes, special assessments, utility charges and other costs of the Development Property will be prorated to the Closing Date.

(vii) All costs incidental to the Land Transfer and Closing not otherwise specifically allocated in this Agreement shall be allocated in accordance with the custom and practice for similar transactions in the area in which the Project is located.

(c) “AS IS” Sale. DEVELOPER HEREBY EXPRESSLY ACKNOWLEDGES AND AGREES THAT IT IS PURCHASING THE DEVELOPMENT PROPERTY “AS IS,” AND “WITH ALL FAULTS,” AFTER SUCH INSPECTION, ANALYSIS, EXAMINATION AND INVESTIGATION DEVELOPER CARES TO MAKE AND EXPRESSLY WITHOUT COVENANT, WARRANTY OR REPRESENTATION BY EITHER THE CITY OR THE EDA AS TO PHYSICAL OR ENVIRONMENTAL CONDITION, TITLE, LEASES, RENTS, REVENUES, INCOME, EXPENSES, OPERATION, FLOOD PLAIN, SHORELAND, WETLANDS, ZONING OR OTHER REGULATION, COMPLIANCE WITH LAW, SUITABILITY FOR PARTICULAR PURPOSES, ALL OTHER MATTERS WHICH DEVELOPER DEEMS RELEVANT TO ITS PURCHASE OF THE DEVELOPMENT PROPERTY OR ANY OTHER MATTERS WHATSOEVER, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT.

3.9 Right of Reverter.

(a) Subject to an Unavoidable Delay, if Developer fails to cause the Commencement of construction of the Project by **January 31, 2024**, then the EDA may, in addition to such other rights and remedies that are available to the EDA hereunder, require that the Development Property be transferred back to the EDA. The EDA may, but shall not be obligated to, cause Developer to

reconvey the Development Property and all improvements thereon to the EDA by giving Developer notice of the EDA's exercise of its right of reverter pursuant to this section. The right of reverter under this section for the Development Property shall terminate and no longer be of any force and effect upon the Commencement of the Project.

(b) Within 15 days following Developer's receipt of the EDA's notice exercising its right of reverter (the "Reverter Closing Date"), Developer will convey fee title to the Development Property and all improvements thereon to the EDA by deed (the "Reverter Deed"), as follows:

(i) The EDA will pay Developer **\$325,000.00** as consideration for receiving the Reverter Deed, with the balance of the original Purchase Price paid to the EDA at the Closing to be retained by the EDA as liquidated damages for Developer's default in failing to timely construct the Project as provided herein, and the parties hereto acknowledge the difficulty and inconvenience of ascertaining the EDA's actual damages in the event of such Developer default and agree that the foregoing represents a fair and reasonable estimate of such damages;

(ii) Developer will convey the Development Property and any improvements thereon to the EDA free and clear of all encumbrances other than encumbrances that existed when the EDA conveyed the Development Property to Developer and easements or other encumbrances which the EDA has previously approved in writing;

(iii) Upon Developer's delivery of the Reverter Deed to the EDA, this Agreement shall terminate, Developer shall have no further rights to the Development Property or any improvements thereon, and neither the EDA nor Developer will have any rights or obligations under this Agreement other than obligations which, by the express terms of this Agreement, expressly survive a termination of this Agreement;

(iv) On or before the Reverter Closing Date, Developer will execute and deliver to the EDA a Minnesota Uniform Conveyancing Blank Form 50.3.1 Affidavit Regarding Business Entity confirming that there has been no labor or materials provided to the Development Property since the EDA's conveyance of the Development Property to Developer for which payment has not been made; and

(v) Developer shall deliver an updated title insurance commitment to the EDA evidencing the status of title to the Development Property.

Article IV Project Requirements

4.1 Commencement and Completion of Project. Developer shall cause the Commencement of the Project no later than **January 31, 2024** and Completion of the Project by no later than **May 30, 2025**.

4.2 Zoning Land Use Approvals; Building Permit. Developer shall use diligent, commercially reasonable efforts to obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all local, state and federal laws and regulations, in each case, which must be obtained or met in connection with the development and construction of the Project, including, without limitation, all necessary building permits, variances, conditional use permits and zoning changes related to the Project from the City and all necessary approvals from Minnesota State Historic Preservation Office for the rehabilitation of the Ernst House (collectively, the "Project Approvals"). Nothing in this Agreement shall limit the authority of the City with respect to zoning and land use approvals and all zoning

and land use approvals shall be by the City Council or the City planning commission in accordance with the ordinances of the City. Nothing in this Agreement shall limit the governmental authority of the City with respect to its building and construction permitting process for the Project. Developer shall comply with all applicable City building codes and construction requirements and shall be responsible for obtaining all building permits prior to construction.

4.3 EDA Review of Development Plans. Prior to submitting any development and/or construction plans for the Project to City for any step of the City's regulatory review and approval process, Developer shall first make such plans available to the EDA's review and approval. The EDA shall not unreasonably withhold its approval of such plans if, in the reasonable discretion of the EDA, such plan: (a) conform to the Redevelopment Plan, the TIF Plan, this Agreement, and to any subsequent amendments thereto approved by the City; (b) conform to all applicable federal, state and local laws, ordinances, rules and regulations; (c) are adequate to provide for construction of the Project; and (d) no Event of Default has occurred and no default is then existing. No approval by the EDA shall relieve Developer of the obligation to comply with the terms of this Agreement, applicable federal, state and local laws, ordinances, rules and regulations, or to properly construct the Project. No approval by the EDA shall constitute a waiver of a default or Event of Default. Any disapproval of any such plans shall set forth the reasons therefore and shall be made within 30 days after the date of their receipt by the EDA. If the EDA rejects any such plans, in whole or in part, Developer shall submit new or corrected plans within 30 days after written notification to Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of the applicable plans shall continue to apply until such plans have been approved by the EDA.

4.4 Undertaking of Project.

(a) All work with respect to the Project shall be in substantial conformity with the Project Approvals.

(b) Developer shall not interfere with, or construct any improvements over, any public street or utility easement without the prior written approval of the City. All connections to public utility lines and facilities shall be subject to approval of the City (in accordance with City code) and any applicable private utility provider. Except for public improvements, which are undertaken by the City or other governmental body and assessed against benefited properties, all street and utility installations, relocations, alterations and restorations shall be at Developer's expense and without expense to the City. Developer, at its own expense, shall replace any public facilities or utilities damaged during the Project by Developer or its agents or by others acting on behalf of or under the direction or control of Developer.

4.5 Certificate of Completion.

(a) Upon Developer's request following the EDA's certification that the Project is completed to the reasonable satisfaction of the EDA, the EDA will furnish Developer with a Certificate of Completion for the Project, in substantially the form attached hereto as **Exhibit D**, as conclusive evidence of satisfaction and termination of the agreements and covenants of this Agreement with respect to the obligations of Developer to complete the Project. The furnishing by the EDA of such Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any Mortgagee.

(b) If the EDA shall refuse or fail to provide a Certificate of Completion following Developer's request, the EDA shall, within 10 business days after Developer's request, provide Developer with a written statement specifying in what respects Developer has failed to complete the Project in accordance with this Agreement, or is otherwise in default, and what measures or

acts will be necessary, in the reasonable opinion of the EDA, for Developer to obtain the Certificate of Completion.

4.6 Progress Reports. Until the Certificate of Completion is issued for the Project, Developer shall make, in such detail as may reasonably be required by the EDA, and forward to the City and EDA, upon request by the City or EDA, a written report as to the actual progress of construction and the sale/leasing of the housing units to Qualified Households.

4.7 Access to Development Property. Developer agrees to permit the City, the EDA, and any of their respective officers, employees or agents access to the Development Property at all reasonable times for the purpose of inspection of all work being performed in connection with the Project; provided, however, that neither the City nor the EDA shall not have an obligation to inspect such work.

Article V

Project Financing; Public Assistance

5.1 Project Financing. Except as provided herein, and otherwise subject to the terms and conditions of this Agreement, Developer shall be responsible to pay all of the costs and expenses of the Project. Developer shall certify to the EDA no later than **January 31, 2024**, that Project funding sources sufficient to complete the Project have been committed to (or otherwise remain available to) Developer by delivering to the EDA a Project funding certificate in substantially the form attached here to as **Exhibit G** and containing an updated Sources and Uses Budget (the "Project Funding Certificate"). Promptly following the EDA's request, Developer agrees to submit to the EDA evidence of commitment(s) for financing which is adequate, in the EDA's reasonable discretion, for the construction of the Project. If the EDA reasonably finds that the financing complies with the terms of this Section 5.1 and is sufficiently committed and adequate in amount, to provide for the construction of the Project, the EDA shall notify Developer in writing of its approval, such approval shall not be unreasonably defined, conditioned, or delayed. If the EDA rejects the evidence of financing as inadequate, it shall do so in writing specifying the basis for the rejection and Developer shall have 30 days thereafter to submit evidence of commitment(s) for additional or alternate financing acceptable to the EDA. If Developer fails to submit such commitment(s) for financing acceptable to the EDA within said period of time or any additional period to which the EDA may agree, the EDA may notify Developer of its failure to comply with the requirement of this Section 5.1, such failure being a default hereunder.

5.2 Grant Applications. Developer, the City, and the EDA will cooperate in efforts to obtain available public grant funding to undertake the Project. The EDA shall contract for grant writing assistance to pursue grant funds from the Minnesota Housing Finance Agency. Other costs of preparing the grant applications shall be borne by Developer. City and EDA staff shall have the final authority to review and submit the grant applications to the applicable agency.

5.3 Waiver of Area Fees. In consideration of Developer's fulfillment of its obligations under this Agreement, the City hereby agrees to waive the following City development fees: (a) water area, (b) sanitary sewer area, (c) storm water area, (d) parkland dedication and (e) trails. The foregoing waiver does not include and Developer shall be responsible, for (i) all other standard charges and fees due with respect to real estate developments and allocable to the Development Property under City ordinances and the City code, including, but not limited to, building permit fees, plat fees, and inspection fees, and (ii) any and all water and/or sewer availability charges required by the City and/or the Metropolitan Council in connection with the Project. If Developer fails to achieve Completion of the Project in accordance with this Agreement or if this Agreement is terminated due to an Event of Default by Developer, then Developer shall be responsible for paying to the City any such fees waived by the City under this Section.

5.4 City Contribution to Design Fees. Developer will pay all architectural and engineering fees for the concept design for the Project. Thereafter, the City will be responsible for architectural and engineering fees incurred by Developer for the design development and construction documents for the Project up to an amount of **\$200,000**. Such fees shall initially be paid by Developer and shall be reimbursed by the City after issuance of the Certificate of Completion as provided herein and not more than 60 days after the request for reimbursement is delivered to the City by Developer together presentation of paid invoices and other documentation of such costs. Any design and engineering costs not reimbursable by the City as provided in this Section will be the responsibility of Developer.

5.5 Housing Trust Fund Contribution. In consideration of Developer's fulfillment of its obligations under this Agreement, the City agrees to provide a grant (the "Trust Fund Grant") to Developer in the original principal amount of up to **\$300,000.00** to reimburse Developer for Qualified Costs, pursuant to the terms and conditions of a grant agreement in substantially the form attached as **Exhibit H** (the "Trust Fund Grant Agreement"). The Trust Fund Grant will be funded from the City's Housing Trust Fund. The City shall fund the Trust Fund Grant pursuant to the Trust Fund Grant Agreement upon completion of the Project, the issuance of the Certificate of Completion, and Developer providing evidence of Qualified Costs in accordance with Section 5.6(b).

5.6 TIF Assistance.

(a) Generally. The City, in order to encourage Developer to proceed with the construction of the Project, and to assist Developer in paying the costs thereof, is willing to provide certain TIF assistance as permitted by the TIF Act and in accordance with the TIF Plan and otherwise in accordance with this Section. The City shall reimburse Developer, using Available Tax Increment on a pay-as-you-go basis, for Qualified Costs of the Project. The City shall, upon completion of the Project and the issuance of the Certificate of Completion therefor, issue the TIF Note to Developer and thereafter make reimbursement payments pursuant to the TIF Note, with said payments of principal and interest to be made on the dates (the "Payment Dates") specified in the TIF Note, subject to the following terms and conditions:

(i) The total principal amount of the TIF Note issued for the Project will not exceed **\$180,000**.

(ii) The unpaid principal of the TIF Note shall bear simple non-compounding interest from the date of issuance of the TIF Note, at **4.0%** per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

(iii) The City shall be obligated to make the payments to Developer required pursuant to the TIF Note and this Section 5.6 *only from and to the extent of* the Available Tax Increment actually received from the TIF District for any tax year, and such payments shall never be considered to be a general obligation or indebtedness of the City or the EDA.

(iv) Calculated on an annual basis, the City will retain five percent (5.0%) of the Tax Increment generated from the Project for administrative costs and apply the retained Tax Increment first to pay any administrative expenses relating to the Development Property to the extent permitted by the TIF Act and to the extent that such expenses have not been paid or reimbursed to the City by Developer. Any of the retained Tax Increment remaining after the payment of any administrative expenses then due and owing (the "Available Tax Increment") shall first be paid to Developer for reimbursement of the Qualified Costs plus interest on the Payment Dates, and any increment remaining thereafter shall be retained by the City.

(v) Upon 30 days' written notice to Developer, the City may prepay all or a portion of the outstanding principal balance due to Developer pursuant to this Section 5.6 without penalty, on any date at a prepayment price equal to the outstanding principal balance to be prepaid plus accrued interest to the prepayment date.

(vi) The City shall not be obligated to make any payments hereunder subsequent to the termination of this Agreement as provided in Section 7.2 hereof, and any amounts remaining unpaid as of such date (other than by reason of failure of the City to comply with the terms of this Agreement) shall be considered forgiven by Developer and shall cease to be owing.

(vii) Developer may assign its rights under this Agreement (including the payments to be made to Developer hereunder) to secure financing incurred by Developer to pay costs of the Project, including but not limited to any Mortgagee.

(b) Evidence of Qualified Costs. Upon payment by Developer of Qualified Costs for the Project, Developer will deliver to the City an instrument executed by Developer (i) specifying the amount and nature of the Qualified Costs to be reimbursed and (ii) certifying that such costs have been paid to third parties unrelated to Developer, or if any costs have been paid to third parties related to Developer, that such costs do not exceed the reasonable and customary costs of services, labor or materials of comparable quality, dependability, availability and other pertinent criteria and that such costs have not previously been contained in an instrument furnished to the City pursuant to this Section 5.6. Together with such instrument, Developer shall deliver to the City evidence reasonably satisfactory to the City of the payment by Developer of such costs to be reimbursed.

(c) Satisfaction of Conditions Precedent. Notwithstanding anything to the contrary contained herein, the City's obligation to reimburse Developer for Qualified Costs under the TIF Note shall be subject to satisfaction, or waiver in writing by the City, of all of the following conditions precedent:

(i) the Certificate of Completion has been issued for the Project;

(ii) Developer has provided written evidence reasonably satisfactory to the City that Qualified Costs in the amount to be reimbursed from the Available Tax Increment have been incurred for the Project and paid by Developer; and

(iii) Developer shall not be in default under the terms of this Agreement or any Project Approvals beyond any applicable cure period.

5.7 Funding Gap; Funding Surplus; Public Assistance Adjustment. The financial assistance to Developer under this Agreement is based on certain assumptions regarding likely costs and expenses associated with constructing the Project. The parties hereto agree that those assumptions may be reviewed in connection with Developer's delivery of the Project Funding Certificate. If the total Project costs reflected in the Project Funding Certificate are higher than set forth in the initial Project Sources and Uses Budget attached hereto, thereby creating a Project funding gap (the "Funding Gap"), then Developer shall first endeavor to cover the Funding Gap by increasing the sale prices of the housing units thereon to the Qualified Households. If the Funding Gap cannot be reasonably covered by such price increases and/or other funding sources reasonably available, the City and the EDA will consider undertaking to cover the Funding Gap by increasing the Trust Fund Grant and/or providing Developer with additional TIF Assistance in the manner provided in Section 5.6. Any increase in the Trust Fund Grant or provision of TIF Assistance will require approval by City Council and the Board. If the total Project costs reflected in the

Project Funding Certificate are lower than set forth in the initial Project Sources and Uses Budget attached hereto, thereby creating a Project funding surplus (the “Funding Surplus”), then such Funding Surplus shall first be applied to reduce the Trust Fund Grant and thereafter any remaining Funding Surplus be applied as directed by the City and the EDA.

5.8 Legal and Administrative Expenses. Except as otherwise provided in this Agreement, each party shall pay its own legal and administrative expenses that are incurred in connection with the negotiating, approval and documentation of this Agreement.

Article VI Prohibitions Against Assignment and Transfer

6.1 Transfer of Property and Assignment. Other than conveyance of the Development Property to the Land Trust as provided herein and leases or other conveyances of the Development Property permitted under the Land Trust to Qualified Households made to in the ordinary course of business, Developer has not made and will not make, or suffer to be made, any total or partial sale, assignment, conveyance, lease, or other transfer, with respect to this Agreement, the Project or Development Property or any part thereof or any interest therein (other than any Mortgage or Mortgages securing financing for the Project or other than any assignment of the payments to be made to Developer under Section 5.6 hereof that is permitted under Section 5.6 hereof), or any contract or agreement to do any of the same, without the prior written approval of the City and the EDA, which shall not be unreasonably withheld or delayed. The City and the EDA shall be entitled to require as conditions to any such approval that: (a) the proposed transferee have the qualifications and financial responsibility, as reasonably determined by the City and the EDA, necessary and adequate to fulfill the obligations undertaken in this Agreement by Developer; (b) the proposed transferee, by recordable instrument satisfactory to the City and the EDA shall, for itself and its successors and assigns, assume all of the obligations of Developer under this Agreement. No transfer of, or change with respect to, ownership in the Project or the Development Property or any part thereof, or any interest therein, however consummated or occurring and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the City and the EDA of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Project or the Development Property and the completion of the Project that the City and the EDA would have had, had there been no such transfer or change. There shall be submitted to the City and the EDA for review all legal documents relating to the transfer. In the absence of specific written agreement by the City and the EDA to the contrary, no approval of any assignment or transfer by the City and the EDA thereof with respect to any transfer or assignment shall be deemed to relieve Developer, or any other party bound in any way by this Agreement or otherwise with respect to the Completion of the Project, from any of their obligations with respect thereto.

Article VII Event of Default; Fees

7.1 Events of Default. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any one or more of the following events which occurs and continues for more than 15 days after written notice thereof to Developer setting forth with specific particularity the default and the action required to cure or remedy the same (the “Default Notice”); provided, however, if a longer period is reasonably required to complete the cure, then the cure period shall be extended as may be reasonably required to complete the cure as soon as reasonably possible under the circumstances not to exceed 90 days and so long as Developer is diligently and continuously attempting to cure such failure:

- (a) Subject to Unavoidable Delay, failure of Developer to achieve Commencement and Completion of the Project by the applicable dates set forth in Section 4.1.

(b) Failure of Developer to otherwise construct or reconstruct the Project as required hereunder.

(c) Failure of Developer to obtain the EDA's approval of any development plans for the Project as required by Section 4.3.

(d) Failure of Developer to pay to the City or the EDA any amounts required to be paid by Developer hereunder.

(e) Failure of Developer to observe and perform any other covenant, condition, obligation or agreement on its part to be observed or performed hereunder.

(f) Failure of Developer to pay any taxes on the Development Property prior to the same becoming delinquent.

(g) Filing of any voluntary petition in bankruptcy or similar proceedings by Developer; general assignment for the benefit of creditors made by Developer or admission in writing by Developer of inability to pay its debts generally as they become due; or filing of any involuntary petition in bankruptcy or similar proceedings against Developer which are not dismissed or stayed within 60 days.

7.2 Remedies on Default. Upon the occurrence of an Event of Default, the City and/or the EDA, as applicable, may take any one or more of the following actions at any time prior to Developer's curing or remedying the Event of Default:

(a) terminate this Agreement;

(b) suspend its performance under this Agreement and/or the TIF Note until Developer cures its default to the satisfaction of the City and the EDA and thereafter continues its performance under this Agreement.

(c) withhold the Certificate of Completion.

(a) take whatever action at law or in equity may appear necessary or desirable to the City or the EDA to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of Developer under this Agreement; and

(b) exercise any remedies available at law and in equity to enforce performance of this Agreement, including a right to specific performance.

7.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City, or to Developer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City, or Developer to exercise any remedy reserved to them, it shall not be necessary to give notice, other than such notice as may be required under this Agreement.

7.4 Waivers. All waivers by any party to this Agreement shall be in writing. If any provision of this Agreement is breached by any party and thereafter waived by another party, such waiver shall be

limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

7.5 Agreement to Pay Attorneys' Fees. Whenever any Event of Default occurs and the City and/or the EDA shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of Developer herein contained, Developer agrees that it shall, on demand therefor, pay to the City and/or the EDA, as applicable, the reasonable fees of such attorneys and such other expenses so incurred by the City and/or the EDA.

Article VIII **Indemnification; Insurance**

8.1 Indemnification.

(a) Developer shall indemnify and hold harmless the City and the EDA and their respective governing body members, officers, and agents including the independent contractors, consultants, and legal counsel, servants and employees thereof (hereinafter, for the purposes of this Section, collectively the "Indemnified Parties") for any expenses (including reasonable attorneys' fees), loss (excluding consequential, special or punitive damages except to the extent payable to third parties by any Indemnified Parties), damage to property, or death of any person occurring at or about, or resulting from any defect in, the Project; provided, however, Developer shall not be required to indemnify any Indemnified Party for any claims or proceedings that Developer proves arose from any grossly negligent, intentional misconduct, or unlawful acts or omissions of such Indemnified Party. Promptly after receipt by the City or the EDA of notice of the commencement of any action in respect of which indemnity may be sought against Developer under this Section 8.1, such person will notify Developer in writing of the commencement thereof, and, subject to the provisions hereinafter stated, Developer shall assume the defense of such action (including the employment of counsel, who shall be counsel reasonably satisfactory to the City and the EDA) and the payment of expenses insofar as such action shall relate to any alleged liability in respect of which indemnity may be sought against Developer. The City and the EDA shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of Developer unless the employment of such counsel has been specifically authorized by Developer. Notwithstanding the foregoing, if the City or the EDA has been advised by independent counsel that there may be one or more legal defenses available to it which are different from or in addition to those available to Developer, Developer shall not be entitled to assume the defense of such action on behalf of the City or the EDA, as applicable, but Developer shall be responsible for the reasonable fees, costs and expenses (including the employment of counsel) of the City and/or the EDA, as applicable, in conducting their defense. Developer shall not be liable to indemnify any person for any settlement of any such action effected without Developer's consent. The omission to notify Developer as herein provided will not relieve Developer from any liability which they may have to any Indemnified Party pursuant hereto, otherwise than under this Section.

(b) Developer agrees to protect and defend the Indemnified Parties, and further agrees to hold the aforesaid harmless, from any claim, demand, suit, action or other proceeding whatsoever by any person or entity arising or purportedly arising from the actions or inactions of Developer (or other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided that this indemnification shall not apply to the warranties made or obligations undertaken by the City or the EDA in this Agreement but shall, in any event, apply

to any pecuniary loss (excluding consequential, special or punitive damages except to the extent payable to third parties by any of the Indemnified Parties) or penalty (including interest thereon from the date the loss is incurred or penalty is paid by the City or EDA at a rate equal to the prime rate) as a result of the Project, as constructed and operated by Developer, causing the TIF District to cease to qualify as an “redevelopment district” under the TIF Act or to violate limitations as to the use of the revenues therefrom as set forth in the TIF Act.

(c) All covenants, stipulations, promises, agreements and obligations of the City and the EDA contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City or the EDA, as applicable, and not of any governing body member, officer, agent, servant or employee of the City, as the case may be.

8.2 Insurance.

(a) Developer shall obtain and continuously maintain insurance on the Project and, from time to time at the request of the City or the EDA, furnish proof to the City and the EDA that the premiums for such insurance have been paid and the insurance is in effect. The insurance coverage described below is the minimum insurance coverage that Developer must obtain and continuously maintain, provided that Developer shall obtain the insurance described in clause (i) below with respect to the Project prior to the Commencement of construction thereof and is only obligated to maintain the insurance described in clause (i) until Developer receives a Certificate of Completion:

(i) Builder’s risk insurance, written on the so-called “Builder’s Risk-Completed Value Basis,” in an amount equal to 100% of the insurable value of the Project at the date of Completion, and with coverage available in non-reporting form on the so-called “all risk” form of policy.

(ii) Fire, extended coverage perils, vandalism and malicious mischief, boiler explosion (but only if steam boilers are present), collapse on a replacement cost basis in an amount equivalent to the full insurable value thereof. (“Full insurable value” shall include the actual replacement cost of the Project, exclusive of foundations and footings, without deduction for architectural, engineering, legal or administrative fees or for depreciation.)

(iii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner’s/Contractor’s Policy naming the City and the EDA, as an additional insured, with limits against bodily injury and property damage of not less than \$5,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used), written on an occurrence basis.

(iv) Workers compensation insurance, for employees of Developer if and to the extent required by Law.

(b) All insurance required in this Article shall be obtained and continuously maintained by responsible insurance companies selected by Developer which are authorized under the laws of the State to assume the risks covered by such policies. If available on commercially reasonable terms, each policy must contain a provision that the insurer will not cancel nor modify the policy in a manner that would adversely impact coverage without giving written notice to the insured at least 30 days before the cancellation or modification becomes effective. Not less than 15 days prior to the expiration of any policy, Developer must renew the existing policy or replace the

policy with another policy conforming to the provisions of this Section. In lieu of separate policies, Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein. The policies required by this Section 8.2 shall be subject to a no coinsurance clause or contain an agreed amount clause, and may contain a deductibility provision not exceeding \$25,000.

Article IX
Other Covenants

9.1 Real Property Taxes. Prior to the Termination Date, Developer shall pay all real property taxes payable with respect to all and any parts of the Development Property acquired and owned by it until Developer's obligations have been assumed by any other person pursuant to the provisions of this Agreement.

Developer agrees that prior to the Termination Date:

(a) It will not seek administrative review or judicial review of the applicability of any tax statute relating to the ad valorem property taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or Developer or raise the inapplicability of any such tax statute as a defense in any proceedings with respect to the Development Property, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(b) It will not seek administrative review or judicial review of the constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or Developer or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings with respect to the Development Property; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(c) It will not seek any tax deferral or abatement, either presently or prospectively authorized under M.S., Section 469.1813, or any other State or federal law, of the ad valorem property taxation of the Development Property between the date of execution of this Agreement and the Termination Date.

9.2 Action to Reduce Taxes. Developer may seek through petition or other means to have the market value for the Development Property reduced. Until the TIF Note is fully paid, such activity must be preceded by written notice from Developer. Upon receiving such notice, or otherwise learning of Developer's intentions, the City may suspend payments due under the TIF Note until the actual amount of the reduction is determined, whereupon the City will make the suspended payments less any amount that the City is required to repay the County as a result any reduction in market value of the Development Property. During the period that the payments are subject to suspension, the City may make partial payments on the TIF Note if it determines, in its sole and absolute discretion, that the amount retained will be sufficient to cover any repayment which the County may require. The City's suspension of payments on the TIF Note pursuant to this Section shall not be considered a default under this Agreement.

9.3 Damage or Destruction. Subject to any mortgage requirements, upon any damage or destruction of the Project, or any portion thereof, by fire or other casualty, Developer shall within 60 days after such damage or destruction, commence the process required to repair, reconstruct and restore the

damaged or destroyed Project, or portion thereof, to substantially the same condition or utility value as existed prior to the event causing such damage or destruction and shall diligently pursue such repair, reconstruction and restoration.

9.4 Relocation Costs. Developer shall pay all relocation costs or expenses required under federal or state law to be paid to any owner or occupant of the Development Property as a result of the Project, and shall indemnify and hold harmless the City, its governing body members, officers, and agents including the independent contractors, consultants, and legal counsel, servants and employees thereof from any such relocation costs and expenses in accordance with the provisions of Section 8.1.

9.5 Restrictions on Use. During the term of the TIF District, Developer shall (a) not permit the Development Property to be exempt from real estate taxes notwithstanding the ownership or use of the land; (b) not permit the Development Property to be used for any use which would cause the Development Property to be valued and assessed for real estate tax purposes at a lower percentage of its market value than the Development Property is then being valued and assessed for real estate tax purposes or would result in the Development Property becoming exempt from real estate taxes; (c) cause the Development Property to be devoted to uses consistent with an “redevelopment district” under Minnesota Statutes, Sections 469.174 through 469.1794, and the uses specified in the Redevelopment Plan, this Agreement and other agreements entered into between Developer and the City; (d) cause the owner of the Development Property to not discriminate upon the basis of race, color, creed, religion, national origin, sex, marital status, disability, status with regard to public assistance, sexual orientation, and familial status in the sale, lease, or rental or in the use or occupancy of the Development Property, the Project or any part thereof; and (e) develop the Development Property in an orderly manner consistent with the City’s zoning ordinances and comprehensive plan.

Article X General Provisions

10.1 Conflicts of Interest; City Representatives Not Individually Liable. No member, official, employee, or consultant or employee of a consultant of the City or the EDA shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, consultant or the consultant’s employees or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested. No member, official, consultant or consultant’s employee, or employee of the City or the EDA shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the City or the EDA or for any amount which may become due to Developer or successors or on any obligations under the terms of this Agreement. No member, official, consultant or consultant’s employee, or employee of Developer shall be personally liable to the City or the EDA, or any successor in interest, in the event of any default or breach by Developer or for any amount which may become due to the City and/or the EDA on any obligations under the terms of this Agreement.

10.2 Equal Employment Opportunity. Developer, for itself and its successors and assigns, agrees that during the construction of the Project it will comply with any applicable affirmative action and nondiscrimination laws or regulations.

10.3 Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

10.4 Business Subsidies Act. The parties hereto agree that the Project is exempt from the requirement for entering into a business subsidy agreement within the meaning of the Minnesota Business

Subsidy Act, Minnesota Statutes, Sections 116J.993 through 116J. 995, because the TIF Assistance provides assistance for housing within the meaning of Minnesota Statutes, Section 116J.993, subd. 3(7).

10.5 Term of Agreement. This Agreement shall terminate upon the Termination Date; it being expressly agreed and understood that the provisions of this Agreement are intended to survive the expiration and satisfaction of any security instruments placed of record contemporaneously with this Agreement, if such expiration and satisfaction occurs prior to the expiration of the term of this Agreement, as stated in this Section 10.5.

10.6 Provisions Surviving Termination. The following section will survive any termination, rescission, or expiration of this Agreement with respect to or arising out of any event, occurrence, or circumstance existing prior to the date thereof: Section 3.9 [Right of Reverter]; Section 7.2 [Remedies on Default] to the extent of any Event of Default arising prior to such termination or expiration Section 8.1 [Indemnification]; Section 8.2 [Insurance]; Section 10.7 [Notices and Demands]; and Section 10.8 [Governing Law, Jurisdiction, Venue and Waiver of Trial by Jury].

10.7 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under this Agreement by any party to another party shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally as follows:

- (a) in the case of Developer, addressed to or delivered personally to:

Carver County Community Development Agency
705 N. Walnut Street
Chaska, MN 55318
Attention: Executive Director

- (b) in the case of the City, addressed or delivered personally to:

City of Chaska
500 4th Avenue NE
Chaska, MN 55912
Attention: City Administrator

with a copy to:

Jay R. Lindgren
Dorsey & Whitney LLP
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402

- (c) in the case of the EDA, addressed or delivered personally to:

Chaska Economic Development Authority
500 4th Avenue NE
Chaska, MN 55912
Attention: Executive Director

with a copy to:

Jay R. Lindgren
Dorsey & Whitney LLP
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402

Each party, by notice given hereunder to the other parties, may designate different addresses to which subsequent notices, certificates or other communications should be sent.

10.8 Governing Law, Jurisdiction, Venue and Waiver of Trial by Jury. All matters, whether sounding in tort or in contract, relating to the validity, construction, performance, or enforcement of this Agreement shall be controlled by, interpreted and determined in accordance with the laws of the state of Minnesota without regard to its conflict and choice of law provisions. Any litigation arising out of this Agreement shall be venued exclusively in Carver County District Court, state of Minnesota and shall not be removed therefrom to any other federal or state court. Developer, the City, and the EDA hereby consent to personal jurisdiction and venue in the foregoing court. Developer, the City, and the EDA hereby waive trial by jury for any litigation arising out of this Agreement.

10.9 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the City, the EDA, and Developer and their respective successors and assigns.

10.10 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

10.11 Amendments, Changes and Modifications. This Agreement may be amended or any of its terms modified only by written amendment authorized and executed by the City, the EDA, and Developer.

10.12 Further Assurances and Corrective Instruments. The City, the EDA, and Developer agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Development Property or the Project or for carrying out the expressed intention of this Agreement.

10.13 City/EDA Approval. Unless the City Council or Board, as applicable, determines otherwise in its discretion, whenever this Agreement provides for the consent or approval by the City or the EDA, such approval shall be given by, respectively, the City Administrator or the Executive Director of the EDA (or in either case his/her designee), unless (a) this Agreement explicitly provides for approval by the City Council or the Board, (b) approval by the City Council or Board is required by law or (c) the approval, in the opinion of the City Administrator or the Executive Director, would result in a material change in the terms of this Agreement.

10.14 No Waiver of Governmental Immunity and Limitations on Liability. Nothing in this Agreement shall in any way affect or impair the City's or the EDA's immunity or the immunity of the City's and the EDA's employees, consultants and contractors, whether on account of official immunity, legislative immunity, statutory immunity, discretionary immunity or otherwise. Nothing in this Agreement shall in any way affect or impair the limitations on the City's or the EDA's liability or the liability of the City's and the EDA's employees, consultants and independent contractors. By entering into this Agreement, neither the City nor the EDA waives any rights, protections, or limitations as provided under law and equity for the EDA, the City, or of their respective employees, consultants and contractors.

10.15 Memorandum of Agreement. Neither party shall cause this Agreement to be recorded or filed in the real estate records of the County. However, at Closing, the parties shall execute, and Developer shall cause to be recorded on the title to the Development Property, a memorandum of this Agreement in substantially the form attached as **Exhibit I** (the “Memorandum”).

10.16 Superseding Effect. This Agreement reflects the entire agreement of the parties with respect to the items covered by this Agreement, and supersedes in all respects all prior agreements of the parties, whether written or otherwise, with respect to the items covered by this Agreement.

10.17 Data Practices Act. Developer acknowledges that all of the data created, collected, received, stored, used, maintained, or disseminated by Developer with regard to the performance of its duties under this Agreement are subject to the requirements of Chapter 13, Minnesota Statutes.

10.18 City and EDA Regulatory Authority. Nothing in this Agreement shall be construed to limit or modify the City’s or the EDA’s regulatory authority.

10.19 Time is of the Essence. Time is of the essence of this Agreement and each and every term and condition hereof; provided, however, that if any date herein set forth for the performance of any obligations by Developer, the City, or the EDA or for the delivery of any instrument or notice as herein provided should not be on a business day, the compliance with such obligations or delivery shall be deemed acceptable on the next following business day.

10.20 Relationship of Parties. Nothing in this Agreement is intended, or shall be construed, to create a partnership or joint venture among or between the parties hereto, and the rights and remedies of the parties hereto shall be strictly as set forth in this Agreement.

10.21 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope of intent of any provisions or Sections of this Agreement.

10.22 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

10.23 Amendment and Restatement. This Agreement amends, restates, supersedes, and replaces, in its entirety that certain Purchase and Redevelopment Agreement dated December 20, 2021 executed by the parties hereto (the “Original Agreement”).

[Remainder of page intentionally left blank; signature(s) on following page(s)]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

CITY OF CHASKA, MINNESOTA

By: _____
Mayor

By: _____
City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me on this ____ day of _____, 202___, by Mark Windschitl, the Mayor, and Matt Podhradsky, the City Administrator, of the City of Chaska, a Minnesota municipal corporation, on behalf of the corporation.

Notary Public

ECONOMIC DEVELOPMENT AUTHORITY OF THE
CITY OF CHASKA, MINNESOTA

By: _____
President

By: _____
Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

This instrument was acknowledged before me on this ____ day of _____, 202__, by Mark Windschitl and Matt Podhradsky, the President and Executive Director, respectively, of Economic Development Authority of the City of Chaska, Minnesota, a Minnesota political subdivision, on behalf of the political subdivision.

Notary Public

CARVER COUNTY COMMUNITY DEVELOPMENT
AGENCY

By: _____

By: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me on this ____ day of _____,
202__, by _____, the _____, and _____, the
_____, of the Carver County Community Development Agency, on behalf of the agency.

Notary Public

Exhibit A

Legal Description of Development Property

The real property and interests in such property located in the County of Carver, State of Minnesota and described as follows:

Parcel 1:

Lot 2, Block 37, except the Northerly 6 feet of the Westerly 48 feet thereof and also including the South 4 feet of the Easterly 94 feet of Lot 1, Block 37, City of Lots of Chaska, Carver County, Minnesota.

Parcel 2:

Lot 3, Block 37, City of Lots Chaska, Carver County, Minnesota.

CHASKA YARDS AT THE HISTORIC ESS SITE - SOURCES & USES 10/10/2023

10/10/2023

ERNST HOME	SOURCES - ERNST HOME		Notes
	Ernst Sales	\$ 300,000	Sale of unit
	TIF	\$ 180,000	TIF Updated per County Assessor 7-8-2021.
	Land Grant	\$ 100,000	MHFA HIB--awarded December 2020. Expires 12/1/23 Eligible uses: affordability gap--land acquisition (12-2020-04)
	CDA Contribution	\$ 22,481	
	MET Council LHIA Pilot 2023	\$ 47,250	January 2023 Funding - City of Chaska
	Total	\$ 649,731	
	USES - ERNST HOME		
	Ernst House	\$ 475,687	
	Land	\$ 100,000	
Commission	\$ 18,000	6%	
Fees	\$ -	Fees Forgiven. MCES SAC exists	
Special assessment costs	\$ 6,044		
Contingency 15%	\$ 50,000		
Total	\$ 649,731	(\$0)	

3 SINGLE FAMILY HOMES	SOURCES - 3 SINGLE FAMILY		
	Home sales	\$ 750,000	Sale of three units (\$250,000/each)
	Land Grant	\$ 339,210	MHFA HIB--awarded Dec. 2020. Expires 12/1/23 Eligible uses: value gap: \$13,080; affordability gap: \$100,000 (12-2020-03)
	City Trust Fund	\$ 300,000	
	CDA Grant (2020)	\$ 85,000	Awarded February 2020. Eligible uses: historic preservation/construction
	CDA Grant (2021)	\$ 92,500	Awarded February 2021. Eligible uses: historic preservation/construction
	CDA Contribution	\$ 196,329	
	TIF	\$ -	Eligible uses:
	Met Council	\$ 30,000	Awarded December 2020. Expires 12/31/23. Eligible uses: land acquisition and construction
	MET Council LHIA Pilot 2023	\$ 141,750	January 2023 Funding - City of Chaska
Total	\$ 1,934,789		
USES - 3 SINGLE FAMILY			
3 Homes	\$ 1,427,061	(\$526,000 per unit)	
Land	\$ 300,000		
Commission	\$ 45,000	6%	
Fees	\$ 7,455	MCES SAC Only - Total Fees if applied: ~\$44,000	
Special assessment costs	\$ 5,273		
Contingency 5%	\$ 150,000		
Total	\$ 1,934,789	\$0	

PRE DEVELOPMENT FEES	Sources - Architectural Fees		
	CDA	\$ 145,000	
	City TIF/HTF	\$ 200,000	From TIF/HTF
	Total	\$ 345,000	
	Uses - Architectural Fees		
	Preliminary concept	\$ 50,000	
	Design Development & Construction Admin	\$ 250,000	
	Platting / Permits/Misc	\$ 30,000	
	SHPO / Soil Boring etc	\$ 15,000	
	Total	\$ 345,000	\$0

\$ / unit

TOTAL SOURCES	\$ 2,929,520
TOTAL USES	\$ 2,929,520
GAP	\$ 0

\$732,379.90

City of Chaska	\$ 680,000	
Chaska (CDA) CGPI	\$ 177,500	\$541,310
CDA	\$ 363,810	
MN Housing (MHFA)	\$ 439,210	\$400,000 Land Costs
MET Council	\$ 219,000	
Home Sales	\$ 1,050,000	
Total	\$ 2,929,520	

BIG WOODS \$ 2,102,748 \$525,687

Exhibit C

Qualified Costs

The estimated Qualified Costs of the TIF District are listed below that are eligible for reimbursement from tax increments of the TIF District. The categories below identify the categories of expenses that the parties agree may be reimbursed through tax increment financing. The amounts assigned to each category are estimates only and not independent limitations of Developer's Qualified Costs.

Costs of eliminating structurally substandard condition within the Ernst House consistent with M.S. Section 469.174, subd. 10	\$180,000
Total	\$180,000*

* Developer's Qualified Cost. The total principal amount of the TIF Note issued to reimburse Developer for Qualified Costs of the Project will not exceed **\$180,000**.

Exhibit D

Form of Certificate of Completion

WHEREAS, CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY (the “Developer”), is the Developer of the property in the County of Carver and State of Minnesota described on **Exhibit A** hereto and made a part hereof (the “Development Property”); and

WHEREAS, the Development Property is subject to the provisions of a certain Amended and Restated Purchase and Redevelopment Agreement (the “Agreement”) in the Redevelopment Project Area No. 4 and Tax Increment Financing (Redevelopment) District No. 22, dated as of _____, 202__, between Developer, the City of Chaska, Minnesota, and the Economic Development Authority of the City of Chaska, Minnesota; and

WHEREAS, Developer has fully and duly performed all of the covenants and conditions of Developer under the Agreement with respect to the completion of the Project (as defined in the Agreement);

NOW, THEREFORE, it is hereby certified that all requirements of Developer under the Agreement with respect to the completion of the Project have been completed and duly and fully performed, and this instrument is to be conclusive evidence of the satisfactory termination of the covenants and conditions of the Agreement as they relate to the completion of the Project. All other covenants and conditions of the Agreement shall remain in effect and are not terminated hereby.

Dated this ____ day of _____, 20__.

CARVER COUNTY COMMUNITY DEVELOPMENT
AGENCY

By: _____

By: _____

Exhibit A

Development Property

The real property and interests in such property located in the County of Carver, State of Minnesota and described as follows:

Exhibit E

Form of Ground Lease

Exhibit F

Form of Limited Tax Increment Revenue Note

No. R- _____

\$[_____]

**UNITED STATES OF AMERICA
STATE OF MINNESOTA
CITY OF CHASKA**

**LIMITED REVENUE TAXABLE TAX INCREMENT NOTE NO. [__]
(Ernst House Redevelopment Project)**

PRINCIPAL AMOUNT: \$

INTEREST RATE: ____%

The City of Chaska, Minnesota (the “City”) for value received, promises to pay, but solely from the source, to the extent and in the manner hereinafter provided, to Carver County Community Development Agency, or its registered assigns (the “Owner”), the principal sum of [_____ dollars] (\$[_____]), in semi-annual installments payable on August 1, 20__, and on each February 1 and August 1 thereafter up to and including February 1, 20__ (each being a “Scheduled Payment Date”), together with interest on the outstanding and unpaid principal balance of this Limited Tax Increment Revenue Note (Ernst House Redevelopment Project) (this “Note”) at the rate of four percent (4%) per annum. Installment payments shall be applied first to interest and then to a reduction of outstanding principal. Interest on the outstanding balance of this Note shall accrue from the date hereof as simple, non-compounding interest. Each payment on this Note is payable in any coin or currency of the United States of America which on the date of such payment is legal tender for public and private debts and shall be made by check or draft made payable to the Owner and mailed to the Owner at the postal address within the United States designated from time to time by the Owner.

This Note is subject to prepayment on any Scheduled Payment Date at the option of the City, in whole or in part, upon payment to the Owner of the principal amount of the Note to be prepaid, without premium or penalty.

This Note is a special and limited obligation and not a general obligation of the City, which has been issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including M.S., Sections 469.174 through 469.1794. This Note is issued pursuant to the provisions of that certain Amended and Restated Purchase and Redevelopment Agreement, dated as of _____, 202__, as the same may be amended from time to time (the “Redevelopment Agreement”), between the City and Carver County Community Development Agency (the “Developer”).

**THIS NOTE IS NOT PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN
PLEGGED TAX INCREMENT, AS DEFINED BELOW.**

The Note Payment Amounts due hereon shall be payable solely from a portion of the tax increments calculated annually, less the City’s administrative fee of five percent (5%) from the Development Property within the City’s Tax Increment Financing (Redevelopment) District No. 22 (the “TIF District”) within its Redevelopment Project Area No. 4, which are paid to the City and which the City is entitled to retain pursuant to the provisions of M.S., Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time (the “Available Tax Increment”). Any increment remaining after retaining the percentage noted above for the City’s administrative fee and the payment of the Note Payment Amounts due shall be retained by the City. The City makes no representation or covenant, express or implied, that

the Available Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City shall pay to the Owner on each Scheduled Payment Date all Available Tax Increment on that date to the extent necessary to pay principal and interest then due and any past due installment. To the extent that the City is unable to pay the total principal and interest due on this Note at or prior to the February 1, 20__, maturity date hereof as a result of its having received as of such date insufficient Available Tax Increment, such failure shall not constitute a default under this Note and the City shall have no further obligation hereon.

This Note shall not be payable from or constitute a charge upon any funds of the City, and the City shall not be subject to any liability hereon or be deemed to have obligated itself to pay hereon from any funds except the Available Tax Increment, and then only to the extent and in the manner herein specified.

The Owner shall never have or be deemed to have the right to compel any exercise of any taxing power of the City or of any other public body, and neither the City nor any council member, officer, employee or agent of the City, nor any person executing or registering this Note shall be personally liable hereon by reason of the issuance or registration hereof or otherwise. The Owner may assign its rights hereunder, with notice thereof provided to City, in accordance with the associated TIF Agreement.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the City of Chaska has caused this Note to be executed by the manual signatures of the Mayor and the City Administrator and has caused this Note to be dated as of _____, 20__.

Mayor

City Administrator

Exhibit G

Form of Project Funding Certificate

Project Funding Certificate
(Ernst House Redevelopment Project)

CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY (“Developer”) has entered into that certain Amended and Restated Purchase and Redevelopment Agreement with the CITY OF CHASKA, MINNESOTA, a municipal corporation and political subdivision of the State of Minnesota (the “City”), and the ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA, a body corporate and politic of the State of Minnesota (the “EDA”), dated effective as of _____, 202__ (the “Redevelopment Agreement”).

Developer hereby certifies to the City and the EDA, pursuant to Section 5.1 of the Redevelopment Agreement, that (i) **Exhibit 1** attached hereto contains an updated Sources and Uses Budget for the Project that is true and correct as of the date hereof, (ii) that all funding sources identified on said **Exhibit 1** have been fully committed and available to Developer for the construction of the Project and (iii) such funds are in a sufficient amount to fully fund acquisition of the Development Property and construction of the Project as required by the Redevelopment Agreement.

Dated: _____

DEVELOPER:

CARVER COUNTY COMMUNITY DEVELOPMENT
AGENCY

By: _____

By: _____

Exhibit 1
to
Project Funding Certificate
(Ernst House Redevelopment Project)

SOURCE

AMOUNT

Exhibit H

Form of Trust Fund Grant Agreement

GRANT AGREEMENT

This Grant Agreement (the “Agreement”) is made this _____, 20____ (the “Effective Date”), by and between CITY OF CHASKA, MINNESOTA, a municipal corporation and political subdivision of the State of Minnesota (the “City”), and CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY (the “Grantee”).

Recitals:

A. Grantee has proposed an affordable housing redevelopment project (the “Project”) on that certain real property located at 211 Walnut Street and 217 Walnut Street in the City (the “Development Property”), which Project consisted of (i) the rehabilitation of that certain existing historical structure located on that portion of the Development Property having an address of 211 Walnut Street and known as the “Ernst House” to create a new single-family housing unit (the “Ernst House”) and (ii) the construction of three (3) new single-family townhome housing units on that portion of the Development Property having an address of 217 Walnut Street (the “Residential Units”).

B. Grantee, the City, and the Economic Development Authority of the City of Chaska, Minnesota, a body corporate and politic of the State of Minnesota (the “EDA”) have entered into that certain Amended and Restated Purchase and Redevelopment Agreement dated _____, 2023 (as may be amended from time to time, the “Redevelopment Agreement”), pursuant to which (i) the EDA sold the Development Property to Grantee for the development and construction of the Project and (ii) the City and the EDA agreed to provide certain financial assistance to Grantee to support the construction of the Project and development of new affordable housing therein.

C. In accordance with the Redevelopment Agreement, as part of such financial assistance, the City has agreed to provide certain grant funding to Grantee from the City’s Housing Trust Fund (the “Grant”) in the original principal amount of up to **\$300,000.00** (“Maximum Grant Amount”) to reimburse Grantee for Qualified Costs.

NOW, THEREFORE, to induce the City to make the Grant to Grantee, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Recitals; Definitions. The foregoing Recitals are true and correct statements of fact and are incorporated into this Agreement by this reference, including the definitions set forth therein. Each capitalized term used herein and the Recitals, unless otherwise defined herein, shall have the meaning ascribed to such term in the Redevelopment Agreement.

2. Term of this Agreement. This Agreement shall take effect on the Effective Date, and shall expire the date that is **26th** anniversary of the Effective Date (the “Termination Date”), unless earlier terminated or rescinded in accordance with the terms hereof.

3. The Grant. Subject to and upon the terms and conditions of this Agreement, the City agrees to make the Grant to Grantee in an amount not to exceed the Maximum Grant Amount, which Grant shall be disbursed pursuant to this Agreement. If the actual total Project costs reflected in the Disbursement Request (defined below) are less than such total Project costs initially reflected in the Project Funding

Certificate, thereby creating a Project funding surplus (the “Funding Surplus”), then such Funding Surplus shall be applied to reduce the Maximum Grant Amount hereunder. In consideration of the Grant, Grantee agrees to perform all of its obligations under this Agreement. Grantee’s obligation to repay to the City the amount of the Grant disbursed hereunder shall cease and terminate on Termination Date provided that as of such date Grantee has fully completed performance of Grantee’s obligations and agreements set forth in this Agreement. Grantee agrees that the Grant proceeds shall be used only for reimbursement of Qualified Costs as provided herein.

4. Conditions Precedent to Disbursement. The obligation of the City to disburse the Grant to Grantee, which shall be made one disbursement, shall be subject to satisfaction, or waiver in writing by the City, of all of the following conditions precedent:

(a) the Certificate of Completion has been issued for the Project in accordance with Redevelopment Agreement;

(b) Grantee has delivered to the City an instrument and disbursement request in form and substance reasonably acceptable to the City executed by Grantee (collectively, the “Disbursement Request”) which:

(i) shows all costs and expenses of any kind actually paid or incurred in constructing the Project, the sources for funding such Project costs, and details any changes to the actual Project costs sources and uses from those described in the initial Project Funding Certificate, together with written evidence reasonably satisfactory to the City that such Project costs have been incurred for the Project and paid by Grantee;

(ii) requests disbursement of the Grant in an amount not to exceed the Maximum Grant Amount (as may be adjusted as provided herein) and specifies the amount and nature of the Qualified Costs to be reimbursed by the Grant;

(iii) includes a certified statement of Grantee that all Project costs have been paid to third parties unrelated to Grantee, or if any costs have been paid to third parties related to Grantee, that such costs do not exceed the reasonable and customary costs of services, labor or materials of comparable quality, dependability, availability and other pertinent criteria, together with written evidence reasonably satisfactory to the City of the payment by Grantee of such costs to be reimbursed (e.g., sworn construction statement and final mechanics’ lien waivers); and

(iv) shall constitute a representation and warranty by Grantee to the City that all representations and warranties of Grantee set forth in this Agreement and the Redevelopment Agreement are true and correct as of the date of such Disbursement Request.

(c) Grantee shall not be in default under the terms of this Agreement, the Redevelopment Agreement, or any Project Approvals beyond any applicable cure period, and Grantee shall have provided to the City such evidence of compliance with all of the provisions of the same as the City may reasonably request.

5. Disbursement of Grant Proceeds. The City shall disburse the Grant to Grantee no later than 30 days after Grantee has satisfied the conditions precedent to disbursement set forth in Section 3 above, so long as the condition set forth in Section 3(c) remains true and correct as of the date of disbursement.

6. Representations and Warranties; Agreements. Grantee represents and warrants to the City and agrees that:

(a) Grantee is a local government agency created by the Minnesota Legislature and has power to enter into this Agreement and has duly authorized, by all necessary corporate action, the execution and delivery of this Agreement.

(b) The execution and delivery of this Agreement, and the performance by Grantee of its obligations hereunder, do not and will not violate or conflict with any provision of law or any governing documents of Grantee and do not and will not violate or conflict with, or cause any default or event of default to occur under, any agreement binding upon Grantee.

(c) The execution and delivery of this Agreement has been duly approved by all necessary action of Grantee, and this Agreement has in fact been duly executed and delivered by Grantee and constitutes its lawful and binding obligation, legally enforceable against it.

(d) Grantee warrants and agrees that it shall keep and maintain books, records, and other documents relating directly to the receipt and disbursements of Grant proceeds and compliance by Grantee with the terms and conditions of the this Agreement (collectively, the "Records"). Grantee agrees that any duly authorized representative of the City shall, at all reasonable times, have access to and the right to inspect, copy, audit, and examine all Records.

(e) Grantee warrants that it has fully complied with all applicable state and federal laws pertaining to its business and will continue said compliance throughout the term of this Agreement. If at any time Grantee receives notice of noncompliance from any governmental entity, Grantee agrees to take any necessary action to comply with the state or federal law in question.

7. Restrictions on the Property. Grantee covenants and agrees that the use and ownership of the Development Property shall be made perpetually subject to the terms and conditions of the Carver County Community Land Trust (the "Land Trust"), such that the Development Property will be owned by the Land Trust for the purpose of preserving the affordability of housing units on the Development Property through the sale of the housing units and long-term leasing of the land under said housing units to households having incomes at or below **80%** of the Area Median Income for the Minneapolis-Saint Paul-Bloomington Metropolitan Statistical Area (including adjustments for household size) ("Qualified Households") or other persons and families of low and moderate income in compliance with M.S. Section 462A.31 and any successor statute, regulation, or law governing community land trusts in Minnesota (the "Land Trust Use"). Grantee shall otherwise cause the Development Property and Project to be in compliance with all of the conditions, covenants, restrictions and limitations imposed by this Agreement, the Redevelopment Agreement, and all applicable laws, ordinances and regulations.

8. Event of Default by Grantee. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any one or more of the following events which occurs and continues for more than 15 days after written notice thereof to Grantee setting forth with specific particularity the default and the action required to cure or remedy the same (the "Default Notice"); provided, however, if a longer period is reasonably required to complete the cure, then the cure period shall be extended as may be reasonably required to complete the cure as soon as reasonably possible under the circumstances not to exceed 90 days and so long as Grantee is diligently and continuously attempting to cure such failure:

(a) Failure of Grantee to observe and perform any other covenant, condition, obligation or agreement on its part to be observed or performed hereunder or under the Redevelopment Agreement.

(b) Failure of Grantee to pay any taxes on the Development Property prior to the same becoming delinquent.

(c) Any representation or warranty made by Grantee herein or in any document, instrument, or certificate given in connection with this Agreement, is materially false when made; or

(d) Filing of any voluntary petition in bankruptcy or similar proceedings by Grantee; general assignment for the benefit of creditors made by Grantee or admission in writing by Grantee of inability to pay its debts generally as they become due; or filing of any involuntary petition in bankruptcy or similar proceedings against Grantee which are not dismissed or stayed within 60 days.

9. The City's Remedies upon Grantee's Default.

(a) Remedies. Upon the occurrence of an Event of Default, the City may take any one or more of the following actions at any time prior to Grantee's curing or remedying the Event of Default:

(i) terminate this Agreement

(ii) suspend its performance under this Agreement;

(iii) demand, seek, and obtain repayment of the Grant proceeds from Grantee, plus interest thereon from the original date of disbursement of the Grant at the rate of 10% per annum, which amount shall be paid to the City within 10 days of written demand; and

(iv) take whatever action at law or in equity may appear necessary or desirable to the City to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of Grantee under this Agreement; an

(v) exercise any remedies available at law and in equity to enforce performance of this Agreement, including a right to specific performance.

(b) No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to them, it shall not be necessary to give notice, other than such notice as may be required under this Agreement.

(c) Waivers. All waivers by any party to this Agreement shall be in writing. If any provision of this Agreement is breached by any party and thereafter waived by another party, such

waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

(d) Agreement to Pay Attorneys' Fees. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of Grantee herein contained, Grantee agrees that it shall, on demand therefor, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

10. Indemnification. Grantee shall and does hereby agree to indemnify against and to hold the City, and its officers, agents, and employees, harmless of and from any and all liability, loss, or damage which it may or might incur by reason of or arising from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained herein. Should the City, or its officers, agents, or employees incur any such liability or be required to defend against any such claims or demands, or should a judgment be entered against the City, the amount thereof, including costs, expenses, and reasonable attorneys' fees, shall bear interest thereon at 10% per annum, shall be added to the Grant, and Grantee shall reimburse the City for the same immediately upon demand.

11. Insurance. Grantee shall obtain and continuously maintain insurance on the Project in the form and content required by the Redevelopment Agreement, and, from time to time at the request of the City, furnish proof to the City that the premiums for such insurance have been paid and the insurance is in effect.

12. Assignment. This Agreement shall be binding upon Grantee and its successors and assigns and shall inure to the benefit of the City and its successors and assigns. All rights and powers specifically conferred upon the City may be transferred or delegated by the City to any of its successors and assigns. Except conveyances of the Development Property permitted under the Land Trust to Qualified Households made to in the ordinary course of business, Grantee has not made and will not make, or suffer to be made, any total or partial sale, assignment, conveyance, lease, or other transfer, with respect to this Agreement, the Project or Development Property or any part thereof or any interest therein (other than any Mortgage or Mortgages securing financing for the Project or other than any assignment of the payments to be made to Grantee under Section 5.6 of Redevelopment Agreement that is permitted under Section 5.6 of the Redevelopment Agreement), or any contract or agreement to do any of the same, without the prior written approval of the City, which shall not be unreasonably withheld or delayed.

13. Damage or Destruction. Subject to any mortgage requirements, upon any damage or destruction of the Project, or any portion thereof, by fire or other casualty, Grantee shall within 60 days after such damage or destruction, commence the process required to repair, reconstruct and restore the damaged or destroyed Project, or portion thereof, to substantially the same condition or utility value as existed prior to the event causing such damage or destruction and shall diligently pursue such repair, reconstruction and restoration.

14. Miscellaneous.

(a) Conflicts of Interest; City Representatives Not Individually Liable. No member, official, employee, or consultant or employee of a consultant of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, consultant or the consultant's employees or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested. No member, official, consultant or

consultant's employee, or employee of the City shall be personally liable to Grantee, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Grantee or successors or on any obligations under the terms of this Agreement. No member, official, consultant or consultant's employee, or employee of Grantee shall be personally liable to the City, or any successor in interest, in the event of any default or breach by Grantee or for any amount which may become due to the City on any obligations under the terms of this Agreement.

(b) Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

(c) Provisions Surviving Termination. The following section will survive any termination, rescission, or expiration of this Agreement with respect to or arising out of any event, occurrence, or circumstance existing prior to the date thereof: Section 9 [The City's Remedies upon Grantee's Default] to the extent of any Event of Default arising prior to such termination or expiration Section 10 [Indemnification]; Section 11 [Insurance]; Section 14(d) [Notices and Demands]; and Section 14(e) [Governing Law, Jurisdiction, Venue and Waiver of Trial by Jury].

(d) Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under this Agreement by any party to another party shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally as follows:

(i) in the case of Grantee, addressed to or delivered personally to:

Carver County Community Development Agency
705 N. Walnut Street
Chaska, MN 55318
Attention: Executive Director

(ii) in the case of the City, addressed or delivered personally to:

City of Chaska
500 4th Avenue NE
Chaska, MN 55912
Attention: City Administrator

with a copy to:

Jay R. Lindgren
Dorsey & Whitney LLP
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402

Each party, by notice given hereunder to the other parties, may designate different addresses to which subsequent notices, certificates or other communications should be sent.

(e) Governing Law, Jurisdiction, Venue and Waiver of Trial by Jury. All matters, whether sounding in tort or in contract, relating to the validity, construction, performance, or enforcement of this Agreement shall be controlled by, interpreted and determined in accordance

with the laws of the state of Minnesota without regard to its conflict and choice of law provisions. Any litigation arising out of this Agreement shall be venued exclusively in Carver County District Court, state of Minnesota and shall not be removed therefrom to any other federal or state court. Grantee and the City hereby consent to personal jurisdiction and venue in the foregoing court. Grantee and the City hereby waive trial by jury for any litigation arising out of this Agreement.

(f) Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

(g) Amendments, Changes and Modifications. This Agreement may be amended or any of its terms modified only by written amendment authorized and executed by the City and Grantee.

(h) Further Assurances and Corrective Instruments. The City and Grantee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Development Property or the Project or for carrying out the expressed intention of this Agreement.

(i) City Approval. Unless the City Council determines otherwise in its discretion, whenever this Agreement provides for the consent or approval by the City, such approval shall be given by the City Administrator (or his/her designee), unless (A) this Agreement explicitly provides for approval by the City Council, (B) approval by the City Council is required by law or (C) the approval, in the opinion of the City Administrator would result in a material change in the terms of this Agreement.

(j) No Waiver of Governmental Immunity and Limitations on Liability. Nothing in this Agreement shall in any way affect or impair the City's immunity or the immunity of the City's employees, consultants and contractors, whether on account of official immunity, legislative immunity, statutory immunity, discretionary immunity or otherwise. Nothing in this Agreement shall in any way affect or impair the limitations on the City's liability or the liability of the City's employees, consultants and independent contractors. By entering into this Agreement, the City does not waive any rights, protections, or limitations as provided under law and equity for the City, or of their respective employees, consultants and contractors.

(k) Superseding Effect. This Agreement reflects the entire agreement of the parties with respect to the items covered by this Agreement, and supersedes in all respects all prior agreements of the parties, whether written or otherwise, with respect to the items covered by this Agreement.

(l) Data Practices Act. Grantee acknowledges that all of the data created, collected, received, stored, used, maintained, or disseminated by Grantee with regard to the performance of its duties under this Agreement are subject to the requirements of Chapter 13, Minnesota Statutes.

(m) City a Regulatory Authority. Nothing in this Agreement shall be construed to limit or modify the City's regulatory authority.

(n) Time is of the Essence. Time is of the essence of this Agreement and each and every term and condition hereof; provided, however, that if any date herein set forth for the performance of any obligations by Grantee or the City or for the delivery of any instrument or

notice as herein provided should not be on a business day, the compliance with such obligations or delivery shall be deemed acceptable on the next following business day.

(o) Relationship of Parties. Nothing in this Agreement is intended, or shall be construed, to create a partnership or joint venture among or between the parties hereto, and the rights and remedies of the parties hereto shall be strictly as set forth in this Agreement.

(p) Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope of intent of any provisions or Sections of this Agreement.

(q) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

[Remainder of page intentionally left blank; signature(s) on following page(s)]

IN WITNESS WHEREOF, the undersigned officers of the City and Grantee have executed this Grant Agreement as of the date and year first written above.

CITY:

CITY OF CHASKA, MINNESOTA

By: _____
Mayor

By: _____
City Administrator

STATE OF MINNESOTA)
)
COUNTY OF CARVER)

ss.

The foregoing instrument was acknowledged before me on this ____ day of _____, 202__, by _____, the Mayor, and _____, the City Administrator, of the City of Chaska, a Minnesota municipal corporation, on behalf of the corporation.

Notary Public

GRANTEE:

CARVER COUNTY COMMUNITY DEVELOPMENT
AGENCY

By: _____

By: _____

STATE OF MINNESOTA)
)
COUNTY OF CARVER)

ss.

The foregoing instrument was acknowledged before me on this ____ day of _____,
202____, by _____, the _____, and _____, the
_____, of the Carver County Community Development Agency, on behalf of the agency.

Notary Public

Exhibit I

Form of Memorandum of Agreement

Memorandum of Redevelopment Agreement

This Memorandum of Redevelopment Agreement (this "Memorandum") is entered into as of _____, 202__, by and among the CITY OF CHASKA, MINNESOTA, a municipal corporation and political subdivision of the State of Minnesota (the "City"), the ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA, a body corporate and politic of the State of Minnesota (the "EDA"), and CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY (the "Developer").

RECITALS:

A. The City, EDA, and Developer (collectively, the "Parties") have entered into a certain Amended and Restated Purchase and Redevelopment Agreement dated as of _____, 202__ (as the same may be amended or supplemented from time to time, the "Redevelopment Agreement"), whereby the Parties have agreed to various aspects of the redevelopment of certain real property more particularly described on the attached Exhibit A, together with all improvements, tenements, easements, rights and appurtenances pertaining to such real property, lying and being in Carver County, Minnesota (the "Property").

B. The Parties wish to give notice of the existence of the Redevelopment Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. The above recitals are incorporated by reference as if fully set forth herein.
2. Capitalized terms, when not defined herein, shall have the meanings ascribed to them in the Redevelopment Agreement.
3. The Parties have entered into the Redevelopment Agreement to set forth the terms and provisions governing the redevelopment of the Property.
4. This Memorandum has been executed and delivered by the Parties for the purpose of recording and giving notice that a contractual relationship for the redevelopment of the Property has been created between the Parties in accordance with the terms, covenants, and conditions of the Redevelopment Agreement.
5. The terms and conditions of the Redevelopment Agreement are incorporated by reference into this Memorandum as if fully set forth herein, specifically including, without limitation, the following provisions:

(a) Developer's covenant that the use and ownership of the Development Property shall be perpetually subject to the terms and conditions of the of the Carver County Community Land Trust (the "Land Trust") such that the Residential Units constructed thereon shall be sold only to households having incomes at or below **80%** of the Area Median Income for the Minneapolis-Saint Paul-Bloomington Metropolitan Statistical Area (including adjustments for household size) ("Qualified Households") and the land underlying each such Residential Unit shall be leased only

to such Qualified Household pursuant to long-term ground lease in substantially the form set forth in the Redevelopment Agreement such that the Development Property will be owned by the Land Trust for the purpose of preserving the affordability of housing units on the Development Property, all as further provided in the Redevelopment Agreement; and

(b) a right of reverter of the Development Property in favor of the EDA if Developer fails to cause the Commencement of construction of the Project by **January 31, 2024**.

6. This Memorandum may be executed separately in counterparts which, when taken together, shall constitute one and the same instrument.

[Remainder of page left blank intentionally; signature pages follow]

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the date first written above.

CITY OF CHASKA, MINNESOTA

By: _____
Mayor

By: _____
City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me on this ____ day of _____, 202__, by Mark Windschitl, the Mayor, and Matt Podhradsky, the City Administrator, of the City of Chaska, a Minnesota municipal corporation, on behalf of the corporation.

Notary Public

ECONOMIC DEVELOPMENT AUTHORITY OF THE
CITY OF CHASKA, MINNESOTA

By: _____
President

By: _____
Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

This instrument was acknowledged before me on this ____ day of _____, 202__, by Mark Windschitl and Matt Podhradsky, the President and Executive Director, respectively, of Economic Development Authority of the City of Chaska, Minnesota, a Minnesota political subdivision, on behalf of the political subdivision.

Notary Public

CARVER COUNTY COMMUNITY DEVELOPMENT
AGENCY

By: _____

By: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me on this ____ day of _____,
202__, by _____, the _____, and _____, the
_____, of the Carver County Community Development Agency, on behalf of the agency.

Notary Public

THIS DOCUMENT WAS DRAFTED BY:
Dorsey & Whitney LLP (ACS)
50 South Sixth Street
Suite 1500
Minneapolis, MN 55402-1498

Exhibit A

Legal Description

The real property and interests in such property located in the County of Carver, State of Minnesota and described as follows:

Parcel 1:

Lot 2, Block 37, except the Northerly 6 feet of the Westerly 48 feet thereof and also including the South 4 feet of the Easterly 94 feet of Lot 1, Block 37, City of Lots of Chaska, Carver County, Minnesota.

Parcel 2:

Lot 3, Block 37, City of Lots Chaska, Carver County, Minnesota.