

AGENDA

CHASKA ECONOMIC DEVELOPMENT AUTHORITY MONDAY, OCTOBER 18, 2010

1. Call to Order
2. Roll Call
3. Adopt the Agenda
4. Receive the Minutes of the 9/13/10 EDA Meeting
5. Approve Extension of Block 53/The Landing Purchase Agreement with Aeon
6. Other Business
7. Adjourn

- MINUTES -
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
SEPTEMBER 13, 2010

1. Call to Order

President Windschitl called the meeting to order at 9:13 p.m.

2. Roll Call

Roll call was taken. Present: Commissioners Schulz, Ford, Businaro, Boe and President Windschitl. Absent: None.

Also Present: Matt Podhradsky, Executive Director; Noel Graczyk, Administrative Services Director; and Bart Fischer, Assistant Administrator.

3. Agenda

Motion by Commissioner Businaro, second by Commissioner Ford to adopt the agenda as presented.

Motion carried.

4. Minutes

Motion by Commissioner Ford, second by Commissioner Schulz to approve the minutes of the May 17, 2010 EDA meeting.

Motion carried.

5. Approve EDA Resolution No. 10-01 Adopting a Proposed 2011 Budget and Proposed Assessed 2010 Payable 2011 Maximum Property Tax Levy

The Executive Director presented the item to the Commission

Commissioner Businaro asked what the difference is between what we are proposing in the levy and what we could actually levy.

The Executive Director and Financial Services Director explained that they did not have the actual number but we are proposing significantly less.

Motion by Commissioner Businaro, second by Commissioner Boe to adopt EDA Resolution No. 10-01 adopting a proposed 2011 Budget and a proposed assessed 2010 payable 2011 maximum property tax levy.

Motion carried.

6. Other Business

Commissioner Businaro asked if there have been any new businesses showing an interest in moving to Chaska.

The Executive Director stated there has been some movement on retail, and some interest from industrial.

7. Adjourn

Motion by Commissioner Boe, second by Commissioner Ford to adjourn the meeting at 9:30 pm.

Motion carried.

**REQUEST FOR ACTION
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
October 18, 2010**

Subject: Extension of Block 53/The Landing Purchase Agreement with Aeon

Prepared By: Bart Fischer

As you will remember, several months ago the City of Chaska did formally enter into a purchase agreement with Aeon Development for the building of the senior apartment complex at the Block 53 redevelopment site on the south end of downtown. Since that time Aeon has been working to pull together the final funding for the project. In conjunction with the City of Chaska, they have been successful in receiving a Liveable Communities Demonstration Account dollars from the Met Council, as well as Small Cities dollars from The Department of Employment and Economic Development.

The third major source of funding Aeon is seeking is through the HUD 201 Program. This Program helps to develop affordable senior rental projects in communities, which is what Aeon has proposed for this site. Aeon did go through the spring funding round for these dollars. While they were toward the top of the application scoring process, only two projects in the State of Minnesota were able to receive funds. Unfortunately, Aeon's project was not one of them. However there is a second process in the fall in which Aeon feels confident that they will be very competitive, given the fact that they ranked very high in the spring process.

In order to continue to be competitive in this grant process, Aeon needs to continue to be able to demonstrate they have control of the property through a purchase agreement. For this reason, they are asking the City/EDA to support extending the purchase agreement through December 31, 2011. Because Aeon's project is consistent with what the vision was for the Block 53 site, and because of the dollars we have already received for this project from the Met Council and DEED, Staff is recommending that we do extend the purchase agreement to get us through this fall grant process to allow Aeon the best opportunity possible to score high in receiving these HUD dollars. If they were to receive them, they would still target the spring of 2011 to build the project.

Staff recommends an EDA motion approving the extension of the purchase agreement with Aeon for the Block 53/The Landing site/project. Extension Agreement attached.

ECONOMIC DEVELOPMENT AUTHORITY ACTION REQUESTED

Motion to approve and authorize the EDA President and Executive Director to sign an Extension Agreement for the Purchase Agreement between the Chaska EDA and Aeon for the Block 53/The Landing site/project.

EXTENSION OF PURCHASE AGREEMENT

THIS EXTENSION OF PURCHASE AGREEMENT, (the "Extension Agreement") made and entered into as of the _____ day of _____, 2010, by and between Chaska Economic Development Authority, a body corporate and politic under the laws of the State of Minnesota, hereinafter referred to as "Seller", and AEON, a non-profit corporation under the laws of the State of Minnesota, hereinafter referred to as "Buyer"; **WITNESSETH:**

RECITAL NO. 1.

Seller and Buyer have heretofore entered into a Purchase Agreement dated the 5th day of November, 2009, a copy of which is attached hereto and made a part hereof, said Purchase Agreement being hereinafter referred to as the "Original Purchase Agreement".

RECITAL NO. 2.

That said Original Purchase Agreement was contingent upon Buyer obtaining HUD financing prior to closing and HUD was unable to fund the project contemplated by said Original Purchase Agreement in the year 2010.

RECITAL NO. 3.

It is the desire of the parties hereto to enter into this Extension Agreement extending the Closing Date until December 1, 2011.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, it is agreed by and between the parties hereto as follows:

1. Section 4 of the Original Purchase Agreement dated November 5th, 2009, is hereby amended to extend the Closing Date to December 1, 2011.
2. Other than as amended pursuant to Paragraph 1 above, any and all obligations to be performed by both Seller and Buyer as contained in the Original Purchase Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed the day and year first above written.

AUTHORITY

SELLER:

CHASKA ECONOMIC DEVELOPMENT

By _____
Its _____

BUYER:

AEON

By _____
Its _____