

UPDATED

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
WEDNESDAY, APRIL 28, 2021 – 5:15 P.M.
VIA ELECTRONIC MEANS PURSUANT TO MINNESOTA STATUTES
SECTION 13D.021
AGENDA**

Please take notice that the Duluth Economic Development Authority will hold a public hearing by other electronic means pursuant to Minnesota Statutes Section 13D.021 on Wednesday, April 28, 2021, at 5:15 p.m. All persons interested may monitor and participate in the hearing by visiting: <http://dulutheda.org/live-meeting> promptly at 5:15 p.m. on Wednesday, April 28, 2021, and written comments may be submitted to DEDA in advance of the meeting via the DEDA's web site at <http://dulutheda.org/contact-us/> or via email at cfleege@duluthmn.gov, and DEDA will decide if the conveyance is advisable.

The regular meeting place of DEDA is the Duluth City Council Chambers at City Hall, 411 West First Street, in Duluth, Minnesota. At this time board members of DEDA do not intend to attend the meeting in person; due to continually evolving restrictions and guidance from state and federal officials and agencies, the board members of DEDA will attend the meeting remotely via telephone or other electronic means pursuant to Minnesota Statutes Section 13D.021.

1. CALL TO ORDER

2. PUBLIC TO ADDRESS THE COMMISSION

3. PUBLIC HEARINGS

RESOLUTION 21D-12: RESOLUTION AUTHORIZING SALE OF CERTAIN REAL PROPERTY IN THE DULUTH HEIGHTS NEIGHBORHOOD TO THE CITY OF DULUTH FOR NOMINAL CONSIDERATION

4. APPROVAL OF MINUTES

-MEETING MINUTES FROM FEBRUARY 24, 2021 MEETING

5. APPROVAL OF CASH TRANSACTIONS

FEBRUARY 1, 2021 TO FEBRUARY 28, 2021

MARCH 1, 2021 TO MARCH 31, 2021

NEW BUSINESS

7. RESOLUTIONS FOR APPROVAL

RESOLUTION 21D-12: RESOLUTION AUTHORIZING SALE OF CERTAIN REAL PROPERTY IN THE DULUTH HEIGHTS NEIGHBORHOOD TO THE CITY OF DULUTH FOR NOMINAL CONSIDERATION

RESOLUTION 21D-13: RESOLUTION MAKING A DECLARATION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF AN ISSUE OF TAX EXEMPT BONDS

RESOLUTION 21D-14: RESOLUTION AUTHORIZING AN AGREEMENT TO INSURE CERTAIN DEDA PROPERTY UNDER THE CITY OF DULUTH'S PROPERTY AND BOILER INSURANCE POLICIES IN AN AMOUNT NOT TO EXCEED \$28,387.71.

RESOLUTION 21D-15: RESOLUTION AUTHORIZING A SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH LSC FLATS, LLC RELATED TO CONSTRUCTION OF STUDENT HOUSING NEAR LAKE SUPERIOR COLLEGE

RESOLUTION 21D-16: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE CONSTRUCTION MANAGEMENT AGREEMENT WITH KRAUS ANDERSON CONSTRUCTION FOR SERVICES RELATED TO THE PASTORET/ROBISON PROPERTY

8. DISCUSSION

DIRECTORS REPORT

-ENGER

9. ADJORN

RESOLUTION 21D-12

RESOLUTION AUTHORIZING SALE OF CERTAIN REAL PROPERTY IN THE DULUTH HEIGHTS NEIGHBORHOOD TO THE CITY OF DULUTH FOR NOMINAL CONSIDERATION

WHEREAS, the City of Duluth ("City") transferred lands legally described in the quit claim deed attached as "Exhibit A" (the "Land") to the Duluth Economic Development Authority ("DEDA") in 2016 for purposes of economic development; and

WHEREAS, it has been determined that the reconveyance to the City by DEDA of the Land is in the best interest of the city and the its people, and that the transaction furthers the city's general plans for economic development; and

WHEREAS, the DEDA Executive Director has advised DEDA that the sale is advisable based on the goals for the Land and the adjacent property, based on an evaluation of potential outcomes for the property surrounding the Land, and based on the evaluation of agreements entered into by the City and property owners surrounding the Land, which will allow for its development; and

WHEREAS, the City intends to convey the property to a private entity, and the property shall be devoted to its intended use based on agreements established by the City and private entities within the parameters of Minnesota Statutes 469.090 to 469.108; and

WHEREAS, the conveyance of the property from DEDA to the City will satisfy applicable requirements for the conveyance.

THEREFORE, BE IT RESOLVED, by the DEDA Board of Directors, that the proper DEDA officials are hereby authorized to transfer by quit claim deed in the form attached hereto as "Exhibit A" the below-described property in St. Louis County, Minnesota to City for nominal consideration of \$1.00, subject to the City's acceptance of the same from DEDA:

The Southerly Twenty feet (S'ly 20') of Lots One (1) through Five (5), inclusive, Block Thirty-three (33), all in DULUTH HEIGHTS, SIXTH DIVISION, according to the recorded plat thereof, including that part of vacated Maple Street as platted in said DULUTH HEIGHTS, SIXTH DIVISION, also known as Oregon Avenue and Niagara Street, accruing thereto by reason of the vacation thereof, reserving a utility easement under, over, upon, across, and along the Westerly Forty feet (W'ly 40') of said portion of vacated Maple Street; and

Lots Six (6) and Seven (7), Block Thirty-three (33), DULUTH HEIGHTS, SIXTH DIVISION, according to the recorded plat thereof; and

The Southerly Twenty feet (S'ly 20') of Lots Eight (8) through Sixteen (16), inclusive, Block Thirty-three (33), DULUTH HEIGHTS, SIXTH DIVISION, according to the recorded plat thereof.

Approved by the Duluth Economic Development Authority this 28th day of April, 2021.

ATTEST:

Executive Director

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize DEDA to transfer property in the Duluth Heights Neighborhood to the City of Duluth. The property was originally conveyed by the City to DEDA in 2016, and accepted by DEDA in Resolution 16D-45. At the time of the initial conveyance, the City and DEDA intended that DEDA would enter into a redevelopment agreement with the adjacent property owner to provide for improved redevelopment options for the site. In the absence of specific redevelopment plans, DEDA no longer has a need to retain the property and will return it to the City. The City will then convey the property to a private property owner, who will develop the property consistent with the requirements of statutes governing the sale of property by DEDA.

In consideration of the conveyance to the City, the City will convey alternate parcels to DEDA, including City parcels adjacent to a nearby active redevelopment site at 500 E 10th Street, and City parcels appropriate for the Rebuild Duluth program located along E. Pitt Street.

Applicable documentation is attached as Exhibit A to this Resolution providing for the conveyance of the land.

QUIT CLAIM DEED

eCRV Number: N/A

Deed Tax Due: \$1.65

Date: _____, 2021

FOR VALUABLE CONSIDERATION, DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority under Minnesota Statutes Chapter 469, (“Grantor”), hereby conveys and quitclaims to, CITY OF DULUTH, MINNESOTA, a municipal corporation organized and existing under the laws of the State of Minnesota, real property in St. Louis County, Minnesota, legally described as follows (the “Property”):

The Southerly Twenty feet (S’ly 20’) of Lots One (1) through Five (5), inclusive, Block Thirty-three (33), all in DULUTH HEIGHTS, SIXTH DIVISION, according to the recorded plat thereof, including that part of vacated Maple Street as platted in said DULUTH HEIGHTS, SIXTH DIVISION, also known as Oregon Avenue and Niagara Street, accruing thereto by reason of the vacation thereof.

Lots Six (6) and Seven (7), Block Thirty-three (33), DULUTH HEIGHTS, SIXTH DIVISION, according to the recorded plat thereof.

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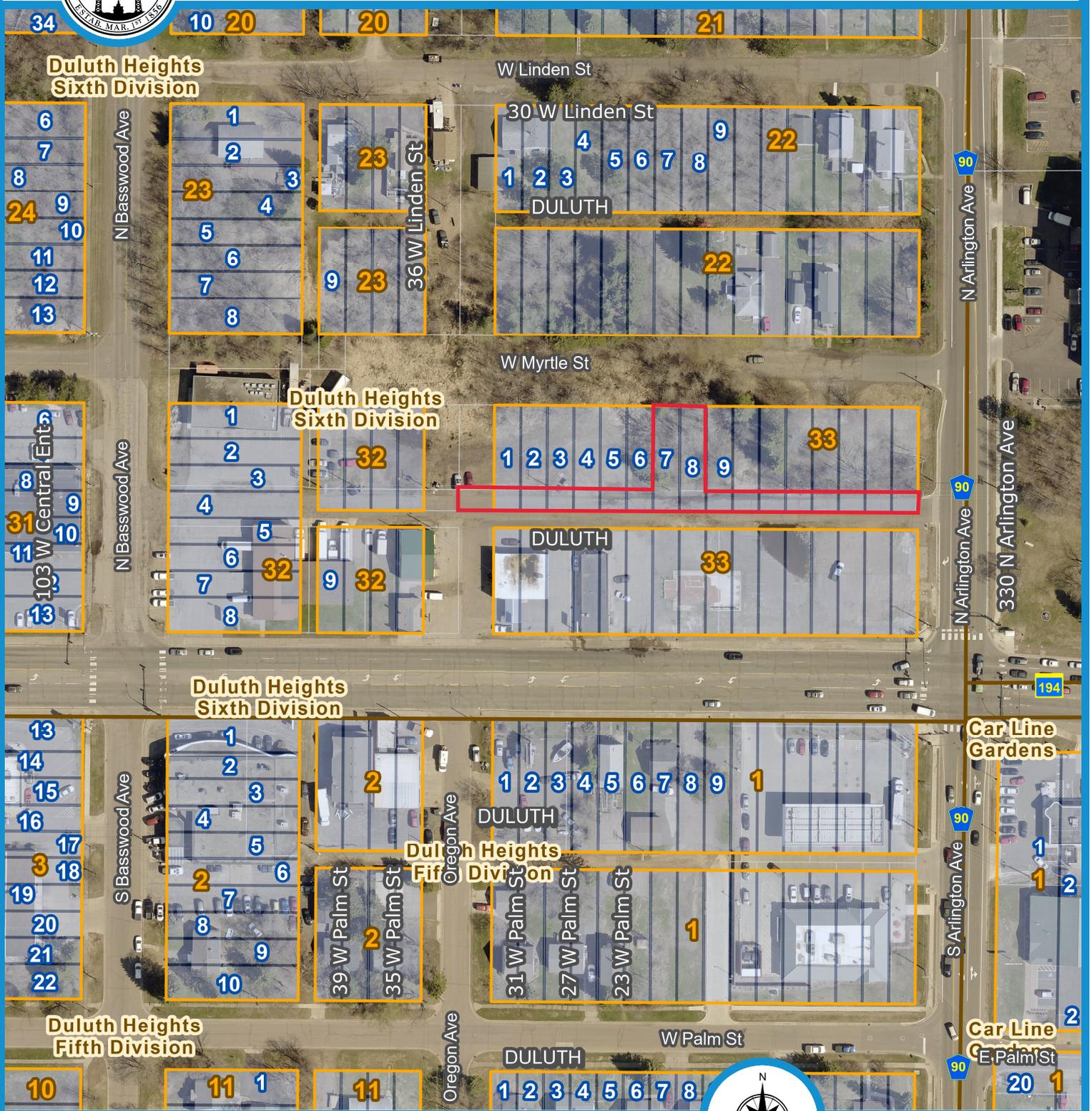
together with all hereditaments and appurtenances belonging thereto.

Check here if all or part of the described real property is Registered (Torrens) ____.

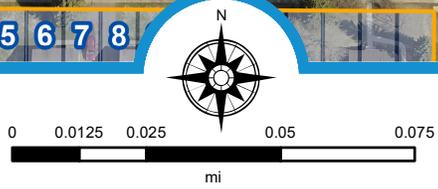
Grantor certifies that the Grantor does not know of any wells on the Property.



EXHIBIT 1

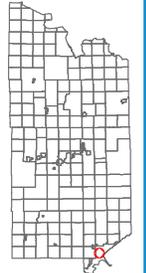


 Property to be conveyed to the Kleimans



County Land Explorer
St. Louis County www.stlouiscountymn.gov/explorer Minnesota

Disclaimer
This is a compilation of records as they appear in the Saint Louis County Offices affecting the area shown. This drawing is to be used only for reference purposes and the County is not responsible for any inaccuracies herein



Duluth Economic Development Authority

February 2021 Cash Activity - all DEDA Funds

ACCUMULATED TRANSACTION LISTING, G/L Date Range 2/01/21 - 2/28/21 (as of 03/16/2021)

G/L Date	Journal Number	Sub Ledg	Name	Net Amount	Description
FUND 860 - OPERATING FUND				Beginning Balance \$	3,179,977.97
02/01/21	2021-00000028	GL	Cost Allocation - DEDA	(33,333.33)	Cost Allocation - DEDA
02/01/21	2021-00000578	AP	Barr Engineering Co	(4,463.00)	Memorandum of Risk Containment Vault Verso
02/01/21	2021-00000578	AP	Barr Engineering Co	(2,365.00)	Memorandum of Risk Containment Vault Verso
02/01/21	2021-00000578	AP	STAR NW LLC	(50,000.00)	NW Iron Lot Remediation
02/01/21	2021-00000578	AP	WSB & Associates, Inc.	(1,776.50)	DEDA Contract 20-860-964 EAW Hacienda Project 11/1-11/30/20
02/01/21	2021-00000578	AP	WSB & Associates, Inc.	(8,111.50)	DEDA Contract 20-860-964 EAW Hacienda Project 12/1-12/31/20
02/01/21	2021-00000578	AP	Duluth Public Utilities - Comfort Systems	(822.15)	335 W Superior St 12/1-12/30/20
02/01/21	2021-00000578	AP	Dryco Inc	(3,441.00)	Building Board Up 129 E 1st St
02/01/21	2021-00000578	AP	Duluth News Tribune	(4.57)	DEDA Notice 1/14/21
02/01/21	2021-00000578	AP	Duluth News Tribune	(4.57)	DEDA Notice 1/14/21
02/01/21	2021-00000578	AP	Duluth News Tribune	(4.57)	DEDA Notice 1/14/21
02/01/21	2021-00000578	AP	Duluth News Tribune	(4.57)	DEDA Notice 1/14/21
02/01/21	2021-00000578	AP	Duluth News Tribune	(4.57)	DEDA Notice 1/14/21
02/01/21	2021-00000578	AP	First American Title Insurance Company	(600.00)	Underwriting Fee 301 S 58th Ave W
02/01/21	2021-00000578	AP	Fryberger Buchanan Smith & Frederick	(550.00)	Legal Services Thru 12/31/20 Verso Paper Mill
02/01/21	2021-00000578	AP	Northeast Entrepreneur Fund	(125,000.00)	Envest Program Grant
02/02/21	2021-00000685	RA	Pay Group O'Reilly LLC	450.20	Building Rent
02/08/21	2021-00000756	AP	STAR NW LLC	(25,933.00)	NW Iron DEDA Lot
02/09/21	2021-00000908	RA	MN State MMB	50,000.00	State Grant
02/12/21	2021-00001039	RA	Bridgewater Bank	3,000.00	Old Central Highschool Project
02/16/21	2021-00000990	AP	Duluth Public Utilities - Comfort Systems	(914.72)	335 W Superior St 12/31/20-1/27/21
02/16/21	2021-00000990	AP	Duluth Airport Authority	(2,025.00)	Plowing 1/6 1/15 1/24
02/16/21	2021-00000990	AP	LHB Engineers & Architects	(760.00)	20 860 985 Pastoret Maintenance Repair Consulting
02/16/21	2021-00000990	AP	Summit Signs	(219.00)	A Frame Sign Holder
02/16/21	2021-00001068	RA	Passport Labs	152.91	January Parking Lot Revenue
02/17/21	2021-00001092	RA	Interstate Parking	(3,321.94)	Parking Revenue
02/24/21	2021-00001342	AP	US Bank	(107.55)	Jan 2021 USB
02/28/21	2021-00001366	GL	Distribute Feb Investment Earnings	1,840.00	Distribute Feb Investment Earnings
FUND 860 - OPERATING FUND				Ending Balance - 2-28-2021	2,971,649.97 TB
FUND 861 - DEBT SERVICE				Beginning Balance	928,582.88
02/01/21	2021-00000578	AP	NorShor Theatre LLC	(956.34)	District 22 3rd Final TIF 2020
02/01/21	2021-00000578	AP	Sherman Associates, Inc.	(1,195.43)	District 22 3rd Final TIF 2020
02/05/21	2021-00000818	GL	Clear Due To/From Prior to Posting Pay 3	(1,591.74)	Clear Due To/From Prior to Posting Pay 3
02/28/21	2021-00001366	GL	Distribute Feb Investment Earnings	572.00	Distribute Feb Investment Earnings
FUND 861 - DEBT SERVICE				Ending Balance - 2-28-2021	925,411.37 TB
FUND 865 - CAPITAL PROJECTS				Beginning Balance	3,160,001.26
02/28/21	2021-00001366	GL	Distribute Feb Investment Earnings	1,953.00	Distribute Feb Investment Earnings
FUND 865 - CAPITAL PROJECTS				Ending Balance - 2-28-2021	3,161,954.26 TB
FUND 866 - MRO FACILITY				Beginning Balance	847,922.93
02/01/21	2021-00000578	JE	CenturyLink - Phoenix	(199.68)	Data Services
02/01/21	2021-00000578	JE	Duluth Public Utilities - Comfort Systems	(10,308.86)	4600 Stebner Rd 12/2/20-1/4/21 Gas
02/01/21	2021-00000578	JE	Duluth Public Utilities - Comfort Systems	(546.04)	4600 Stebner Rd 12/2/20-1/4/21 Water/Sewer
02/01/21	2021-00000578	JE	Electric Scientific Co Inc	(300.00)	MRO Hangar Pump Room Tamper Valve Repair
02/02/21	2021-00000685	JE	Lake Superior Helicopter	1,000.00	Invoice #2021-00000009
02/16/21	2021-00000990	JE	Jamar Company	(7,735.00)	20 860 982 MRO Facility Maintenance
02/19/21	2021-00001170	JE	Lake Superior Helicopter	1,000.00	Invoice #2021-00000017
02/28/21	2021-00001366	JE	Distribute Feb Investment Earnings	516.00	Distribute Feb Investment Earnings
FUND 866 - MRO FACILITY				Ending Balance - 2-28-2021	831,349.35 TB
FUND 867 - STOREFRONT LOANS				Beginning Balance	249,669.10
02/10/21	2021-00000983	RA	North Shore Bank	660.79	Women In Construction DEDA Payment
02/18/21	2021-00001139	RA	Alerus Financial	1,037.10	Old City Hall Loan Payment Account #70003
02/28/21	2021-00001366	GL	Distribute Feb Investment Earnings	156.00	Distribute Feb Investment Earnings
FUND 867 - STOREFRONT LOANS				Ending Balance - 2-28-2021	251,522.99 TB

Duluth Economic Development Authority

March 2021 Cash Activity - all DEDA Funds

ACCUMULATED TRANSACTION LISTING, G/L Date Range 3/01/21 - 3/31/21 (as of 04/19/2021)

G/L Date	Journal Number	Sub Ledg	Name	Net Amount	Description
<u>FUND 860 - OPERATING FUND</u>				<i>Beginning Balance</i>	\$ 2,971,649.97
03/01/21	2021-00000028	GL	Cost Allocation - DEDA	(33,333.33)	Cost Allocation - DEDA
03/01/21	2021-00001301	AP	Ehlers and Associates Inc	(318.75)	20 860 968 TIF Management Services
03/01/21	2021-00001301	AP	Ehlers and Associates Inc	(1,338.75)	20 860 968 TIF Management Services
03/01/21	2021-00001301	AP	Vieau Associates	(1,707.67)	DEDA Eval & Redevelopment NW Iron Parking Lot
03/02/21	2021-00001409	RA	Pay Group OReilly LLC	450.20	Building Rent
03/04/21	2021-00001540	GL	Clear Due To/From Prior to Posting Pay 5	0.08	
03/15/21	2021-00001667	AP	WSB & Associates, Inc.	(2,672.75)	DEDA Contract 20-860-964 EAW Hacienda Project
03/15/21	2021-00001667	AP	Barr Engineering Co	(863.00)	Verso RCRA Estimate
03/15/21	2021-00001667	AP	Zack Filipovich	(35.00)	DEDA Meeting 2/24/2021
03/15/21	2021-00001667	AP	LHB Engineers & Architects	(1,805.00)	20 860 985 Pastoret Maintenance Repair Consulting
03/15/21	2021-00001667	AP	ChaQuana McEntyre	(35.00)	DEDA Meeting 2/24/21
03/15/21	2021-00001667	AP	Timothy P McShane	(35.00)	DEDA Meeting 2/24/21
03/15/21	2021-00001667	AP	Derek Medved	(35.00)	DEDA Meeting 2/24/21
03/15/21	2021-00001667	AP	Rozalind Randorf	(35.00)	DEDA Meeting 2/24/21
03/15/21	2021-00001739	RA	MBJ Development Corporation	3,000.00	DEDA Business; Tax abatement application for Western Lofts
03/16/21	2021-00001767	RA	Passport Labs	(26.60)	February 2021 Parking Revenue
03/16/21	2021-00001767	RA	Interstate Parking	(7,218.21)	February 2021 Parking Revenue
03/16/21	2021-00001767	RA	RA Subledger Out of Balance by	133.90	Treasurer's Office will fix their entry
03/29/21	2021-00001994	AP	Minnesota State Auditor	(1,032.00)	DEDA Audit Services Period 11/11/20-2/16/21
03/29/21	2021-00001994	AP	LHB Engineers & Architects	(4,143.75)	DEDA Kemps TIF Analysis
03/29/21	2021-00001994	AP	Duluth Public Utilities - Comfort Systems	(822.15)	335 W Superior St 1/28/21-2/26/21
03/29/21	2021-00001994	AP	Ehlers and Associates Inc	(3,000.00)	20 860 968 TIF Management Services
03/29/21	2021-00001994	AP	Ehlers and Associates Inc	(750.00)	20 860 968 TIF Management Services
03/29/21	2021-00002056	AP	St Louis County Auditor	(4,336.85)	2021 TIF Admin Fees
03/31/21	2021-00002167	GL	Investment Earnings for March	1,930.00	Investment Earnings for March
<u>FUND 860 - OPERATING FUND</u>				Ending Balance - 3-31-2021	2,913,620.34 TB
<u>FUND 861 - DEBT SERVICE</u>				<i>Beginning Balance</i>	925,411.37
03/29/21	2021-00002056	AP	St Louis County Auditor	(7,506.60)	2021 TIF Admin Fees
03/31/21	2021-00002167	GL	Investment Earnings for March	606.00	Investment Earnings for March
<u>FUND 861 - DEBT SERVICE</u>				Ending Balance - 3-31-2021	918,510.77 TB
<u>FUND 865 - CAPITAL PROJECTS</u>				<i>Beginning Balance</i>	3,161,954.26
03/31/21	2021-00002167	GL	Investment Earnings for March	2,073.00	Investment Earnings for March
<u>FUND 865 - CAPITAL PROJECTS</u>				Ending Balance - 3-31-2021	3,164,027.26 TB

FUND 866 - MRO FACILITY**Beginning Balance 831,349.35**

03/01/21	2021-00001301	AP	Jamar Company	(7,725.00)	20 860 982 MRO Facility Maintenance
03/12/21	2021-00001716	RA	Lake Superior Helicopter	1,000.00	Invoice #2021-00000047
03/15/21	2021-00001667	AP	Chad Ronchetti	(111.21)	DEDA Reimbursement
03/15/21	2021-00001667	AP	Minnesota Power	(9,938.09)	5447119029 12/31/2020-1/31/2021
03/29/21	2021-00001994	AP	Jamar Company	(7,725.00)	20 860 982 MRO Facility Maintenance
03/29/21	2021-00001994	AP	Minnesota Power	(8,624.66)	5447119029 11/30/20-12/31/20
03/29/21	2021-00001994	AP	CenturyLink - Phoenix	(199.68)	Data Services February
03/29/21	2021-00001994	AP	CenturyLink - Phoenix	(199.68)	Data Services - March
03/31/21	2021-00002167	GL	Investment Earnings for March	536.00	Investment Earnings for March

FUND 866 - MRO FACILITY Ending Balance - 3-31-2021 798,362.03 TB**FUND 867 - STOREFRONT LOANS****Beginning Balance 251,522.99**

03/10/21	2021-00001631	GL	Transfer Cash for 735's 2019 DT DEDA 867 in AP 735-2020/867- 1305	215.13	Transfer Cash for 735's 2019 DT DEDA 867 in AP 735- 2020/867-1305
03/10/21	2021-00001663	GL	Correct Feb North Shore Bank Transfer	1,321.76	Correct Feb North Shore Bank Transfer
03/15/21	2021-00001739	RA	North Shore Bank	661.01	Women in Construction Deda Payment October 2020
03/18/21	2021-00001849	RA	North Shore Bank	660.94	Women in Construction Loan Payment Account #90012
03/18/21	2021-00001849	RA	Alerus Bank	1,037.10	Old City Hall LLP Deda Payment account #7003
03/31/21	2021-00002167	GL	Investment Earnings for March	167.00	Investment Earnings for March

FUND 867 - STOREFRONT LOANS Ending Balance - 3-31-2021 255,585.93 TB

RESOLUTION 21D-12

RESOLUTION AUTHORIZING SALE OF CERTAIN REAL PROPERTY IN THE DULUTH HEIGHTS NEIGHBORHOOD TO THE CITY OF DULUTH FOR NOMINAL CONSIDERATION

WHEREAS, the City of Duluth ("City") transferred lands legally described in the quit claim deed attached as "Exhibit A" (the "Land") to the Duluth Economic Development Authority ("DEDA") in 2016 for purposes of economic development; and

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WHEREAS, the City intends to convey the property to a private entity, and the property shall be devoted to its intended use based on agreements established by the City and private entities within the parameters of Minnesota Statutes 469.090 to 469.108; and

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Approved by the Duluth Economic Development Authority this 28th day of April, 2021.

ATTEST:

Executive Director

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize DEDA to transfer property in the Duluth Heights Neighborhood to the City of Duluth. The property was originally conveyed by the City to DEDA in 2016, and accepted by DEDA in Resolution 16D-45. At the time of the initial conveyance, the City and DEDA intended that DEDA would enter into a redevelopment agreement with the adjacent property owner to provide for improved redevelopment options for the site. In the absence of specific redevelopment plans, DEDA no longer has a need to retain the property and will return it to the City. The City will then convey the property to a private property owner, who will develop the property consistent with the requirements of statutes governing the sale of property by DEDA.

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Applicable documentation is attached as Exhibit A to this Resolution providing for the conveyance of the land.

QUIT CLAIM DEED

eCRV Number: N/A

Deed Tax Due: \$1.65

Date: _____, 2021

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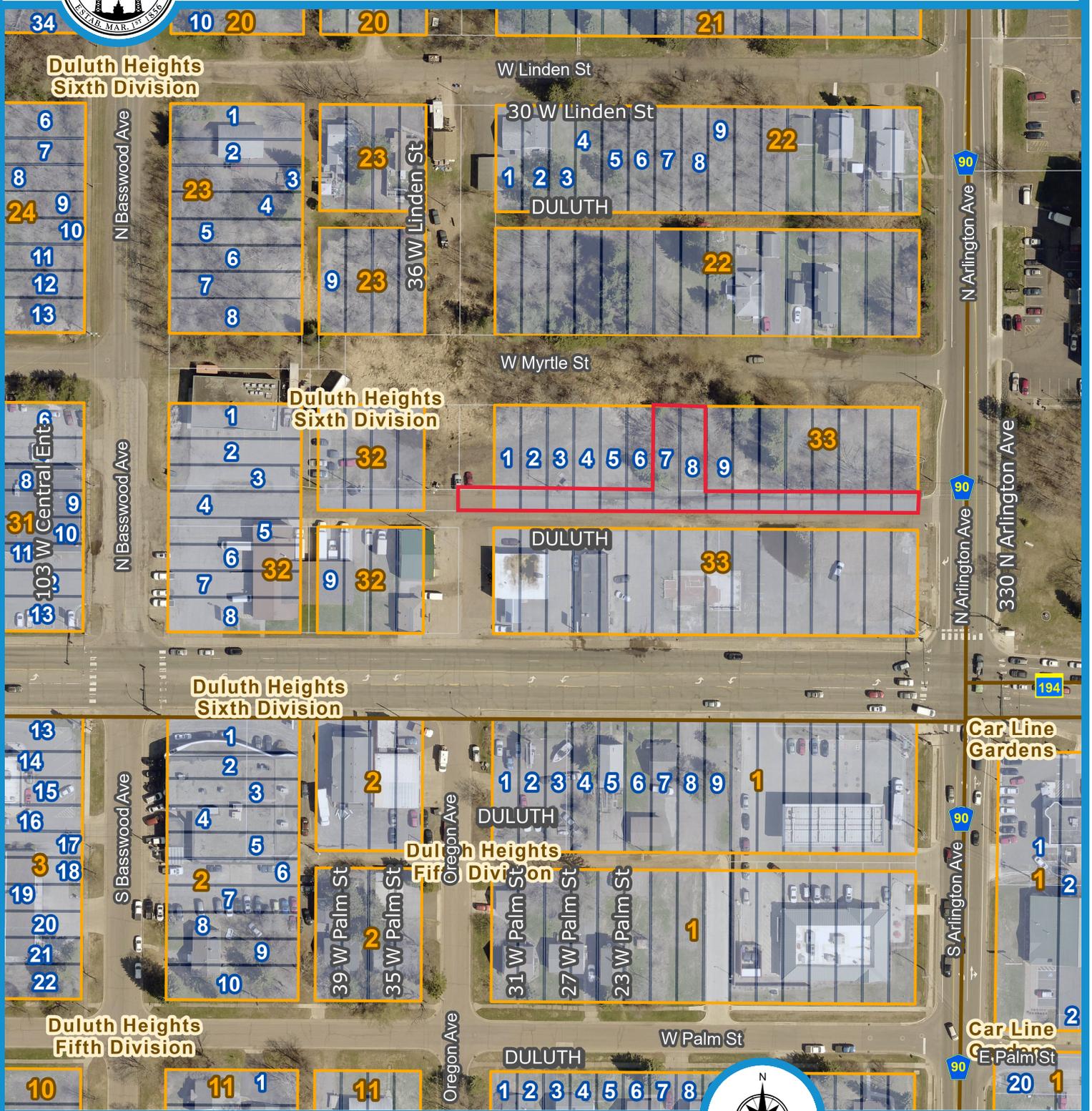
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Check here if all or part of the described real property is Registered (Torrens) ____.

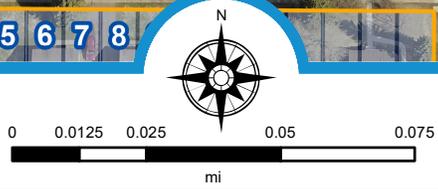
Grantor certifies that the Grantor does not know of any wells on the Property.



EXHIBIT 1



 Property to be conveyed to the Kleimans

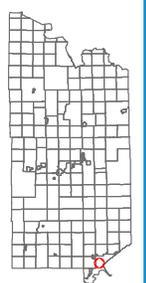


County Land Explorer
St. Louis County www.stlouiscountymn.gov/explorer Minnesota

Disclaimer
This is a compilation of records as they appear in the Saint Louis County Offices affecting the area shown. This drawing is to be used only for reference purposes and the County is not responsible for any inaccuracies herein

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RESOLUTION 21D-13

RESOLUTION MAKING A DECLARATION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF AN ISSUE OF TAX EXEMPT BONDS

BE IT RESOLVED, by the Board of Commissioners of the Duluth Economic Development Authority (“DEDA”), as follows:

Section 1. Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel, has advised DEDA that the tax-exempt bond provisions of the Internal Revenue Code of 1986, as amended, and related Treasury Regulations require that in order for proceeds of an issue of tax-exempt obligations to reimburse an expenditure paid before the tax-exempt obligations are issued, the issuer of the tax-exempt obligations must adopt a resolution (not later than 60 days after the expenditure is paid) expressing its intention to make such a reimbursement.

Section 2. DEDA intends to make a loan (the “DEDA Loan”) from proceeds of an issue of tax-exempt obligations (the “Tax-exempt Obligations”) to finance the cost of acquiring, renovating and equipping the paper mill facilities located at 100 North Central Avenue located within the City of Duluth for the purpose of providing for solid waste disposal (“Project”). It has been represented to DEDA by representatives of the purchaser of the Project, that it may be necessary to temporarily finance certain costs of the Project prior to the issuance of the Tax-exempt Obligations by using either (i) working capital or cash reserves which will be needed for other purposes or (ii) temporary loans from financial institutions or others.

Section 3. The maximum principal amount of the Tax-exempt Obligations is expected to not exceed \$55,000,000.

Section 4. DEDA reasonably expects, based on representatives of the purchaser of the Project, that expenditures with respect to the Project will be incurred in advance of issuance of the Tax-exempt Obligations and expects that the expenditures will be reimbursed from the proceeds of the Tax-exempt Obligations not later than 18 months after the later of the date the expenditure was paid or the date the Project is placed in service or abandoned.

Section 5. DEDA has not previously adopted a resolution under the Reimbursement Rules for a project, the costs of which were not paid from the proceeds of an issue of tax-exempt bonds.

Approved by the Duluth Economic Development Authority this 28th day of April, 2021.

ATTEST:

Executive Director

STATEMENT OF PURPOSE: This resolution constitutes a declaration of official intent under U.S. Treasury Regulations with respect to reimbursement of expenditures in connection with the cost of acquiring, renovating and equipping the facilities located at 100 North Central Avenue located within the City of Duluth with proceeds of tax-exempt obligations.

RESOLUTION 21D-14

**RESOLUTION AUTHORIZING AN AGREEMENT TO INSURE CERTAIN DEDA
PROPERTY UNDER THE CITY OF DULUTH'S PROPERTY
AND BOILER INSURANCE POLICIES
IN AN AMOUNT NOT TO EXCEED \$28,387.71.**

RESOLVED, by the Duluth Economic Development Authority (DEDA) that the proper DEDA officials are hereby authorized to enter into an Agreement, substantially in the form of that attached hereto (DEDA Contract No. _____) with the City of Duluth pursuant to which the MRO Building will be insured under the City of Duluth's property and boiler insurance policies for the period from February 16, 2021 to February 16, 2022, in an amount not to exceed Twenty-eight Thousand Three Hundred Eighty-seven and 71/100 Dollars (\$28,387.71) Dollars payable from Fund 0866, Dept. 860, Obj. 5362.

Approved by the Duluth Economic Development Authority this 28th day of April, 2021.

ATTEST:

Executive Director

STATEMENT OF PURPOSE: This resolution authorizes DEDA to enter into an Agreement with the City of Duluth pursuant to which the DEDA-owned MRO Building will be insured under the City's property and boiler insurance policies. The City has a full blanket property policy with a \$100,000 deductible. DEDA will be listed as a lien holder on the policies. If DEDA were listed as a named insured, DEDA could be held responsible for premium payments should the City not pay them as well as for litigation related to City-owned buildings. The City is required to pay over to DEDA any claim settlements related to the DEDA property.

**AGREEMENT TO INSURE CERTAIN DEDA PROPERTY UNDER THE CITY OF
DULUTH'S PROPERTY INSURANCE POLICY**

Pertaining to the period of February 16, 2021 to February 16, 2022

This Agreement is by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY ("Authority"), and the CITY OF DULUTH ("City").

WHEREAS, buildings owned by the City are insured with Hanover Insurance Company located at 440 Lincoln Street, Worcester, MA 01653 through the City's insurance agent, Chris James of Marsh & McLennan Agency LLC; and

WHEREAS, the City maintains equipment breakdown insurance coverage (commonly referred to as "boiler insurance") and inspection through Hartford Steam Boiler Inspection and Insurance Company located at 595 East Swedesford Road, Wayne, PA 19087 through the City's insurance agent Paul Johnsen of Marsh & McLennan Agency LLC.; and

WHEREAS, the City's property insurance coverage and boiler insurance coverage runs from February 16, 2021 to February 16, 2022; and

WHEREAS, the Authority desires to insure certain of its property through the City's policies of insurance.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. ALL RISK BLANKET POLICY AND BOILER POLICY

The City hereby agrees to include the following Authority property on the City's boiler policy and on the City's all risk blanket policy which covers buildings and business personal property:

MRO Building, 4400 Stebner Road, Duluth, MN 55811

The value of the MRO Building for purposes of property insurance is \$28,950,000 with business personal property of \$900,000 for a total insurable value of \$29,850,000. Authority shall be named a lien holder on the insurance policies. The City agrees to immediately pay over to Authority any claim settlements on the MRO Building. Additionally, Authority shall immediately be provided any notices pertaining to the MRO Building. The Authority shall immediately notify the City's claims investigator/adjuster or

designee (the “City Adjuster”) of any changes that may affect the value of the MRO Building.

2. TERM OF INSURANCE COVERAGE

The Authority Buildings shall be insured for the period of February 16, 2021 to February 16, 2022.

3. PAYMENT BY AUTHORITY.

Authority agrees to pay City for insuring the MRO Building in an amount not to exceed \$28,387.71 payable from DEDA Fund 0866, Dept. 860, Obj. 5362.

4. MUTUAL COOPERATION

The Authority shall immediately give notice to the City of any damage to the MOR Building. The City Adjuster in cooperation with Authority’s Executive Director will handle the processing of any claims involving the MRO Building. The City and Authority shall fully cooperate with the insurance companies in processing any claims.

5. POINT OF CONTACT

The point of contact for each of the parties to this Agreement shall be as follows:

City of Duluth: Jesse Budisalovich
City of Duluth
Room 440, City Hall
411 West First Street
Duluth, MN 55802
(218) 730-5490

Authority: Chris Fleege
Duluth Economic Development Authority
Room 418, City Hall
411 West First Street
Duluth, MN 55802
(218) 730-5297

6. WAIVER

Any waiver by either party of any provision of this Agreement shall not imply a subsequent waiver of that or any other provision.

7. APPLICABLE LAW

This Agreement, together with all of its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota. However, litigation in the federal courts involving the parties shall be in the appropriate federal court within the State of Minnesota.

8. SEVERABILITY

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.

9. ENTIRE AGREEMENT

It is understood and agreed that the entire agreement of the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

CITY OF DULUTH

DULUTH ECONOMIC DEVELOPMENT
AUTHORITY

By _____
Mayor

By _____
President

Attest: _____
City Clerk

By _____

Date: _____

Secretary

Countersigned:

City Auditor

Approved as to form:

City Attorney

RESOLUTION 21D-15

RESOLUTION AUTHORIZING A SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH LSC FLATS, LLC RELATED TO CONSTRUCTION OF STUDENT HOUSING NEAR LAKE SUPERIOR COLLEGE

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to enter into a Second Amendment, substantially in the form of that attached hereto as Exhibit A (DEDA Contract No. 19 860 929¹), to the Development Agreement with LSC Flats, LLC related to construction of student housing near lake Superior College, extending certain timelines.

Approved by the Duluth Economic Development Authority this 28th day of April, 2021.

Attest:

Executive Director

STATEMENT OF PURPOSE:

The purpose of this resolution is to authorize a second amendment to the Development Agreement with LSC Flats, LLC ("Developer") that will extend the Closing Date deadline to January 31, 2022, the deadline to commence construction to June 1, 2022, and the deadline to complete the project to December 31, 2023. The First Amendment was authorized in May of 2020 to extend the original deadlines by one year. At that time, the Developer had anticipated closing on the property during the summer of 2020 but the COVID-19 pandemic caused significant delays and uncertainty.

While the economy is steadily improving and construction continues, Lake Superior College experienced a 15% decrease in admission in 2020. The College is optimistic about enrollment returning to pre-pandemic levels, but the Developer's financing partners would like to see a stabilized term of enrollment before proceeding. Housing is still in demand at the College; the Developer is requesting an extension to ensure enrollment does not further-decline over the summer and fall semesters.

**DEVELOPMENT AGREEMENT
SECOND AMENDMENT
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
LSC FLATS, LLC**

THIS SECOND AMENDMENT to DEVELOPMENT AGREEMENT is entered into by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469, hereinafter referred to as "DEDA", and LSC FLATS, LLC, a Minnesota limited liability company, hereinafter referred to as "Developer."

WHEREAS, on September 25, 2019, DEDA and Developer entered into a Development Agreement pursuant to which Developer agreed to acquire DEDA and State of Minnesota owned property located near Lake Superior College in Duluth, Minnesota and develop it into student housing, which agreement was amended by the First Amendment to Development Agreement approved on June 24, 2020 extending the term thereof, which Development Agreement and First Amendment to Development Agreement are hereinafter jointly referred as the "Agreement"; and

WHEREAS, the parties desire to further amend the Agreement to extend certain timelines contained therein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the parties hereto agree as follows:

1. Except as otherwise defined in this Second Amendment; terms defined in the Agreement and amended in the First Amendment used herein shall having the meaning assigned to them in the Agreement.
2. Paragraph A of ARTICLE VII is hereby amended by deleting the date of "January 31, 2021" where it appears therefrom and by substituting the date of January 31, 2022" therefore
3. Paragraph A of ARTICLE IX is hereby amended as follows:

A. Construction

Upon the fulfillment of Developers obligations provided for in Articles II, III, VI, and VIII above, Developer shall promptly commence construction of the Project in conformance with the approved plans and specifications, but in no event later than June 1, 2022. Construction of the Project shall be completed not later than December 31, 2023 except that an extension of said time for completion upon the request of Developer may be Approved by the Executive Director.

4. At the time of Closing, Developer shall record this Second Amendment in the office of the St. Louis County Recorder and/or the Registrar of Titles (as applicable) and shall pay all costs associated therewith. Upon recording, Developer shall immediately submit to the City an executed original of this Second Amendment showing the date and document numbers of record, or a duly certified copy of the filed original.

5. Except as provided for in this Second Amendment, the terms and conditions of the Agreement remain in force and effect.

IN WITNESS WHEREAS, the parties have hereunto set their hands the day and date shown below.

DULUTH ECONOMIC DEVELOPMENT AUTHORITY

Its President

Its Secretary

STATE OF MINNESOTA)

) ss.

COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by Matt Cartier and Zack Filipovich, the President and Secretary of DEDA, an economic development authority created and existing under the Laws of the State of Minnesota, on behalf of the Authority.

Notary Public

LSC FLATS, LLC

Its Manager

STATE OF MINNESOTA)

) ss.

COUNTY OF ST. LOUIS)

The forgoing instrument was acknowledged before me this ____ day of _____, 2021 by Brian Forcier, the Manager of LSC Flats, LLC, a Minnesota limited liability company, on behalf of the company.

Notary Public

This instrument was drafted by:

Robert Asleson
Assistant City Attorney
440 City Hall
Duluth, MN 55802
(218) 730-5273

RESOLUTION 21D-16

RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE CONSTRUCTION MANAGEMENT AGREEMENT WITH KRAUS ANDERSON CONSTRUCTION FOR SERVICES RELATED TO THE PASTORET/ROBISON PROPERTY

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to enter into a First Amendment, substantially in the form of that attached hereto as Exhibit A (DEDA Contract No. 20 860 983), to the Construction Management Agreement with Kraus Anderson Construction, adding additional work to the scope of services and increasing the amount of the contract to \$69,500.

Approved by the Duluth Economic Development Authority this 28th day of April, 2021.

ATTEST:

Executive Director

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize an amendment to the Construction Management Services Agreement with Kraus Anderson Construction, approved by DEDA on October 28, 2020, to assist DEDA in performing maintenance as may be required of the Pastoret Terrace/Robison Ballroom buildings. The amendment adds to the scope of services included in the contract to include certain emergency repairs required including installing security lighting, temporary power, security cameras, vegetation removal, graffiti removal, and fencing repairs as needed.