



City of Duluth

411 West First Street
Duluth, Minnesota 55802

Meeting Agenda

Duluth Economic Development Authority.

Wednesday, October 25, 2023

5:15 PM

CALL TO ORDER

PUBLIC TO ADDRESS THE COMMISSION

PUBLIC HEARINGS

[23D-42](#) RESOLUTION AUTHORIZING A PURCHASE AGREEMENT FOR THE SALE OF ORDEAN PLAZA FROM THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY TO 424W, LLC

Attachments: [23D-42-Purchase Agreement for Ordean Plaza](#)

APPROVAL OF MEETING MINUTES

[.....](#) AUGUST 23, 2023 DEDA MEETING MINUTES

Attachments: [08-23-23 DEDA Meeting Minutes-draft](#)

APPROVAL OF CASH TRANSACTIONS

[.....](#) SEPTEMBER 1, 2023 TO SEPTEMBER 30, 2023 CASH TRANSACTIONS

Attachments: [DEDA September 2023 Monthly Cash Activity](#)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

[23D-42](#) RESOLUTION AUTHORIZING A PURCHASE AGREEMENT FOR THE SALE OF ORDEAN PLAZA FROM THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY TO 424W, LLC

Attachments: [23D-42-Purchase Agreement for Ordean Plaza](#)

[23D-43](#) RESOLUTION AUTHORIZING SEVENTH AMENDMENT TO AGREEMENT WITH LAKEWALK PROPERTIES LLC MODIFYING THE INTEREST RATE PAYABLE, REDUCING THE TAX INCREMENT NOTE TO \$7,150,000, AND ESTABLISHING UPDATED PROJECT MILESTONE DATE REQUIREMENTS.

[23D-44](#)

RESOLUTION APPROVING THE DEDA 2024 BUDGETS

Attachments:

[23D-44-Exhibit a-Fund 860 Proposed 2024 Budget for Board Approval](#)

[23D-44-Exhibit b-DEDA TIF Debt Service Fund 861 2024 Proposed Budget 10-;](#)

[23D-44-Exhibit c-DEDA Capital Project Fund 865 2024 Proposed Budget 10-25](#)

[23D-44-Exhibit d-MRO Fund 866 2024 Proposed Budget for 10-25-23 mtg](#)

DISCUSSION

-Upper Midwest Film Office (UMFO) Presentation

-Award for Residence Project

-Lester Park RFPs

ADJOURN

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this “**Agreement**”) is made as of _____, 2023 (“**Effective Date**”), by and between DULUTH ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision under the laws of the State of Minnesota (“**Seller**”) and 424W, LLC, a Minnesota limited liability company (“**Buyer**”).

RECITALS

A. The City of Duluth, a Minnesota municipal corporation and political subdivision (the “**City**”), is the owner of real property in Duluth, St. Louis County, Minnesota legally described on the attached **Exhibit A** (the “**Real Property**”).

B. Buyer wishes to obtain title to the Property (defined below) for economic development purposes and because of the sale of the Real Property Buyer will invest no less than \$2,000,000 in the adjacent Ordean Building located at 424 West Superior St. for residential and commercial uses, such purposes advancing City and Seller goals for development in downtown Duluth.

C. To advance economic development goals, Seller intends to obtain title to the Property (defined below) from the City and sell the Property to Buyer pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth in this Agreement, and other good and valuable consideration, the receipt, sufficiency and mutuality of which are acknowledged, Buyer and Seller agree as follows:

1.0 Property To Be Purchased. Subject to compliance with the terms and conditions of this Agreement, Seller shall: (i) acquire title to the Property and (ii) if it acquires title to the Property, sell the Property to Buyer on the terms and conditions set forth in this Agreement. Buyer shall purchase from Seller the following (collectively, the “**Property**”):

- (a) the Real Property; and
- (b) all improvements located on the Real Property, if any, except the cantilevered sidewalk and storage building located on the Property and previously conveyed by Seller in that certain instrument dated September 6, 1996, registered in the Office of the St. Louis County, Minnesota Registrar of Titles on October 3, 1996 as Document No. 619913.

Seller shall convey and Buyer shall accept title to the Property subject to (i) the easements, restrictions and reversionary clause set forth in the quit claim deed attached as **Exhibit B** (the “**Deed**”); (ii) the deed from City to Seller attached as **Exhibit C**; and (iii) the Permitted Exceptions (defined in Section 4.3 below).

- 1.1 Removal of Deed Reverter Language. In the event that Buyer satisfies the Contract for Deed dated September 1, 2019, registered in the Office of the St. Louis County Registrar of Titles on September 9, 2019 as Document No. 1014753 (the “Contract for Deed”) on or before the Closing Date (defined below), as evidenced by the recording of a deed in satisfaction of the Contract for Deed, then the following language may be omitted from the Deed:

Title to the Property shall revert to Grantor automatically in the event Grantee’s vendee interest in the Contract for Deed dated September 1, 2019, registered in the Office of the St. Louis County Registrar of Titles on September 9, 2019 as Document No. 1014753 (the “Contract for Deed”) is terminated or assigned, voluntarily or involuntarily, for any reason (except the recording of a deed in favor of Grantee in satisfaction of the Contract for Deed). This reversion shall automatically terminate upon the recording of a deed in favor of Grantee in satisfaction of the Contract for Deed.

- 2.0 Purchase Price. The purchase price to be paid by Buyer for the purchase of the Property shall be Twenty-seven Thousand Five Hundred and no/100 Dollars (\$27,500.00) (the “**Purchase Price**”), to be paid in cash at Closing (defined below).
- 3.0 Closing. The closing of the purchase and sale of the Property from Seller to Buyer contemplated by this Agreement (the “**Closing**”) shall occur on or before September 1, 2024 (the “**Closing Date**”) or such earlier date as may be agreed upon by the parties. However, it is the intention of Buyer and Seller that the Closing occur simultaneously on the date of the closing of the sale of the Property from City to Seller. Seller shall deliver possession of the Property on the date of Closing. The Closing shall take place at the office of First American Title Insurance Company-Consolidated Title & Abstract Company (“**Title**”) in Duluth, Minnesota, or at such other place as the parties shall mutually agree upon. The parties acknowledge that Title will not handle the Closing without Buyer’s purchase of a title policy for the Property.
- 4.0 Contingencies.
- 4.1 City Council Contingency. Seller’s obligation to sell the Property to Buyer is contingent on the City Council adopting an ordinance approving the sale of the Property to Seller on or before the Closing Date (the “**Council Contingency**”). If the Council Contingency is not satisfied on or before the Closing Date, then: (i) this Agreement shall terminate and, upon request, each party shall promptly sign a cancellation of purchase agreement evidencing the cancellation of this Agreement; and (ii) except as expressly set forth in this Agreement, the parties shall have no further obligations to one another pursuant to this Agreement. Neither Buyer nor Seller may waive the Council Contingency.
- 4.2 City Conveyance. Seller shall have received a deed, in substantially the form attached as Exhibit C, from City conveying the Property to Seller on or before the Closing Date (the “**Deed Contingency**”). Neither Buyer nor Seller may waive the Deed Contingency.

- 4.3 Title. As soon as practical, Seller shall obtain, at Seller's expense, a title insurance commitment from Title for an ALTA Owner's Policy of Title Insurance insuring title to the Property in the amount of the Purchase Price (the "**Title Commitment**"). In the event that the Title Commitment reflects that the title to the Property is not in a condition that is acceptable to Buyer, Buyer may object to the title defects by specifying its objections in writing to Seller within 20 days of receipt of the Title Commitment. At Seller's election, Seller may fix any title defects or may decline to fix any title defects by delivering written notice to Buyer within 14 days of receipt of Buyer's title objections. If Seller agrees to fix the title defects, Seller shall fix the title defects and the parties shall proceed to the Closing subject to the terms and conditions of this Agreement. If Seller declines to fix the title defects or fails to do so prior to the Closing Date, Buyer may: (i) terminate this Agreement by delivering written notice of termination to Seller; or (ii) waive its objections and proceed to the Closing. If Buyer does not cancel this Agreement prior to Closing, Buyer shall accept title to the Property in as-is condition as of the Closing. Any title exceptions, defects or encumbrances that are not objected to by Buyer as set forth in this Section 4.3, or are initially objected to but later waived or deemed waived by Buyer as set forth in this Section 4.3, are referred to collectively in this Agreement as the "**Permitted Exceptions**." Buyer is required to obtain a title policy for the Property at Closing, and Seller will pay for the cost of such title policy of the Property to insure the Property in Buyer's name in the amount of the Purchase Price.
- 4.4 Property Inspection. Buyer acknowledges that (i) Seller cannot grant Buyer permission to physically access the Property because it does not currently own the Property; and (ii) any physical inspection of the Property must be performed by Buyer pursuant to a separate agreement with the City. Buyer is solely responsible for any and all investigation relating to the condition of the Property, including environmental contamination. If Buyer is unsatisfied with the condition of the Property, Buyer may terminate this Agreement by delivering written notice of termination to Seller prior to the Closing Date. If Buyer terminates this Agreement pursuant to this paragraph, the parties shall have no further obligations to one another pursuant to this Agreement except as expressly set forth in this Agreement.
- 5.0 Seller's Conditions To Closing. The Closing of the transaction contemplated by this Agreement and the obligation of Seller to sell the Property shall be subject to the following conditions:
- (a) Representations. Buyer's representations in this Agreement shall be true at the time of Closing as though such representations were made at such time.
 - (b) Performance by Buyer. Buyer shall have performed all of its obligations under this Agreement.

If the conditions set forth at 5.0(a) and (b) have not been satisfied or waived prior to the Closing Date, this Agreement may be terminated, at the option of Seller, by written notice

from Seller to Buyer delivered to Buyer no later than the Closing Date. All of the contingencies set forth in Section 6.0 of this Agreement are for the sole and exclusive benefit of Seller and Seller shall have the right to unilaterally waive any contingency by written notice to Buyer.

6.0 Buyer Representations. Buyer makes the following representations:

- (a) Authority to Enter into Agreement. Buyer is a limited liability company in good standing under the laws of the State of Minnesota, has the full power and authority to: (i) enter into this Agreement; and (ii) purchase the Property in accordance with this Agreement.
- (b) No Additional Consent Needed. No consent or authorization from any other person, entity or government agency is required for Buyer to enter into and perform Buyer's obligations under this Agreement except as has already been obtained.
- (c) No Impact on Other Agreements. The execution of this Agreement will not constitute a breach or default under any agreement to which Buyer is bound.
- (d) No Other Actions Affecting Agreement. There is no suit, action, legal, administrative or other proceeding or inquiry pending or threatened against Buyer which could affect Buyer's ability to enter into and perform Buyer's obligations under this Agreement. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or threatened against Buyer, nor are any such proceedings contemplated by Buyer.
- (e) Prompt Payment of Obligations. Buyer shall promptly pay when due any and all charges for engineering, surveying or other studies, reports, assessments or investigations which are commissioned or requested by Buyer.
- (f) Buyer Investment Commitment. To fulfill the economic development purposes of the sale of the Real Property, Buyer agrees to invest no less than \$2,000,000 in the renovation of the adjacent Ordean Building located at 424 West Superior St. for residential and commercial uses.

Each of the above representations is material and is relied upon by Seller. Each of the above representations shall be deemed to have been made as of the Closing and shall survive the Closing.

7.0 Statutory Disclosures. Seller's employees directly handling the sale of the Property on behalf of Seller have no actual knowledge of the following with respect to the Property: (1) the presence of a well, underground storage tank or subsurface sewage treatment system; or (2) methamphetamine production on the Property.

8.0 As Is Provisions. Buyer is purchasing the Property “AS IS” and “WHERE IS”, and with all faults. Seller makes no representations or warranties, whether express or implied, by operation of law or otherwise, with respect to the quality, physical condition or value of the Property, the compliance of the Property with applicable building or fire codes or other laws or regulations. Buyer agrees that Seller is not liable or bound by any guarantees, promises, statements, representations or information pertaining to the Property made or furnished by Seller or any agent, officer, director, employee or other person representing or purporting to represent Seller, except as and to the extent expressly set forth in Section 7.0. To the fullest extent allowed by Minnesota and Federal law, Buyer and Seller agree as follows: Buyer expressly waives the requirement of any disclosure not expressly contained in this Agreement (including, without limitation, any disclosure required pursuant to Minn. Stat. §513.52-513.60), and Buyer agrees to take the Property “As Is” notwithstanding any matter set forth in any disclosure statement required by Minnesota law.

BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SET FORTH IN SECTION 7.0, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO:

- (a) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY;
- (b) THE INCOME TO BE DERIVED FROM THE PROPERTY;
- (c) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON;
- (d) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCE OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY OR ANY FRANCHISE LICENSE OR AGREEMENT OR ANY GRANT OR SIMILAR AGREEMENT;
- (e) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY;
- (f) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY;
- (g) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY;

- (h) THE AVAILABILITY OF WATER OR OTHER RESOURCES OR UTILITIES;
OR
- (i) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY, THAT SELLER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION OR POLLUTION RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING SOLID WASTE, AND INCLUDING THE DISPOSAL, RELEASE OR EXISTENCE, IN OR ON THE PROPERTY, OF ANY HAZARDOUS SUBSTANCE.

- 9.0 Independent Investigation. The consummation of this transaction shall constitute Buyer's acknowledgment that Buyer has independently inspected and investigated the Property and has made and entered into this Agreement based upon such inspection and investigation and its own examination of the condition of the Property. Upon Closing, Buyer shall assume the risk that adverse matters, including but not limited to construction defects and adverse physical and environmental conditions and the suitability or unsuitability of the Property for Buyer's intended uses, may not have been revealed by Buyer's investigations. Buyer, upon Closing, shall be deemed to have waived, relinquished and released Seller from and against, and covenanted not to sue any of the foregoing with regard to, any and all claims, demands, causes of action (including causes of action in tort or under any environmental law), losses, damages, liabilities (whether based on strict liability or otherwise), losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Buyer might have asserted or alleged against Seller at any time (including without limitation to the extent covered by or that would be covered by [as opposed to paid] by insurance) by reason of or arising out of any latent or patent construction defects or physical conditions, violations of any applicable laws (including, without limitation, any environmental laws), the suitability of the Property for any purposes contemplated by Buyer and any and all other acts, omissions, events, circumstances or matters regarding the Property.
- 10.0 Buyer Reliance. All information, whether written or oral, previously, now, or hereafter made available to Buyer by Seller, its agents, or any other person acting for or on behalf of Seller, whether in the form of appraisals, market studies, projections, brochures, maps, surveys, soil reports, engineering studies, environmental studies, inspection reports, plans and specifications, and all other information and materials have been or will be furnished by Seller to Buyer solely as an accommodation, and neither Seller nor its agents has verified the accuracy of such information or the qualifications of the persons preparing such information. Buyer agrees that, notwithstanding the fact that Buyer has received certain information from Seller, or its respective agents or consultants, Buyer has relied solely upon and will continue to rely solely upon its own analysis and will not rely on any information provided by Seller, or its agents or consultants.
- 11.0 Real Estate Taxes and Special Assessments. The Property is currently tax-exempt and Buyer and Seller do not expect there to be any current or past due taxes or assessments outstanding

as of the Closing. In the event that there are any current or past due taxes or assessments outstanding as of the Closing, Seller shall pay them at Closing as a part of the closing costs. Buyer shall be responsible for all real estate taxes and assessments for the year following Closing and all subsequent years.

12.0 Closing Documents. At or prior to Closing, the parties shall execute and deliver the following, as applicable:

- (a) The Deed, substantially in the form attached as Exhibit B.
- (b) Resolution by Seller, in recordable form, authorizing the conveyance of the Property to Buyer;
- (c) All other documents required by this Agreement or reasonably required by Title to effectuate the provisions of this Agreement.

13.0 Closing Costs. The following costs and expenses shall be paid in connection with the Closing:

- (a) Seller shall pay the cost of:
 - (i) All expenses associated to effectuate the transfer of title to the Property from City to Seller;
 - (ii) All fees associated with the issuance of the Title Commitment, including state and federal tax lien, judgment and bankruptcy searches;
 - (iii) The premium for a title policy insuring title to the Property in the name of Buyer in the amount of the Purchase Price;
 - (iv) All state deed taxes and/or transfer taxes on the Deed;
 - (v) All recording fees, including but not limited to record the Deed and Seller's resolution authorizing the sale of the Property to Buyer;
 - (vi) All expenses, including recording fees, to correct any objections that Seller elects to undertake pursuant to Section 4.3 above;
 - (vii) Title's closing fees;
 - (viii) All attorneys' fees and expenses incurred by Seller; and
 - (ix) Any other item allocated to Seller in this Agreement.
- (b) Buyer shall pay the cost of:

- (i) Any surveys, reports or inspection reports obtained by Buyer; and
- (ii) All attorneys' fees and expenses incurred by Buyer.

14.0 Commission. Seller and Buyer represent and warrant to each other that they have not engaged the services of any broker in connection with the sale and purchase contemplated by this Agreement. Seller and Buyer shall each indemnify and hold the other harmless of any claim made by any broker or sales agent or similar party for a commission due or alleged to be due under the terms of any brokerage agreement entered into by said party.


15.0 Risk of Loss. If there is any loss or damage to the Property between the date of this Agreement and the date of Closing, the risk of loss shall be on Seller. If the Property is destroyed or damaged prior to the Closing, Buyer may cancel this Agreement upon written notice to Seller and in such event, the parties shall have no further obligations to one another pursuant to this Agreement except as expressly set forth in this Agreement.

16.0 Default.

- (a) If Buyer defaults in the performance of Buyer's obligations under this Agreement due to no fault of Seller, then Seller may, after at least thirty (30) days prior written notice to Buyer and Buyer's failure to cure the default within said notice period, either (i) declare this Agreement terminated, or (ii) Seller may elect to seek specific performance of this Agreement. Termination and specific performance pursuant to this Section are the sole and exclusive remedies afforded to Seller and in no event shall Buyer be liable for any actual, general, specific, punitive, incidental, speculative, consequential or other damages of any kind or nature.
- (b) If Seller defaults in the performance of Seller's obligations under this Agreement due to no fault of Buyer, then Buyer may, after at least thirty (30) days prior written notice to Seller and Seller's failure to cure the default within said notice period, either (i) declare this Agreement terminated, or (ii) Buyer may elect to seek specific performance of this Agreement. Termination and specific performance pursuant to this Section are the sole and exclusive remedies afforded to Buyer and in no event shall Seller be liable for any actual, general, specific, punitive, incidental, speculative, consequential or other damages of any kind or nature.
- (c) Notwithstanding anything in this Section 16 to the contrary, any action by Buyer or Seller for specific performance must be commenced no later than 180 days after the date of discovery of the default.
- (d) The limitation set forth in the preceding sentence shall not apply to claims for indemnification or contribution specifically provided for in this Agreement.
- (e) The provisions in this Section 16.0 shall survive any termination or cancellation of this Agreement and shall survive the Closing.

- 17.0 Assignment. Neither Seller or Buyer may assign its interest in this Agreement.
- 18.0 Time of Essence. Time is of the essence of this Agreement.
- 19.0 Governing Law. This Agreement is made and executed under and in all respect to be governed by the laws of the State of Minnesota. Any dispute that may arise between the parties arising out of this Agreement shall be adjudicated before a court located in St. Louis County, Minnesota and the parties irrevocably submit to the exclusive jurisdiction of the federal and state courts of the State of Minnesota located in St. Louis County with respect to any action or legal proceeding commenced by any party.
- 20.0 Notices. The mailing addresses for notice purposes of Seller and Buyer are as follows (or to such other respective addresses as may be designated by notice given in accordance with provisions of this Section):

If to Seller: Duluth Economic Development Authority
Attn: Executive Director
411 W. First Street, Room 418
Duluth, MN 55802

If to Buyer: 424W, LLC


Any notice, request, demand or other communication permitted or required under this Agreement shall be in writing and shall be deemed duly delivered when delivered personally or when deposited in the United States mails, First Class, postage prepaid or delivered to a reputable courier addressed to the party for whom it is intended at the address specified above or at such other address as either party shall notify the other of in writing as provided above.

- 21.0 Headings. The captions and headings of the various sections of this Agreement are for convenience only and are not to be construed as defining or as limiting in any way the scope or intent of the provisions hereof.
- 22.0 Invalidity. If for any reason any portion or paragraph of this Agreement shall be declared void or unenforceable by any court of law at equity, it shall only affect such particular portion or paragraph of this Agreement and the balance of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto.
- 23.0 Counterparts/Facsimile/E-Mail Signatures. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same Agreement. Facsimile and E-

mail signatures shall be binding on the transmitting party and shall have the same force and effect as if the original signature had been delivered.

- 24.0 Waiver. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.
- 25.0 No Rights or Benefits to Third Parties. The parties do not intend to create rights in, or to grant remedies to, any third-party as a beneficiary of this Agreement or to create any duty to, or standard of care on behalf of, any third-party by any covenant, obligation or undertaking established in this Agreement. There are no incidental third-party beneficiaries to this Agreement.
- 26.0 Construction of Agreement. The parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement is to be construed as if drafted jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring a party by virtue of the authorship of any of the provisions of this Agreement.
- 27.0 Entire Agreement and Amendment. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof. No modification, amendment or waiver may be made to the terms of this Agreement without the written consent of both parties.

[Remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date indicated above.

**DULUTH ECONOMIC
DEVELOPMENT AUTHORITY**

424W, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT A TO PURCHASE AGREEMENT
Legal Description

Lots 78 and 80, Block 1, DULUTH PROPER THIRD DIVISION
Lot 78, Block 8, CENTRAL DIVISION OF DULUTH

Except the cantilevered sidewalk and storage building previously conveyed by Grantor in that certain instrument dated September 6, 1996, registered in the Office of the St. Louis County, Minnesota Registrar of Titles on October 3, 1996 as Document No. 619913.

St. Louis County, Minnesota

EXHIBIT B TO PURCHASE AGREEMENT

QUIT CLAIM DEED

eCRV Number: _____

Deed Tax Due: \$ _____

Date: _____, 2023

FOR VALUABLE CONSIDERATION, the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision under the laws of the State of Minnesota, "Grantor," hereby conveys and quitclaims to 424W, LLC, a Minnesota limited liability company, "Grantee," real property in St. Louis County, Minnesota, described as follows (the "Property"):

Lots 78 and 80, Block 1, DULUTH PROPER THIRD DIVISION
Lot 78, Block 8, CENTRAL DIVISON OF DULUTH

Except the cantilevered sidewalk and storage building previously conveyed by Grantor in that certain instrument dated September 6, 1996, registered in the Office of the St. Louis County, Minnesota Registrar of Titles on October 3, 1996 as Document No. 619913.

together with all hereditaments and appurtenances belonging thereto, and subject to all existing easements, restrictions and reservations of record.

Title to the Property shall revert to Grantor automatically in the event Grantee's vendee interest in the Contract for Deed dated September 1, 2019, registered in the Office of the St. Louis County Registrar of Titles on September 9, 2019 as Document No. 1014753 (the "Contract for Deed") is terminated or assigned, voluntarily or involuntarily, for any reason (except the recording of a deed in favor of Grantee in satisfaction of the Contract for Deed). This reversion shall automatically terminate upon the recording of a deed in favor of Grantee in satisfaction of the Contract for Deed.

This deed contains as a covenant running with the land that the conditions of Minnesota Statutes §§ 469.090 to 169.108 relating to the use of the Property. If said covenant is violated, Grantor may declare a breach of the covenant and seek a judicial decree from the District Court declaring a forfeiture and a cancellation of this deed.

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

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

[Remainder of this page is intentionally left blank.]

DULUTH ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Its: President

By: _____
Its: Secretary

STATE OF MINNESOTA)
) SS
COUNTY OF ST. LOUIS)

This instrument was acknowledged before me on _____, 2023, by ChaQuana McEntyre, the President of the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision under the laws of the State of Minnesota.

Notary Public

STATE OF MINNESOTA)
) SS
COUNTY OF ST. LOUIS)

This instrument was acknowledged before me on _____, 2023, by Ellie Just, the Secretary of the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision under the laws of the State of Minnesota.

Notary Public

This Instrument was drafted by:
City of Duluth
Office of the City Attorney
411 W. First Street, Room 410
Duluth, Minnesota 55802

Tax Statements should be sent to:

**EXHIBIT C TO PURCHASE AGREEMENT
QUIT CLAIM DEED FROM CITY TO SELLER**

QUIT CLAIM DEED

eCRV Number: _____

Deed Tax Due: \$ _____

Date: _____, 2023

FOR VALUABLE CONSIDERATION, the CITY OF DULUTH, a municipal corporation and political subdivision under the laws of the State of Minnesota, “Grantor,” hereby conveys and quitclaims to DULUTH ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision under the laws of the State of Minnesota, “Grantee,” real property in St. Louis County, Minnesota, described as follows (the “Property”):

Lots 78 and 80, Block 1, DULUTH PROPER THIRD DIVISION
Lot 78, Block 8, CENTRAL DIVISON OF DULUTH

Except the cantilevered sidewalk and storage building previously conveyed by Grantor in that certain instrument dated September 6, 1996, registered in the Office of the St. Louis County, Minnesota Registrar of Titles on October 3, 1996 as Document No. 619913.

together with all hereditaments and appurtenances belonging thereto, and subject to the following easements and restrictive covenants:

(1) the existing easement in favor of the City of Duluth for public highway purposes as described in an instrument dated February 23, 1966 and registered in the Office of the St. Louis County, Minnesota Registrar of Titles on July 25, 1966 as Document No. 321640.

(2) a perpetual easement for street and utility purposes reserved and dedicated by Grantor, in trust for the benefit of the public, over, under and across that portion of the Property described as follows:

A strip of land thirteen feet (13') in width in Lot 80, Block 1, DULUTH PROPER THIRD DIVISION, lying between the following two lines:

A line Nineteen feet (19') northeast of and parallel with the southwest line of said Lot 80

A line Thirty-two feet (32') northeast of and parallel with the southwest line of said Lot 80

AND

That portion of the northwest Fifteen feet (15') of Lots 78 and 80, Block 1, DULUTH PROPER THIRD DIVISION, lying between the following two lines:

A line Thirty-two feet (32') northeast of and parallel with the southwest line of said Lot 80

A line Fifty-four feet (54') northeast of and parallel with the southwest line of said Lot 80

This easement shall run with the land and be binding upon Grantee and its successors and assigns.

(3) Grantee, its successors and assigns, must maintain the Property as undeveloped open space and shall not construct or place temporary or permanent buildings, structures or storage containers on the Property. This restriction shall not prevent Grantee and its successors and assigns from: (a) installing landscaping and fencing on the Property, as permitted by City Code and other applicable law; or (b) repairing or replacing, in similar manner and in substantially the same location, the cantilevered sidewalk and storage building located in whole or in part on the Property and conveyed by Grantor in that certain instrument dated September 6, 1996, registered in the Office of the St. Louis County, Minnesota Registrar of Titles on October 3, 1996 as Document No. 619913.

(4) Grantee, its successors and assigns, shall not allow anyone to leave or park a motor vehicle on the Property; however, motor vehicles are not prohibited from entering and crossing the

Property, if permitted by City Code and other applicable law. This restriction does not apply to bicycles or other non-motorized vehicles.

(5) all other existing easements, restrictions and reservations of record.

Grantee agrees that City of Duluth shall sustain irreparable harm and damages if the restrictions set forth in paragraphs (3) and (4) are violated and therefore City of Duluth shall have the right to a temporary restraining order, a temporary injunction and a permanent injunction in order to enforce the restrictions. The restrictions may be amended or modified only by the express written agreement of the City of Duluth, which agreement must be recorded with the St. Louis County Registrar of Titles. Each restriction shall run with and burden the Property and shall be deemed a covenant that touches and concerns the Property and benefits the City of Duluth. HOWEVER, the restrictions set forth in paragraphs (3) and (4) shall not restrict the City of Duluth's or the public's use of the Property for highway, street or utility easement purposes as set forth in the easements recited in paragraphs (1) and (2) above or any future easements in favor of the City of Duluth.

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

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

[Remainder of this page is intentionally left blank.]

CITY OF DULUTH:

By: _____
Mayor

By: _____
City Clerk

STATE OF MINNESOTA)
) SS
COUNTY OF ST. LOUIS)

This instrument was acknowledged before me on _____, 2023, by Emily Larson, Mayor of the City of Duluth, a municipal corporation and political subdivision organized and existing under the laws of the State of Minnesota.

Notary Public

STATE OF MINNESOTA)
) SS
COUNTY OF ST. LOUIS)

This instrument was acknowledged before me on _____, 2023, by Ian B. Johnson, City Clerk of the City of Duluth, a municipal corporation and political subdivision organized and existing under the laws of the State of Minnesota.

Notary Public

This Instrument was drafted by:
City of Duluth
Office of the City Attorney
411 W. First Street, Room 410
Duluth, Minnesota 55802

Tax Statements should be sent to:
Duluth Economic Development Authority
411 West 1st St. Room 418
Duluth, MN 55802

**REGULAR MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
WEDNESDAY, AUGUST 23, 2023 – 5:15 P.M.
COUNCIL CHAMBERS-CITY HALL
MINUTES**

Present: Arik Forsman, Ellie Just, ChaQuana McEntyre, Connor Randall, Roz Randorf

Absent: Matt Cartier, Terese Tomanek

Others Present: Amanda Anderson, Adam Fulton, Jean Coleman, Ali Bilden Camps (Northspan)

CALL TO ORDER: The August 23, 2023 regular meeting of DEDA was called to order by President McEntyre at 5:15 p.m.

Presentation from Ali Bilden Camps at Northspan regarding the NORTHFORCE program.

Director Fulton made note that DEDA will be supporting NORTHFORCE in the amount of \$25,000 this year.

PUBLIC TO ADDRESS THE COMMISSION

No Comments.

PUBLIC HEARINGS

[RESOLUTION 23D-34](#): RESOLUTION APPROVING AN AMENDED AND RESTATED LAND SALE AGREEMENT WITH CENTER CITY HOUSING CORPORATION FOR THE WADENA WEST PROJECT

No public comments.

[RESOLUTION 23D-35](#): RESOLUTION RESCINDING RESOLUTION 22D-55 AND FURTHER AUTHORIZING CONVEYANCE OF LAND IN LINCOLN PARK FOR \$1.00

No public comments.

APPROVAL OF MEETING MINUTES

[JUNE 28, 2023 MEETING MINUTES](#)

No comments.

Vote to approve June 28, 2023 Meeting Minutes: (Randorf/Just) Vote: Passed (5-0)

APPROVAL OF CASH TRANSACTIONS

JULY 1, 2023 TO JULY 30, 2023

Vote to approve cash transactions-July 1, 2023 to July 30, 2023: (Forsman/Randorf) Vote: Passed (5-0)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

RESOLUTION 23D-34: RESOLUTION APPROVING AN AMENDED AND RESTATED LAND SALE AGREEMENT WITH CENTER CITY HOUSING CORPORATION FOR THE WADENA WEST PROJECT

Director Fulton added this is the sale of property just east of the Holiday gas station at the intersection of Grand and Central Avenues in Duluth. This is an amendment to an existing agreement. As a reminder, this transaction is selling property at a purchase price of \$125,000. There will be 60 new affordable housing units in this location and the project does have some American Rescue Plan funds in it at about \$1.7 million. The bulk of the financing for the development is coming from the MN Housing Finance Agency. The site has been complicated to develop and has some utilities and infrastructure that has been under evaluation by Center City Housing. They may not proceed with the project until next Spring.

Vote to approve resolution 23D-34: (Randorf/Just) Vote: Passed (5-0)

RESOLUTION 23D-35: RESOLUTION RESCINDING RESOLUTION 22D-55 AND FURTHER AUTHORIZING CONVEYANCE OF LAND IN LINCOLN PARK FOR \$1.00

This resolution is related to a tiny piece of property just across from Clyde on the southside of Michigan. This is land DEDA does not wish to own. The intended use for this property will be parking. There is a large amount of concrete on this site that will be assumed by the ownership entity at Clyde. This resolution is back before the board because there was an error in the legal description.

Commissioner Forsman noted the date was off on the old resolution. The year was 2022 for the initial resolution.

Vote to approve resolution 23D-35: (Randorf/Randall) Vote: Passed (5-0)

RESOLUTION 23D-36: RESOLUTION AUTHORIZING THE GRANT OF A UTILITY AND DRAINAGE EASEMENT TO THE CITY OF DULUTH OVER PROPERTY AT THE ATLAS INDUSTRIAL PARK

This resolution is related to Project Cardinal which is located at the Atlas Industrial Park. This was a cement factory so there are some materials on the site that still influence the pH of the water so staff thinks a lot about how water flows in and around the site which is something the folks acquiring the site and staff are tracking very closely.

Vote to approve resolution 23D-36: (Forsman/Randorf) Vote: Passed (5-0).

RESOLUTION 23D-37: RESOLUTION SCHEDULING A PUBLIC HEARING ON FINANCING PROJECTS FOR BENEDITINE HEALTH SYSTEM BY THE ISSUANCE OF CONDUIT FINANCING REVENUE OBLIGATIONS

The Fryberger firm will be at the next meeting to hold the public hearing and provide additional details about the proposed bond issuance. It is estimated to be about \$10 million. Jean Coleman has done a bulk of the correspondence with the Fryberger firm. Benedictine Systems is not investing in Duluth at this time, but would be investing in other facilities located in Hastings, Winona, and New Brighton. This resolution solely calls the public hearing in a very official way.

Vote to approve resolution 23D-37: (Randorf/Just) Vote: Passed (5-0).

DISCUSSION

Director Fulton noted that Chad Ronchetti was hired as the Director of Planning & Economic Development for the City and will with board approval, assume the role as the Executive Director of the Duluth Economic Development Authority.

9. ADJOURN: President McEntyre adjourned the August 23, 2023 meeting of DEDA at 5:39 p.m.

Respectfully submitted,

Chad Ronchetti- Executive Director

Duluth Economic Development Authority

September 2023 Cash Activity - all DEDA Funds

ACCUMULATED TRANSACTION LISTING, G/L Date Range 9/01/23 to 9/30/23 (as of 10/03/23)

G/L Date	Journal Number	Sub Ldg	Name	Net Amount	Description
			Beginning Balance	\$ 4,775,454.21	
09/01/23	2023-00000088	GL	Cost Allocation - DEDA	(33,333.33)	Cost Allocation - DEDA
09/05/23	2023-00007091	GL	Record Transfer of Funds from City to DEDA for Housing Projects	128,000.00	Record Transfer of Funds from City to DEDA for Housing Projects
09/05/23	2023-00007282	RA	Pay Group OReilly LLC	477.62	DEDA Lease Payment
09/11/23	2023-00007367	AP	Beauty Lawn Care Service	(370.00)	Snow Removal 3/1-3/22/23
09/11/23	2023-00007367	AP	Beauty Lawn Care Service	(130.00)	Snow Removal 4/5 & 4/21/23
09/11/23	2023-00007367	AP	Duluth Public Utilities - Comfort Systems	(1,638.62)	902 Railroad St 7/7/23-8/3/23
09/11/23	2023-00007367	AP	Duluth Area Chamber of Commerce	(35.00)	2023 Lets Do Lunch - T. Hobbs- DEED
09/11/23	2023-00007367	AP	Duluth News Tribune	(152.40)	DEDA Ad 246262-0805-1321- TIF 2022
09/11/23	2023-00007367	AP	Ehlers and Associates Inc	(1,400.00)	2023-2025 Financial Services DEDA PED 23 860 102 Yr 1 of 3
09/11/23	2023-00007367	AP	Innovative Office Solutions	(99.28)	Office Supplies - DEDA/B.Resources
09/11/23	2023-00007367	AP	Kennedy & Graven Chartered	(198.75)	Legal services for TIF and bonding DEDA
09/11/23	2023-00007367	AP	New History, Inc.	(1,068.75)	Technical Assistance Support
09/11/23	2023-00007367	AP	Upper Midwest Film Office	(6,000.00)	Production Incentive Program Management 23 860 103
09/11/23	2023-00007367	AP	New History, Inc.	(2,208.75)	Site Predevelopment Consulting Services DEDA 23 860 109
09/11/23	2023-00007367	AP	Dryco Inc	(901.54)	900 W. Railroad - Board Up-Labor/Supplies
09/18/23	2023-00007622	AP	US Bank	(23.26)	AUGUST 2023 USB
09/18/23	2023-00007628	RA	Passport Parking	12,143.65	Aug-23
09/20/23	2023-00007681	RA	Interstate Parking	114,440.17	Aug-23
09/25/23	2023-00007736	AP	EntryPoint, LLC	(646.39)	21 860 124 Broadband Service Proposal
09/25/23	2023-00007736	AP	Duluth Public Utilities - Comfort Systems	(866.76)	335 W Superior St 7/28/23-8/29/23
09/25/23	2023-00007736	AP	Duluth News Tribune	(32.60)	DEDA; AD 249276-0812-1321
09/25/23	2023-00007736	AP	Duluth News Tribune	(45.44)	DEDA Ad 249449-0812-1321
09/25/23	2023-00007736	AP	Duluth News Tribune	(26.18)	DEDA AD 249361-0812-1321
09/25/23	2023-00007736	AP	EntryPoint, LLC	(400.00)	21 860 124 Broadband Service Proposal
09/25/23	2023-00007736	AP	EntryPoint, LLC	(300.00)	21 860 124 Broadband Service Proposal
09/25/23	2023-00007736	AP	EntryPoint, LLC	(100.00)	21 860 124 Broadband Service Proposal
09/25/23	2023-00007736	AP	EntryPoint, LLC	(22.17)	21 860 124 Broadband Service Proposal
09/28/23	2023-00007913	RA	Cirrus Design Corporation	25,841.00	Invoice #2023-70000084 and Invoice #2023-16000053

G/L Date	Journal Number	Sub Ldg	Name	Net Amount	Description
<u>FUND 860 - OPERATING FUND</u>			<i>Beginning Balance</i>	\$ 4,775,454.21	
09/28/23	2023-00007913	RA	DEDA Operating	3,000.00	Incline Plaza Development
09/30/23	2023-00007970	GL	Investment Earnings for September	18,371.00	Investment Earnings for September
FUND 860 - OPERATING FUND			Ending Balance: 9-30-2023	5,027,728.43	TB
<u>FUND 861 - DEBT SERVICE</u>			<i>Beginning Balance</i>	\$ 261,892.16	
09/30/23	2023-00007970	GL	Investment Earnings for September	998.00	Investment Earnings for September
FUND 861 - DEBT SERVICE			Ending Balance: 9-30-2023	262,890.16	TB
<u>FUND 865 - CAPITAL PROJECTS</u>			<i>Beginning Balance</i>	1,993,149.55	
09/30/23	2023-00007970	GL	Investment Earnings for September	7,598.00	Investment Earnings for September
FUND 865 - CAPITAL PROJECTS			Ending Balance: 9-30-2023	2,000,747.55	TB
<u>FUND 866 - MRO FACILITY</u>			<i>Beginning Balance</i>	349,136.27	
09/30/23	2023-00007970	GL	Investment Earnings for September	1,331.00	Investment Earnings for September
FUND 866 - MRO FACILITY			Ending Balance: 9-30-2023	350,467.27	TB
<u>FUND 867 - STOREFRONT LOANS</u>			<i>Beginning Balance</i>	576,397.69	
09/13/23	2023-00007527	RA	Women in Construction	667.89	1200 Fund Loan #90012
09/30/23	2023-00007970	GL	Investment Earnings for September	2,199.00	Investment Earnings for September
FUND 867 - STOREFRONT LOANS			Ending Balance: 9-30-2023	579,264.58	TB

Duluth Economic Development Authority

DEDA Operating Fund 860

2023 Proposed Budget

Proposed Budget Presented 10/25/23

	GL # per TB	2022	2023	2024
		FINAL	REVISED Budget 10/25/2023 (Updated for 2023 YTD Actuals & Expected)	PROPOSED Budget 10/25/2023
Beginning Fund Balance		3,171,320	3,410,503	3,518,587
REVENUES				
State of MN-Operating grant: 2023 Burnham (Leijona Apts) Grant 21-860-114	4220	-	42,803	-
St. Louis County (reimb Pastoret Demo costs)- Project to date, through 9-7-2022 is \$80k total requested & received from SLC. 2022 budget has balance left from the \$325k committed by SLC for miscellaneous demo costs is \$245,000. Demo in 2024?	4260	-	-	245,000
IDB Fees: 2022= St. Lukes. In 2023= ?	4308	190,275	10,000	50,000
DEDA's Parking Program: Red Wagon Popcorn Cart lot rent	4371	6,241	6,428	6,621
DEDA's Parking Program-Parking Meters/Pay Stations (Interstate)	4371	378,674	396,462	408,356
DEDA's Parking Program: Transient Parking (Passport Labs)	4373	91,446	94,189.00	97,015
DEDA's Parking Program-Contract Parking (Interstate)	4374	177,108	182,400	187,872
Investment Earnings	4601-01	54,144	197,769	100,000
Investment Earnings - Change in Fair Value Investments	4601-02	(89,101)	-	-
Rent of Buildings-Pay Grp O'Reilly LLC (Use part of DEDA's land/parking lot)	4622	5,606	5,774	5,948
Rent of Land: In 2022-New GASB 87 Phase I and II Lessor	4623	35,449	-	-
SALE OF LAND: Tax Forfeited Land Purchase/Re-Sale: (In 2022: Land sales to The Fry's for \$2,693.65 & from the Benson's for \$6,511.47	4640	9,105	-	10,000
Holiday Station-Grand Avenue Land Sale (3401 Grand Ave)-\$99,500 Land sale and DEDA \$500 admin fee	4640	100,000	-	-
SALE OF LAND LSC Flats -Titanium Partners Land Purchase of DEDA's Parcel	4640	52,800	-	-
SALE OF LAND: Potential Land Sale - Atlas Site IN 2023	4640	-	100,800	-
SALE OF LAND: Woodland Spur Land Sale	4640	-	-	184,000
Clinton Place Corner of Fairmont -(Main & 68th Ave West)	4640	-	-	50,000
Lester Park-37 acres-sale of land-Not to occur until probably 2024	4640	-	-	300,000
Other reimbursements-Misc. Fees, Sales & Service: Project Development Fees-Reimbursements from Developers	4644	-	1,088	3,000
OTHER REIMBURSEMENTS= 2022: \$8,323.50 YTD Reimbursements from Developers Catalyst, Unique Construction, Merge LLC One Roof, ISD 709, Armory Arts & Music Center Titanium Partners, Rob Finnigan 1st St Redevelopment, Simply Tiny Development 521 W 2nd Street)	4654	31,916	-	30,000
Other reimbursements-Refunds: In 2022=Red Wagon Popcorn Electricity fee \$300, Passport labs JE fix revenue balance \$8,800, ISD #709 blight study escrow \$8,800)	4654-02	16,600	100	300
Other Sources: IN 2022 City Transferred \$1,164,240 to DEDA for Housing Projects: For New Burnham (now LEONA) and Urbane (Esmond) (ARPA)	4700	1,164,240	-	-
Other Sources: Transfers in from City-Sale of Incubator Building to Cirrus	4700	-	3,448,107	-
Other Sources: In 2022-City of Duluth-Reimburse DEDA for Entry Point Costs for Lincol Park Fiber 220-65	4700	55,972	-	-
Other Sources: Transfer in from City ARPA for Plover Place housing, housing projects (Transferred 3/29/23)	4700	-	1,600,000	-
Other Sources: Transfer in from City ARPA housing projects (Transferred 3/29/23 & 9/5/23)	4700	-	428,000	-
Other Sources: Transfer in for Recapitalization ARPA, (for Business Boost Program?)	4700	-	500,000	-
Loan Principal Repayment: NE Entrepreneur Fund	4704	-	157,020	-
Interfund Transfer In from Component Unit: TIF Admin Recovery-Transfer In from DEDA fund 865 YE	4730-80	138,997	109,208	109,208
Interfund Transfer In from Component Unit: 2023 Transfer In from DEDA MRO Fund 866's Closeout 12/31/2023 YE	4730-80	-	355,063	-
TOTAL REVENUES	TB	2,419,470	7,635,211	1,787,318
EXPENDITURES				
Office Supplies	5200	597	141	1,000
Computer Supplies/Software	5201	12	-	-
Auditing Services-MN OSA	5301	4,524	5,000	5,000
Legal Services-Kennedy & Graven, Fryberger, Chelsea Helmer Law	5304	5,583	26,870	3,000
Administrative Fees (Cost Allocation)	5307	400,000	400,000	400,000
Technology Services: (In 2022-IT support to DEDA, website maintenance of \$6,289.47 & Nearmap subscription for \$5,000)	5309	11,289	6,829	6,289
Contract Services-Passport Labs Parking Admin Fees	5310	13,809	14,223	14,649
Other Professional Services TOTAL:	5319	228,983	268,019	245,100
Postage (postage, FedEx, etc)	5322	97	128	130
Travel & Training	5331	3,203	2,462	10,000
Marketing-Advertising & Promotion	5340	2,750	650	5,000
Liability Insurance	5361	7,350	7,350	7,350
Stormwater/Street Lights & Maintenance Assessments (In 2021: 335 W Superior Street Storm Water) In 2022: 335 W Superior Street Stormwater AND 902 Railroad Street Stormwater.	5382	30,562	31,358	32,000
DEDA's Parking Program_Prkg Lot Maintenance & Repair	5405	420,784	433,408	399,472
Land Rental/Easements (Duluth News Tribune)	5411	1,322	1,000	1,000
Dues & membership subscriptions:	5433	1,120	2,140	4,000
Grants & Awards: 2024 Miscelleaneous-no detail/placeholder	5434	-	-	20,000
Grants & Awards:2022: Upper Midwest Film Office & in 2023 C22-860-105 Mgmt of Production Incentive Program and 23-860-103 and funds for disbursement (to movie production companies)	5434	125,694	94,306	200,000
Grants & Awards:2022: New Burnham LLC (Leijona Apartments) & 2023 DEED grant	5434	380,000	42,803	-
Grants/Awards: In 2022-Northeast Entrepreneur Fund-Envest Grant Balance PD	5434	125,000	-	-
Grants & Awards: 2023 Itasca Economic Development Corporation-Silver Level Sponsorship	5434	-	17,000	17,000

GL # per TB	2022	2023	2024	
	FINAL	REVISED Budget 10/25/2023 (Updated for 2023 YTD Actuals & Expected)	PROPOSED Budget 10/25/2023	
Grants & Awards: 2023 Urbane 218 LLC (Esmond/old "Seaway" site) DEDA Contract 21-860-121 (future TIF #33 per agreement, for \$1,085,000): In 2023 \$784,240 ARP money. 2024: Balance of TIF Agreement (\$1,085,000 - \$784,240= \$300,760)	5434	-	784,240	300,760
Business Boost Awards (ARPA Funds)	5434	-	200,000	-
Plover Place	5454	-	1,600,000	-
Other Services & Charges: 2022 Misc-DNT, HRA Carlton Place & Simply Tiny Dev & Merge & P&R Properties SLC Recording Fees: Beauty Lawn Care, Ehlers General TIF, Insight Public Sector Annual Acrobat Renewal, Duluth Airport plowing, Purchase of tax forfeit land held for resale/not going to be capitalized. 2023= First American Title (title search), Beauty Lawn Care, Dryco (90 W RR St)	5441	24,539	17,027	40,000
Other Services & Charges: In 2022 Engineering Systems 21-860-125 for the Pastoret/Kozy	5441	83,237	-	-
Other Services & Charges: Cirrus Aircraft for MRO Costs included in sale of building (FSSS Disposal/Clean up @ \$100k, Fire Protection piping replacement @ \$370k)	5441	-	-	470,000
Board Meeting Expenses/pay DEDA board members and luncheons	5443	3,383	6,254	5,000
Payments to Other Governmental Agencies: In 2022= \$30k to Lake Superior College for LSC Flats. IN 2023: Pay City of Duluth for 2023 \$60k Cirrus Tax Abatement per 2023 Adopted budget	5447	30,000	60,000	-
Payment to Other Governmental Agencies: 2023= \$3,448,107 from Sale of Incubator Building to Cirrus, to City of Duluth for Broadband Fund; and \$3,000 to HRA for United Equities Tapestry Senior	5447	-	3,451,107	-
Building Demolition: Pastoret/Kozy	5453	-	-	245,000
Building Demolition: (2021-LHB RR Bridge L8493 Oneota)	5453	749	-	-
Property Taxes/Street Assessments on Land Held for Resale (SLC), multiple parcels	5481	10,512	11,423	4,402
Capital Outlay-Land Acquisitions (Capitalized)-Rebuild Duluth & other tax forfeited land In 2022: Woodland Spur land Purchase \$165,502.33, Clinton Place \$35,785.85	5510	201,288	-	20,000
Lester Park-37 acres-Purchase from City for \$1 plus \$3,388.15 in Closing Fees from First American Title for Lester Park Golf	5510	-	3,389	-
Debt Service: Lease Principal Retirement (GASB 87-Book Entry, Lease Related)	5604	63,900	-	-
Transfers Out to General Fund: Transfer to the General Fund (PED) for Senior Economic Developer/Tourism	5700-10	-	40,000	40,000
TOTAL EXPENDITURES	TB	2,180,287	7,527,127	2,496,153
Net Revenue/Expenses		239,183	108,084	(708,834)
Ending Fund Balance	TB	3,410,503	3,518,587	2,809,753

Duluth Economic Development Authority
DEDA DEBT SERVICE FUND 861
2024 Proposed Budget

Proposed 10/25/2023

	2022	2023	2024	Redevelopment District	Redevelopment District	Housing District	Redevelopment District	Redevelopment District	Redevelopment District	Redevelopment District	Redevelopment District	Housing District	Redevelopment District	Redevelopment District	Redevelopment District	
	FINAL	Revised Budget	Proposed Budget	Garfield dist 21	Medical Dist Expansion dist 22	5th Street Village Place dist 23	Bluestone dist 25	Pier B dist 27	Harbor Bay/ Endi dist 28	Kenwood Village dist 29	Voyageur Hotel dist 31	Board of Trade dist 32	Superior St Apts. dist 33	Historic Central H.S. Apts. dist 34	SLC Jail Burnham (Leijona Apts) dist 35	
	12/31/2022	10/25/2023 (with YTD actuals & Expected 2023 transactions thru 12/31/23 YE)	10/25/2023	(Decert 12/31/2027)	(Decert 12/31/2030)	(Decert 12/31/2032)	(Decert 12/31/2040)	(Decert 12/31/2042)	(Decert 12/31/2043)	(Decert 12/31/2043)	(Decert 12/31/2046)	(Decert 12/31/2047)	(Decert 12/31/2047)	(Decert 12/31/2048)	(Decert 12/31/2049)	
Beginning Fund Balance	3,501	7,604	5,420	521	1,161	552	615	563	489	500	-	531	489	0	0	
Revenues																
Investment Earnings	11,123	9,733	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax Increment	3,366,170	4,055,056	4,122,612	156,876	1,654,008	38,345	1,082,848	292,638	447,171	290,067	-	91,798	-	-	68,861	
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenues	3,377,293	4,064,789	4,122,612	156,876	1,654,008	38,345	1,082,848	292,638	447,171	290,067	-	91,798	-	-	68,861	
Total Available	3,380,794	4,072,393	4,128,032	157,397	1,655,169	38,897	1,083,463	293,201	447,660	290,568	-	92,329	489	0	68,861	
Expenditures																
DEVELOPER PAYMENTS (PAYG)																
Garfield Business Park TIF #21	62,650	65,902	65,902	65,902												
NorShor Theatre TIF #22	298,175	234,066	234,066		234,066											
Sheraton Hotel & Condominiums TIF #22	222,238	292,582	292,582		292,582											
Village Place Apartments TIF #23	35,662	35,903	35,903			35,903										
Bluestone Commons TIF #25	745,575	974,009	974,009				974,009									
Pier B TIF #27	237,010	262,869	262,869					262,869								
Harbor Bay (ENDI) TIF #28	327,094	402,014	402,009						402,009							
Kenwood Village TIF #29	259,884	260,611	260,611							260,611						
Voyageur Hotel TIF #31	-	-	-													
Board of Trade TIF #32	4,865	82,140	82,140									82,140				
Superior Street Apts TIF #33 (Will be Decertified 12/31/23)	169	-	-													
Historic Central High School Apts TIF #34	-	-	61,444													61,444
St. Louis County Jail Burnham (Leijona Apts.) TIF #35	-	-	-													
Total TIF Payments to Developers=	2,193,321	2,610,096	2,671,535													
OTHER																
Transfer to City's Debt Service Fund	882,473	939,609	939,609	-	939,609	-	-	-	-	-	-	-	-	-	-	-
2023=Transfer to Other Districts/Funds (TIF #31 Negative Cash balance \$1,010 from SLC Admin Fees)	-	1,010	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County Admin Fees/other admin expenses	6,077	5,420	5,462	521	1,161	552	615	563	489	500	-	531	-	-	531	
Total Expenditures	3,081,871	3,556,135	3,616,606	66,423	1,467,418	36,455	974,624	263,431	402,498	261,111	-	82,671	-	-	61,975	
Fund Balance before transfer	298,922	516,259	511,426	90,974	187,751	2,442	108,838	29,770	45,162	29,457	-	9,658	489	0	6,886	
Less: Transfer @ Y/E to Capital Projects	291,318	510,839	505,965	90,453	186,590	1,890	108,223	29,207	44,673	28,958	-	9,127	\$ 489	\$ 0	\$ 6,355	
Ending Fund Balance	7,604	5,420	5,461	521	1,161	552	615	563	489	500	-	531	-	-	531	
				Anticipated Decertification Dates	2027	2030	2032	2040	2042	2043	2043	2046	2047	2023	2048	2049
														Decertify 12/31/23		

Duluth Economic Development Authority
Capital Projects Fund 865
2024 Proposed Budget
Proposed Budget 10-25-23

ADD IN CARRY-FORWARDS / ADJUST INTERDISTRICT LOANS

	2022	2023	2024	Redevelopment District	Housing District	Redevelopment District	Redevelopment District	Redevelopment District	Housing District	Redevelopment District	Redevelopment District	Redevelopment District	Redevelopment District	Redevelopment District	Housing District	Redevelopment District	Redevelopment District	Redevelopment District	Estimated Pooling Available by Housing & Redevelopment 1/1/23 and 12/31/23= Redevelopment= Housing Districts=	
	FINAL	REVISED Budget 10/25/2023 (For YTD actuals & expected thru YE 2023)	PROPOSED Budget 10/25/2023	West Duluth Housing dist 7	Washington dist 16	Tech Village dist 19	Garfield dist 21	Medical Dist dist 22	Village Place dist 23	Renaissance dist 24	Bluestone dist 25	Pier B dist 27	Endi dist 28	Kenwood Village dist 29	Voyageur Hotel dist 31	Board of Trade dist 32	Lincoln Park dist 33	Historic Central H.S. Apts. dist 34		SLC Jail Burnham (Leijona Apts) dist 35
BEGINNING FUND BALANCE	1,758,571	1,939,521	2,425,536	11,312.00	325,805.00	527,589.00	420,524.36	457,831.29	5,822.51	218,265.00	259,097.44	38,435.94	89,953.37	54,929.21	0.00	9,127.00	489.00	-	6,355.00	347,110 2,425,536
Revenues																				
Investment Earnings	28,629	84,384	105,511	0	(0)	0	29,768	39,826	253	(0)	20,766	1,672	9,650	2,389	0	889	21	-	276	
Transfer from Debt Service	291,318	510,839	505,965	-	-	-	90,453	186,590	1,890	-	108,223	29,207	44,673	28,958	-	9,127	489	-	6,355	
Norshor Theatre Interim Note Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL REVENUES/TRANSFER	319,947	595,223	604,334	0	(0)	0	120,221	226,416	2,143	(0)	128,989	30,879	54,323	31,347	0	10,016	510	-	6,631	
TOTAL AVAILABLE	2,078,518	2,534,744	3,023,026	11,312	325,805	527,589	540,745	684,247	7,966	218,265	388,086	69,315	144,277	86,277	0	19,143	999	-	12,986	
Expenditures																				
Housing Rehab - City-West Duluth DEMO	-	-	11,312	11,312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Redevelopment for 627 East 4th street	-	-	126,000	-	-	-	126,000	-	-	-	-	-	-	-	-	-	-	-	-	
TIF Admin Cost Allocation (to Fund 860)	138,997	109,208	109,208	-	-	-	29,508	1,500	-	20,000	18,500	28,700	11,000	-	-	-	-	-	-	
TOTAL EXPENDITURES	138,997	109,208	246,520	11,312	-	-	155,508	1,500	-	20,000	18,500	28,700	11,000	-	-	-	-	-	-	
ENDING FUND BALANCE	1,939,521	2,425,536	2,777,505	0	325,805	527,589	540,745	528,739	6,466	218,265	368,086	50,815	115,577	75,277	0	19,143	999	-	12,986	351,413 2,777,505
Prior Yr ending Fund Balance plus expected transfers in for 2023=		2,450,360																		
Investments earnings less Tif Admin fees=		(24,824)																		
S/B beginning Fund balance for 2024=		2,425,536																		
						1		2												
				Actual Decertification Dates	2015	2021	2021	2027	2030	2032	2021	2040	2042	2043	2043	2046	2047	2047	2047	2047

IN PRIOR YEARS Budgets (2021 and prior) funding was to be used for the following:
 ① The Skywalk/Bridge budget for District 19 includes:
 \$700,000 in money from 2017 and a carryforward from 2018 of \$1,773,211= \$2,473,211. Did not add to "project" expenses in 2019 or 2020, or 2021 or 2022. Deleted from 2023 Budget. Returned \$3,049,756 Excess TIF to SLC
 ② The Skywalk/Bridge budget for District 22 includes:
 \$75,000 in new money in 2017 and a carryforward from 2018 of \$134,775=\$209,775. Did not add to "project" expenses in 2019 or 2020 OR 2021 or 2022. Deleted from 2023 Budget

Duluth Economic Development Authority

DEDA MRO Maintenance Facility Fund 866

2024 Proposed Budget (Close Out Fund 866 12-31-23)

Proposed Budget Presented 10/25/2023

		2022	2023	2024
		FINAL 12/31/2022	Revised Budget 10/25/2023	Proposed Budget 10/25/2023
BEGINNING FUND BALANCE	G/L Account #	464,643	329,953	(0)
Revenues				
Investment Earnings	4601-01	5,858	15,186	-
<u>Building Rent</u> 2022 Budget= Lake Superior Helicopter and Cirrus rent, and Cirrus "settle-ups for rent, utilities, Property Taxes" from Sale of MRO 9/16/23, and Gulfstream Services hangar rent January 2022	4622	518,102	-	-
Sale of Equipment/Buildings (MRO to Cirrus in 2022)	4639	1	-	-
Other Reimbursements: in 2022, should get refund for Property Insurance paid for the 2022 Yr. in full, but sold MRO Sept. 16, 2022= 14 days for Sept. and 3 months and refund (Oct-Dec) totaling \$7,073	4654	11,082	-	-
TOTAL REVENUES		535,043	15,186	-
TOTAL AVAILABLE		999,685	345,140	(0)
EXPENDITURES				
Contract Services:	5310	43,005	-	-
Other Professional Services: (2021 Budget=LHB, 2022 Budget Actual YTD Electric Scientific)	5319	2,606	-	-
Data Services-Century Link @199.68 a month (Paid thru Sept 15th in 2022)	5320	1,906	-	-
Property Insurance: in 2022, Yearly premium is \$24,484.39. Charge for 9 months (Jan to Sept= \$18,363.29). Should get refund for Oct to Dec after MRO sold on September 16th 2022 (\$6,121.10)	5362	23,591	-	-
Electricity	5381	110,570	(9,924)	-
Water, Gas & Sewer-Comfort Systems	5382	65,147	-	-
Repairs/Maintenance: (in 2021-Electric Scientific, Viking Auto Sprinkler, Benson Electric, Summit Companies, Sunbelt Rentals) In 2022, Actual YTD \$16,590 for: MN Dept of Labor & Industry (\$100), Electric Scientific (\$1,150), Viking Sprinkler (\$9,265), and Duluth Airport Authority for plowing and sanding (\$6,075) Jan2022 thru April 2022. Actuals YTD Paid thru 8/31/22. ADDED \$7,242 for open Viking Automatic Sprinkler P/O amount	5400	16,590	-	-
Payment to Other Governmental Agencies: In 2022, Pay City of Duluth \$60k for supplementing loss revenue for 2022 Cirrus Tax Abatement. In 2023, Paid out of Fund 860, as budgeted for per 2023 Budget	5447	60,000	-	-
Property Taxes-Full year payable by DEDA in 2022, with a 3 1/2 month (September 16th to December 31, 2022) reimbursement from Cirrus, they bought MRO 9/16/22)	5481	346,316	-	-
Interfund Transfer Out to DEDA Operating Fund 860-Close out MRO Fund 866 12/31/23	5700-80		355,063	
TOTAL EXPENDITURES		669,732	345,140	-
ENDING FUND BALANCE		329,953.28 TB	(0)	(0)