



City of Duluth

411 West First Street
Duluth, Minnesota 55802

Meeting Agenda

Duluth Economic Development Authority.

Wednesday, December 18, 2019

5:15 PM

Council Chambers, Third Floor, City Hall

CALL TO ORDER

PUBLIC TO ADDRESS THE COMMISSION

PUBLIC HEARINGS

APPROVAL OF MINUTES

APPROVAL OF CASH TRANSACTIONS

[DEDA010](#) CASH TRANSACTIONS FOR NOVEMBER 1, 2019 - NOVEMBER 30, 2019

Attachments: [DEDA November 2019 Monthly Cash Activity](#)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

19D-3 [DEDA001](#) RESOLUTION APPROVING A FOURTH AMENDMENT TO THE
9 AGREEMENT WITH ETOR PROPERTIES LIMITED LIABILITY COMPANY
FOR DEDA TO LEASE PROPERTY IN THE NORTHWEST IRON LOT
FOR PUBLIC PARKING PURPOSES

Attachments: [19D-39 NW Iron Lot](#)
[Fourth Amend NW Iron Lot](#)

19D-4 [DEDA002](#) RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE
0 PROPERTY DEMOLITION AGREEMENT WITH THE CITY OF DULUTH
FOR DEMOLITION SERVICES IN CERTAIN WESTERN
NEIGHBORHOODS

Attachments: [19D-40 West Duluth Demo First Amendment](#)
[19D-40-Demolition Agreement with City - First Amendment 11-12-19](#)

- 19D-4 [DEDA003](#)
1 RESOLUTION AUTHORIZING A VENDING SERVICE LEASE AGREEMENT WITH MICHAEL AMENDOLA FOR THE OPERATION OF A VENDING WAGON IN THE LIGHTHOUSE LOT
- Attachments:** [19D-41 Vending Lease Agreement-Amendola](#)
[19D-41 Amendola Lease Agreement 12-04-2019 JC Clean](#)
- 19D-4 [DEDA004](#)
2 RESOLUTION AUTHORIZING AN AGREEMENT WITH THE CITY OF DULUTH PROVIDING FOR PARTICIPATION BY DEDA IN THE CITY'S SELF-INSURANCE PROGRAM FOR 2020 IN THE AMOUNT OF \$7,350.
- Attachments:** [19D-42 City Self Insurance for 2020](#)
[19D-42 City - DEDA Self Insurance Program Agreement 2020](#)
- 19D-4 [DEDA005](#)
3 RESOLUTION OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY FINDING A PARCEL IS OCCUPIED BY STRUCTURALLY SUBSTANDARD BUILDINGS AND MEETS THE REQUIREMENTS OF A REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT UNDER MINNESOTA STATUTES §469.174, SUBD. 10
- Attachments:** [19D-43 Pastoret TIF Findings](#)
- 19D-4 [DEDA006](#)
4 RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE OPTION AGREEMENT WITH ACCESSIBLE SPACE, INC. RELATED TO A SUPPORTIVE HOUSING DEVELOPMENT IN THE SPIRIT VALLEY NEIGHBORHOOD
- Attachments:** [19D-44 ASI Option Agreement Amend](#)
[19D-44 First Amendment to Option Agreement-ASI \(Final\)](#)
- 19D-4 [DEDA007](#)
5 RESOLUTION AUTHORIZING A SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH NORTHSTAR DEVELOPMENT INTERESTS, LLC RELATED TO THE VOYAGEUR LAKEWALK INN REDEVELOPMENT
- Attachments:** [19D-45 Second Amend to Voyageur Dev Agreement](#)
[19D-45 Second Amendment to Voyageur 12-04-19](#)
- 19D-4 [DEDA008](#)
7 RESOLUTION CONDITIONALLY COMMITTING DEDA TO GRANT TO THE ENTREPRENEUR FUND INC. \$250,000 TO FUND LEVERAGED GRANTS AND LOANS TO FOR START-UP AND EXPANDING BUSINESSES.
- Attachments:** [19D-47 Efund \\$250K Commitment](#)
- 19D-4 [DEDA009](#)
8 RESOLUTION AUTHORIZING AN AGREEMENT WITH _____ FOR THE DEMOLITION OF THE PASTORET TERRACE BUILDING IN THE AMOUNT NOT TO EXCEED \$_____.

DIRECTOR'S REPORT

Fire Suppression Eval-MRO, Workforce Initiative, EPA Grant Award--\$300K

ADJOURNMENT

Duluth Economic Development Authority

November, 2019 Cash Activity - all DEDA Funds

ACCUMULATED TRANSACTION LISTING, G/L Date Range 11/01/19 - 11/30/2019 (as of 12/09/2019)

G/L Date	Journal Number	Sub Ledg	Name	Net Amount	Description
<u>FUND 860 - OPERATING FUND</u>				Beginning Balance	2,822,978.52
11/01/19	2019-00000529	GL	Cost Allocation - DEDA	(33,333.33)	Cost Allocation - DEDA
11/04/19	2019-00008960	GL	Website Design Cost, per Adam Fulton	(2,625.50)	Website Design Cost, per Adam Fulton
11/04/19	2019-00008976	RA	Pay Group Oreilly LLC	437.09	November DEDA Lease Payment
11/13/19	2019-00009252	RA	Red Wagon Popcorn LLC	411.26	October 2019 Rent and Electrical Usage
11/15/19	2019-00009323	GL	Clear Due To/From Prior to Posting Pay 23.	5,000.00	Fund 865 Reimburse Fund 860 for Demo Costs @ 319 1/2 28th Ave West
11/18/19	2019-00009365	RA	Roers Investments, LLC	2,150.00	Invoice #2019-00000242
11/19/19	2019-00009403	RA	Interstate Parking Services LLC	37,099.94	Parking Ramp Revenue
11/25/19	2019-00009508	AP	Etor Properties LLC	(66,734.00)	NW Iron Parking Lot
11/25/19	2019-00009508	AP	Nancy R. Aronson-Norr	(35.00)	DEDA Meeting 10/23/19
11/25/19	2019-00009508	AP	Craig S Chilcote	(35.00)	DEDA Meeting 10/23/19
11/25/19	2019-00009508	AP	Zack Filipovich	(35.00)	DEDA Meeting 10/23/19
11/25/19	2019-00009508	AP	Noah Hobbs	(35.00)	DEDA Meeting 10/23/19
11/25/19	2019-00009508	AP	Barbara Russ	(35.00)	DEDA Meeting 10/23/19
11/25/19	2019-00009508	AP	Beauty Lawn Care Service	(110.00)	Lawn Care 5907 Grand Ave 9/4 9/23
11/25/19	2019-00009508	AP	Duluth Public Utilities - Comfort Systems	(829.35)	280600174-001 335 W Superior St
11/25/19	2019-00009508	AP	Northspan Group Inc	(1,840.00)	C19-860-933 Mayors Affordable Housing Task Force
11/25/19	2019-00009572	GL	DEDA Reimb General Fund FedEx Inv 6-776-60831 Costs	(13.04)	DEDA Reimb General Fund FedEx Inv 6-776-60831 Costs
11/30/19	TBD	GL	Investment Earnings for November	TBD	Investment Earnings for November Not Posted in New World Yet
FUND 860 - OPERATING FUND				Ending Balance - 11-30-2019	2,762,416.59 TB
<u>FUND 861 - DEBT SERVICE</u>				Beginning Balance	1,291,174.37
11/30/19	TBD	GL	Investment Earnings for November	TBD	Investment Earnings for November Not Posted in New World Yet
FUND 861 - DEBT SERVICE				Ending Balance - 11-30-2019	1,291,174.37 TB
<u>FUND 865 - CAPITAL PROJECTS</u>				Beginning Balance	1,833,751.69
11/15/19	2019-00009323	GL	Clear Due To/From Prior to Posting Pay 23	(5,000.00)	Fund 865 Reimburse Fund 860 for Demo Costs @ 319 1/2 28th Ave West
11/30/19	TBD	GL	Investment Earnings for November	TBD	Investment Earnings for November Not Posted in New World Yet
FUND 865 - CAPITAL PROJECTS				Ending Balance - 11-30-2019	1,828,751.69 TB
<u>FUND 866 - MRO FACILITY</u>				Beginning Balance	709,507.49
11/04/19	2019-00008976	RA	AAR Aircraft Services, Inc	36,510.76	Invoice #2019-00000322
11/25/19	2019-00009508	AP	TKDA	(481.25)	C19-860-894-Architectural services AAR wall repair and reconstr
11/30/19	TBD	GL	Investment Earnings for November	TBD	Investment Earnings for November Not Posted in New World Yet
FUND 866 - MRO FACILITY				Ending Balance - 11-30-2019	745,537.00 TB
<u>FUND 867 - STOREFRONT LOANS</u>				Beginning Balance	171,368.47
11/05/19	2019-00009007	RA	City of Duluth Single Pt	657.47	Women in Construction DEDA Loan Payment
11/06/19	2019-00009057	RA	North Shore Bank of Commerce	658.73	Women in Construction DEDA Loan Payment
11/08/19	2019-00009187	RA	Park State Bank	767.43	Building for women DEDA Loan FINAL Payment
11/20/19	2019-00009455	RA	Alerus Financial	1,037.10	Old City Hall DEDA Loan Payment
11/30/19	TBD	GL	Investment Earnings for November	TBD	Investment Earnings for November Not Posted in New World Yet
FUND 867 - STOREFRONT LOANS				Ending Balance - 11-30-2019	174,489.20 TB

RESOLUTION 19D-39

**RESOLUTION APPROVING A FOURTH AMENDMENT TO THE AGREEMENT WITH
ETOR PROPERTIES LIMITED LIABILITY COMPANY FOR DEDA TO LEASE
PROPERTY IN THE NORTHWEST IRON LOT FOR PUBLIC PARKING PURPOSES**

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to enter into a fourth amendment, substantially in the form of that attached hereto (Contract No. 11 865 615⁴), to the agreement with ETOR Properties Limited Liability Company ("ETOR"), to lease the portion of the Northwest Iron Lot owned by ETOR for public parking purposes, extending the term of the agreement for a period of twelve (12) months.

Approved by the Duluth Economic Development Authority this 18th day of December, 2019.

ATTEST:

Executive Director



STATEMENT OF PURPOSE: The purpose of this Resolution is to approve a twelve-month extension to lease, in concert with adjacent DEDA-managed property, the portion of the Northwest Iron Lot owned by ETOR in Canal Park. This amendment continues DEDA's management of the property for public parking.

**CANAL PARK PARKING AGREEMENT
NORTHWEST IRON LOT
FOURTH AMENDMENT**

THIS FOURTH AMENDMENT, entered into this _____ day of _____, 2019, by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority existing under the laws of the State of Minnesota, hereinafter referred to as "DEDA," and ETOR PROPERTIES LIMITED LIABILITY COMPANY, a limited liability company under the laws of the State of Minnesota, hereinafter referred to as "Owner.

WHEREAS, on March 14, 2011, DEDA and Owner entered into an agreement which provided for DEDA to lease a portion of property generally known as the Northwest Iron Lot from Owner for the purpose of providing public parking in the Canal Park area; and

WHEREAS, on January 22, 2014, the parties entered into a first amendment in order to extend the term of the agreement and revise the net income/loss percentages; and

WHEREAS, on June 26, 2017, and on June 1, 2018, the parties entered into a second amendment and third amendment, respectively, in order to further extend the term of the agreement. The agreement, first, second and third amendments are hereinafter referred to as the "Agreement"; and

WHEREAS, the parties desire to further amend the Agreement in order to extend the term of the Agreement for a period of 12 months.

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

1. The term of the Agreement is hereby extended for a period of 12 months, until December 31, 2020.

2. Except as provided for in this Fourth Amendment, all terms and provisions of the Agreement shall remain in force and effect.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have signed this Fourth Amendment as of the day and year first above written.

DULUTH ECONOMIC DEVELOPMENT
AUTHORITY

ETOR PROPERTIES LIMITED
LIABILITY COMPANY

By _____
Its President

By _____
Its _____

By _____
Its Secretary

RESOLUTION 19D-40

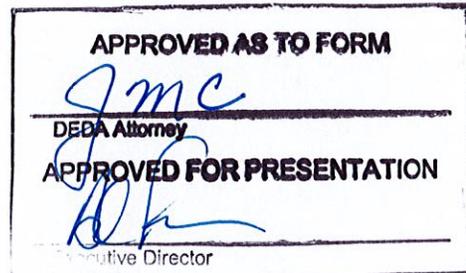
**RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE PROPERTY
DEMOLITION AGREEMENT WITH THE CITY OF DULUTH FOR DEMOLITION
SERVICES IN CERTAIN WESTERN NEIGHBORHOODS**

RESOLVED, by the Duluth Economic Development Authority (DEDA) that the proper DEDA officials are hereby authorized to enter into a First Amendment to the Property Demolition Agreement, substantially in the form of that attached hereto (DEDA Contract No. 18 860 884¹), with the City of Duluth (the "City") extending the term for a period of one year, until December 31, 2020.

Approved by the Duluth Economic Development Authority this 18th day of December, 2019.

ATTEST:

Interim Executive Director



STATEMENT OF PURPOSE: In December of 2018, DEDA and the City entered into a Property Demolition Agreement pursuant to which DEDA agreed to reimburse the City for out-of-pocket costs incurred by the City in demolishing certain blighted houses located in western neighborhoods which have been condemned for demolition. The DEDA funding source for this Agreement is funds from expired TIF Redevelopment District No. 7. The purpose of this Resolution is to extend the term of the Agreement for a period of one year, until December 31, 2020, to allow the City to utilize the remaining \$11,312 in TIF District 7 funds for demolishing blighted houses in western Duluth.

**PROPERTY DEMOLITION AGREEMENT
FIRST AMENDMENT**

THIS FIRST AMENDMENT is entered into this _____ day of _____, 2019, by and between the Duluth Economic Development Authority, an economic development authority under Minnesota Statutes, Chapter 469 (DEDA) and the City of Duluth, Minnesota, a municipal corporation under the laws of the State of Minnesota (City).

WHEREAS, the City has issued condemnation for demolition orders on certain substandard and blighted properties in western neighborhoods in Duluth; and

WHEREAS, on December 4, 2018, DEDA and the City entered into a property demolition agreement (the "Agreement") pursuant to which DEDA agreed to provide financial assistance to the City for the demolition of such properties; and

WHEREAS, the parties desire to amend the Agreement to extend the term as set forth below.

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

1. Paragraph 3, Term, is hereby amended to extend the term of the Agreement until December 31, 2020, unless terminated earlier as provided herein.

2. Except as provided in this Amendment, all terms and conditions of the Agreement shall remain in force and effect.

DULUTH ECONOMIC DEVELOPMENT
DEVELOPMENT AUTHORITY

CITY OF DULUTH

By _____
Its President

By: _____
Mayor

By _____
Its Secretary

Attest: _____
City Clerk

Countersigned:

City Auditor

Approved as to form:

City Attorney

EXHIBIT A

319 ½ North 28th Avenue West

320 North 83rd Avenue West

2111 West 4th Street

RESOLUTION 19D-41

**RESOLUTION AUTHORIZING A VENDING SERVICE LEASE AGREEMENT
WITH MICHAEL AMENDOLA FOR THE OPERATION
OF A VENDING WAGON IN THE LIGHTHOUSE LOT**

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to execute a Vending Service Lease Agreement (Contract No. _____), substantially in the form of that attached hereto, with Michael Amendola for the operation of a vending wagon in the Lighthouse Lot with amounts to be paid to DEDA as provided for therein, said sums to be paid into Fund 860.

Approved by the Duluth Economic Development Authority this 18th day of December, 2019.

ATTEST:

Executive Director



STATEMENT OF PURPOSE: The purpose of this resolution is to authorize a vending service lease agreement with Michael Amendola for the continued operation of his vending wagon in the same manner and at the same location in the Lighthouse Lot. Under this agreement, Mr. Amendola pays for the electrical usage on the site and in addition will pay DEDA 10% of his gross receipts. Pursuant to DEDA's Canal Park Parking Lot Policy, the Canal Park Merchants Association will receive half of this amount, or 5% of gross receipts. The agreement also allows for the possibility of impacts to operations due to Lakewalk reconstruction during the term of the agreement.

VENDING SERVICE LEASE AGREEMENT

THIS AGREEMENT, entered into this ____ day of November, 2019, by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority created under Minnesota Statutes (1989) Chapter 469 (“DEDA”), and MICHAEL AMENDOLA, an individual (“Vendor”).

WHEREAS, Vendor entered into a lease agreement with DEDA for the operation of a vending facility in the Lighthouse Lot, which lease agreement terminates on December 31, 2019; and

WHEREAS, DEDA desires to have Vendor continue his vending operation in substantially the same manner and in the same parking lot as had been previously agreed to between Vendor and DEDA.

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

1. This Agreement shall commence on January 1, 2020 and shall continue through December 31, 2021 unless earlier terminated as provided for herein. DEDA’s Executive Director or his/her designee (the “Executive Director”), at his/her sole discretion or Vendor, may terminate the Agreement without cause prior to the Operating Season (as more specifically described below) by giving written notice of said termination on or before April 1.

2. During the Operating Season (as more specifically described below), Vendor shall have the right to sell popcorn, snow cones/shaved ice, cotton candy, soda and hot beverages from a permitted cart (the “Services”), at a location designated by the Executive Director in the Lighthouse Lot. The Lighthouse Lot is legally described as follows:

All that part of Lots 270, 272, 274, 276, 278, 280, LAKE SHORE, UPPER DULUTH, lying easterly of the westerly line of St. Croix Avenue (as such west line is located by condemnation plat, filed November 24, 1896, in said Register of Deeds office, bearing Register’s number 5764) and also lying between the prolongation of the southerly line of Lot 270, Lake Shore, on the south and the prolongation of the center line of Morse Street in said plat of Upper Duluth on the North, to the low watermark on Lake Superior, together with the riparian rights belonging to said lands and lots above described.

The portion of the Lighthouse Lot currently designated for the Vendor consists of two parking spaces, located in the southwest corner of the Lighthouse Lot as shaded in red on the attached Exhibit A (the "Leased Premises"). Vendor is taking the Leased Premises in an "as is" condition and DEDA has no obligation to make any improvements or alterations to the Leased Premises to prepare them for Vendor's use.

3. Vendor shall operate his Services on a regular daily basis from a minimum of May 15 through September 30, weather permitting (the "Operating Season"). Vendor may extend the Operating Season by a one (1) month period on either side of the Operating Season if he determines in good faith that the extension of Services will benefit both the seasonal tourists and his business. Any extension beyond the forgoing 1-month period must have the prior written approval of the Executive Director.

4. In consideration for the concession, the Vendor agrees to pay DEDA a sum equal to ten percent (10%) of gross receipts from his operation in the Lighthouse Lot, excluding retail sales taxes. Said sum shall be paid to DEDA by the 15th day of each month for the preceding month, and a monthly report of receipts shall be submitted on a form approved by the Auditor of the City of Duluth by the same date.

5. Vendor shall reimburse DEDA for electricity used in the operation of his Services. The Vendor shall use the locking, metered outlet provided by DEDA and shall contact the Executive Director to have the meter read at the beginning and end of each year's operations. During the Operating Season, Vendor shall pay DEDA, in addition to the amount required under Paragraph 4, the sum of \$50.00 per month toward the cost of this electrical usage payable on the 15th day of each month for the preceding month. At the end of each Operating Season after the final meter reading, the electrical cost shall be reconciled and the Vendor shall pay, or be refunded as the case may be, the difference between his monthly payments and the actual cost of the electricity.

6. All payments and monthly reports should be sent to:

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

7. Vendor shall maintain adequate books and records relating to the operation for Vendor's permitted business in the Lighthouse Parking Lot, which books and records shall be available to DEDA for inspection and audit.

8. Vendor has been informed that Lakewalk reconstruction will occur during the term of this Agreement which may impact the ability of Vendor to operate his vending facility at the Lighthouse Lot. In the event the Lighthouse Lot is impacted by Lakewalk reconstruction to the extent that the Vendor must relocate his vending facility, DEDA will give Vendor thirty (30) days' prior written notice of the relocation requirement. DEDA will endeavor to assist Vendor in finding a temporary location from which to operate the vending facility. Vendor's payment of ten percent (10%) of gross proceeds as set forth in Paragraph 4 and reimbursement for electricity as set forth in Paragraph 5 will be suspended for the period of time that Vendor is relocated.

9. Vendor shall maintain Commercial General Liability insurance on a claims made basis with limits of not less than One Million Five Hundred and No/100s Dollars (\$1,500,000) per claim and One Million Five Hundred and No/100s Dollars (\$1,500,000) per occurrence for personal and bodily injury and, property damage liability. Insurance shall cover:

- a. Public liability, including premises and operations coverage.
- b. Personal injury.
- c. Contractual liability covering the indemnity obligations set forth herein.
- d. Products--completed operations.

Vendor shall maintain Workers' Compensation Insurance in accordance with the laws of the State of Minnesota. All insurance required herein shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota and with companies or underwriters satisfactory to the City Attorney. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by DEDA and/or City. Vendor agrees to provide a Certificate of Insurance to DEDA prior to the beginning of the Operating Season, evidencing such coverage and naming DEDA and the City of Duluth as additional insureds on the Commercial General Liability insurance.

The Certificates shall provide that the policies shall not be canceled during the life of this Agreement without at least thirty (30) days' advance written notice to DEDA. Neither DEDA nor the City represents or guarantees that these types or limits of coverage are adequate to protect the Vendor's interests and liabilities. It shall be the obligation and responsibility of Vendor to insure, as he deems prudent, his own personal property, against damage. Neither DEDA nor the City has insurance coverage for Vendor's property and DEDA and the City expressly disclaim any and all liability for any and all losses, damage and/or claims to vehicles and/or personal possessions of Vendor.

10. Vendor hereby agrees to indemnify, save harmless, and defend DEDA and the City from any and all claims, including a claim for contribution or indemnity, suits, losses, costs, damages, or expenses on account of injuries or death of any person, including employees of the said Vendor and on account of any and all damages to property to whomsoever belonging, including property owned by, leased to, or in the care, custody and control of Vendor, or for any claim or cause of action arising or growing out of the use of the Leased Premises or the vending activity allowed herein.

11. Vendor shall not assign or transfer any of his rights or interests under this Agreement in any way whatsoever without the prior written consent of the Executive Director. Further, Vendor shall not assign any other person as being primarily responsible for the operation of the vending activity hereunder without the prior written consent of Executive Director.

12. Vendor shall keep the Leased Premises in a neat, orderly condition and shall perform all necessary and proper cleaning. Vendor shall be responsible for providing trash receptacles or utilizing a trash receptacle provided by the City, and picking up litter within 50 feet of Vendor's operation.

13. Vendor shall promptly pay or cause to be paid all lawful taxes and governmental charges, including real estate taxes and fees or taxes in lieu of real estate taxes at any time levied upon or against it or on the Leased Premises. Vendor shall further be obligated to pay any sales and use taxes imposed by any governmental entity entitled to impose such taxes on or before the date they are due and to file all required reports and forms in proper form related thereto on or before their due date; provided that nothing shall prevent Vendor from contesting in good faith, any such payment requirement except as such contest would negatively affect DEDA's rights under this Agreement or result in a lien being placed on the Leased Premises.

14. Vendor shall not create or permit any mortgage, encumbrance or lien or allow any mechanic's or materialmen's liens to be filed or established or to remain against the Leased Premises or any part thereof.

15. Any and all employees of Vendor or any other persons, while engaged in the performance of any service required by Vendor under this Agreement, shall not be considered employees of DEDA and/or the City of Duluth; and any and all claims that may or might arise under the Workers' Compensation Act of the State of Minnesota on behalf of said employees or any other persons while so engaged, and any and all claims made by third parties as a consequence of any act or omission on the part of Vendor or its agents and employees, or any other persons, while so engaged in any of the Services provided herein, shall in no way be the obligation or responsibility of DEDA or the City of Duluth.

16. Should the Vendor be in default under any terms and conditions of this Agreement, DEDA shall provide the Vendor with written notice of said conditions of default and shall allow the Vendor thirty (30) days within which to cure any defaults set forth therein. If the default is not cured within thirty (30) days, DEDA may immediately terminate this Agreement.

17. Notices to DEDA shall be sufficient if sent by regular United States Mail, postage prepaid, addressed to DEDA at Room 418 City Hall, 411 West First Street, Duluth, Minnesota 55802; and notices to Vendor if sent by regular United States Mail, postage prepaid, addressed to Michael Amendola, 5797 Castle Road, Duluth, Minnesota 55803 or to such other respective persons or addresses as the parties may designate to each other in writing from time to time.

18. The Vendor shall, within one (1) week after the end of the Operating Season or, in the event the Agreement is terminated, within one (1) week of said termination, remove from the Leased Premises all Vendor property, goods and effects, and upon failure to do so, DEDA by its officers and agents may cause such removal to be made and said property, goods and effects to be stored at the cost and expense of the Vendor; and DEDA shall have a lien thereon for the cost and expense of such removal and the storage of such goods, property, and effects. Vendor property, goods and effects not claimed within 30 days after the termination of this Agreement shall be deemed to have been abandoned to DEDA and the rights of Vendor to possession thereof shall cease.

19. Vendor shall maintain active membership in the Canal Park Business Association during the term of this Agreement.

20. Vendor agrees to comply in all respects with all federal, state and local laws, statutes, ordinances, rules and regulations now in effect or hereinafter promulgated pertaining to unlawful discrimination.

21. Vendor agrees to observe and comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota, City of Duluth, and DEDA and their respective agencies which are applicable to its activities under this Agreement.

22. 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.

23. 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.

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

25. This Agreement constitutes the entire Agreement between DEDA and Vendor and supersedes all prior written or oral agreements and negotiations between the parties relating to the subject matter hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and date first shown above.

DULUTH ECONOMIC
DEVELOPMENT AUTHORITY

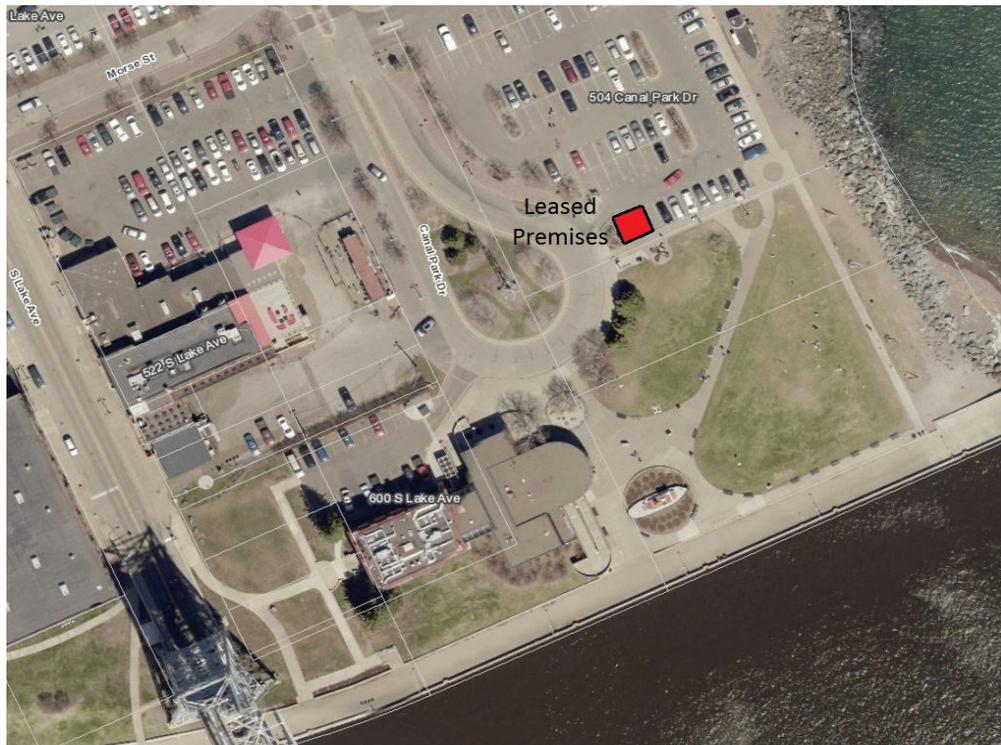
MICHAEL AMENDOLA

By: _____
Its President

By: _____
Its Secretary

I:\ATTORNEY\DEDA (015)\Other Projects (OP)\Hoover's Popcorn Wagon (10-0034)\Lease Agreement 12-04-2019 JC Clean.docx

EXHIBIT A
Leased Premises



RESOLUTION 19D-42

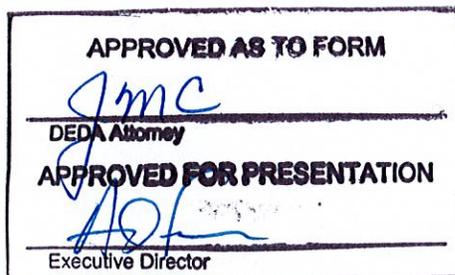
**RESOLUTION AUTHORIZING AN AGREEMENT WITH
THE CITY OF DULUTH PROVIDING FOR PARTICIPATION
BY DEDA IN THE CITY'S SELF-INSURANCE PROGRAM
FOR 2020 IN THE AMOUNT OF \$7,350**

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to enter into an agreement with the City of Duluth (the "City") which provides for participation by DEDA in the City's self-insurance program for 2020, substantially in the form of that attached hereto (Contract No. _____), in the amount of \$7,350, payable from Fund 860, Org. 8640, Obj. 5361.

Approved by the Duluth Economic Development Authority this 18th day of December, 2019.

ATTEST:

Executive Director



STATEMENT OF PURPOSE: This resolution authorizes DEDA to enter into an agreement with the City by which DEDA will participate in the City's self-insurance program from January 1 through December 31, 2020. Since DEDA holds property and is engaged in operating several parking lots it is essential that DEDA be provided liability coverage for claims related to these activities.

**AGREEMENT REGARDING DEDA'S PARTICIPATION IN THE
CITY'S SELF INSURANCE FUND PROGRAM**

Pertaining to Tort Liability for Calendar Year 2020

This Agreement is by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY (Authority), and the CITY OF DULUTH (City), with regard to the arrangement between the parties for the accounting for, processing, and payment of claims for damages resulting from events that call into question Authority's contingent liabilities.

It is the intention of the parties that Authority shall participate in the City of Duluth Self Insurance Fund Program to the extent indicated herein. Participation in the plan does not indicate furnishing of insurance.

The term of this Agreement shall be the period commencing January 1, 2020, and ending December 31, 2020, unless earlier terminated by a party, or operation of law.

A. GENERAL LIABILITY COVERAGE

1. The Self Insurance Fund shall indemnify Authority for and defend Authority against all losses and damages suffered by third parties for which loss or damage Authority is liable because of the following legal liabilities:

a. Those liabilities described in Minnesota Statutes, Section 466.02, as limited by any other provision of law, including Minnesota Statutes, Sections 466.03, 466.04 and 466.05.

b. Those liabilities arising under the Minnesota Human Rights Act or any federal civil rights act, so long as the claimant is not an employee or agent of Authority, nor any entity or party claiming through such employee or agent, whether by way of assignment, subrogation, or otherwise.

2. The Self Insurance Fund shall have no obligation to indemnify Authority for or defend Authority against any claim arising in whole or in part from any of the following:

a. An enforcement action of any government agency, which action is based upon noncompliance with any law or regulation.

b. Any activity related to labor relations, collective bargaining, picketing, terms or conditions of employment, selection or retention of personnel, wage and hour regulations.

c. Any intentional tort or intentional act.

d. Any claim of damage to the earth or the environment, or for violation of an environmental law or standard, unless the basis of the claim is a sudden and accidental discharge that occurred because of the act or omission of Authority or its agents while either was in control of the discharged substance.

e. Any war, civil unrest, riot, act of God, natural disaster, force majeure, or act of the county, state, or federal government.

3. It is the intention of each of the parties to preserve for its benefit each limitation of liability, immunity, notice requirement or other advantage set out in Minnesota Statutes, Chapter 466, or otherwise provided by law. In no event shall the Fund's obligation to indemnify exceed the limits of liability set out in Minnesota Statutes, Chapter 466, even if the claim is not one to which those liability limits apply. The Authority's participation in the City's Self Insurance Fund Program under this Agreement shall be limited to claims made against the Authority relating to events that occur during the term of this Agreement, and are fully reported, in writing, to the City claims adjuster while this Agreement is in effect, or within six years after its termination.

Authority shall fully cooperate in the City's reasonable loss control instructions, investigation and processing of claims, and defense of lawsuits. City may require Authority to use City's loss control program, including scheduled inspections. Authority shall utilize the City's claims adjusting program. Claims shall be promptly reported to the City's claims adjuster for processing. Failure to comply with the requirement is grounds for termination of this Agreement. If a claim against Authority proceeds to a lawsuit, City shall determine the lawyer to defend the case. Authority shall pay the reasonable costs of defense, including attorneys' fees.

B. PAYMENT BY AUTHORITY.

In order to record the agreed upon value of liability plan participation, reimburse for services, and build a fund for payment of future losses, the Authority shall transfer to the City's Self Insurance Fund No. 610-036-1656-4904 the amount of \$7,350 payable from DEDA Fund 0860, Org. 8640, Obj. 5361. At the conclusion of the year, City shall report the amounts spent on Authority that year.

C. AMENDMENT

This Agreement shall be amended only by written instrument, dated and executed by an authorized representative of each party, or one whose act is duly ratified by the party.

CITY OF DULUTH

DULUTH ECONOMIC DEVELOPMENT
AUTHORITY

By _____
Mayor

By _____
President

Attest: _____
City Clerk

Countersigned:

By _____
Secretary

City Auditor

Approved as to form:

City Attorney

RESOLUTION 19D-43

**RESOLUTION OF THE DULUTH ECONOMIC DEVELOPMENT
AUTHORITY FINDING A PARCEL IS OCCUPIED BY STRUCTURALLY
SUBSTANDARD BUILDINGS AND MEETS THE REQUIREMENTS OF A
REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT UNDER
MINNESOTA STATUTES §469.174, SUBD. 10**

WHEREAS, it has been proposed that Duluth Economic Development Authority (“DEDA”) create a tax increment financing district in an area within the City of Duluth, Minnesota (the “City”) to be designated a redevelopment district as defined in Minnesota Statutes, Section 469.174, Subd. 10; and

WHEREAS, in order to create this type of tax increment financing district, DEDA must make a determination that before the demolition or removal of any substandard buildings, certain conditions existed; and

WHEREAS, the conditions found by DEDA to exist throughout the proposed tax increment financing district are that parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; and

WHEREAS, in order to deem a parcel as being occupied by a structurally substandard building, DEDA must first pass a resolution before the demolition or removal that the parcel was occupied by one or more structurally substandard buildings and that after demolition and clearance DEDA intended to include the parcel within the proposed tax increment financing district; and

WHEREAS, there exists in the City on the parcel described in Exhibit A attached hereto (the “Parcel”) one or more structurally substandard buildings to be demolished or removed (the “Substandard Building Condition”); and

WHEREAS, a parcel is deemed to be occupied by a structurally substandard building if the Substandard Building Condition is met within three years of the filing of the request for certification of the parcel as part of the tax increment financing district with the county auditor; and if certain other conditions are met.

NOW, THEREFORE, BE IT RESOLVED by the DEDA that:

1. DEDA has received from LHB, Inc. the “TIF Analysis Findings for 102 North 2nd Avenue East” dated October 31, 2019 (the “Inspection Report”), finding that, based on an inspection of the building located on the Parcel, such building was determined to be substandard under the definition set forth in Minnesota Statutes §§ 469.174 to 469.1794, as amended, (the “TIF Act”). Based on the Inspection Report and other

information available to DEDA, DEDA finds that the Parcel consisting of 70 percent of the area of the proposed tax increment financing district is occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance as required by the TIF Act.

2. After the date of approval of this resolution, the building on the Parcel may be demolished or removed by DEDA, or such demolition or removal may be financed by DEDA, or may be undertaken by a developer under a development agreement with DEDA.

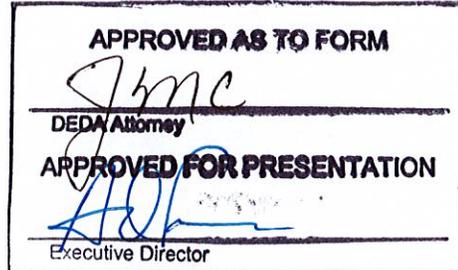
3. DEDA intends to include the Parcel in a redevelopment tax increment financing district, and to file the request for certification of such district with the St. Louis County Auditor within 3 years after the date of demolition of the building on the Parcel.

4. DEDA staff and consultants are authorized to take any actions necessary to carry out the intent of this resolution.

Approved by the Duluth Economic Development Authority this 18th day of December, 2019.

ATTEST:

Executive Director



STATEMENT OF PURPOSE: DEDA owns Pastoret Terrace Building and Robeson Ballroom located at 102 North 2nd Avenue East. It is anticipated that DEDA will establish a redevelopment tax increment financing district on this site. The structurally-substandard condition of those structures contributes to the district meeting statute-based requirements for a redevelopment tax increment financing district. Approval of this resolution memorializes the condition of the structure on the parcel so that, after its removal from the site, its structurally substandard condition will continue to contribute to the findings for a redevelopment tax increment financing district when the district is established.

EXHIBIT A

PARCEL IDENTIFICATION NUMBER

Parcel Number	Address	Owner Name
010-0930-00270	102 North 2 nd Avenue East	DEDA

RESOLUTION 19D-44

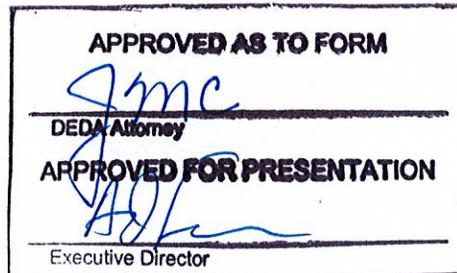
RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE OPTION AGREEMENT WITH ACCESSIBLE SPACE, INC. RELATED TO A SUPPORTIVE HOUSING DEVELOPMENT IN THE SPIRIT VALLEY NEIGHBORHOOD

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to enter into a First Amendment to the Option Agreement, substantially in the form of that attached hereto (DEDA Contract No. 19 860 905¹), with Accessible Space, Inc. ("ASI") extending the time to exercise the option for the development of certain property in the Spirit Valley neighborhood for supportive housing.

Approved by the Duluth Economic Development Authority this 18th day of December, 2019.

ATTEST:

Executive Director



STATEMENT OF PURPOSE: The purpose of this Resolution is to authorize a First Amendment to the Option Agreement with ASI, extending the option period through December 31, 2020. The Option Agreement contemplates ASI's purchase of DEDA property for the purpose of developing approximately 76 units of supportive housing in the Spirit Valley neighborhood. The right to exercise the Option Agreement was contingent upon ASI successfully securing Low Income Housing Tax Credits (LIHTC) from Minnesota Housing Finance Agency in 2019 to finance the proposed project. ASI was unsuccessful in their application and would like to try again in 2020. This First Amendment will allow them time to submit another, updated application in 2020 to secure LIHTC for 2021.

**FIRST AMENDMENT TO
OPTION AGREEMENT**

THIS FIRST AMENDMENT TO OPTION AGREEMENT (this "Amendment") is made effective as of the 18 day of December 2019 by and between the Duluth Economic Development Authority ("DEDA") and Accessible Space, Inc. ("Developer").

RECITALS

- A. DEDA and Developer entered into a certain Option Agreement dated as of April 24, 2019, hereinafter referred to as the "Agreement", whereby DEDA granted a conditional option to Developer to allow Developer to make the investment in time, money and effort to determine whether certain property located in the Spirit Valley neighborhood and legally described in Exhibit A to the Agreement can feasibly be developed; and
- B. DEDA and Developer desire to amend the Agreement to extend the term of the option as herein provided.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. That Article II, Paragraph A of the Agreement is hereby amended in its entirety as follows:

A. Conditional Option

In consideration of the sum of One Dollar (\$1.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, DEDA hereby grants to Developer an exclusive Conditional Option to purchase the Property for the amount of the Purchase Price, which Conditional Option shall be effective from the date of execution of this Agreement until December 31, 2020, unless sooner exercised, extended or terminated as hereinafter provided. As of 4:00 P.M. on December 31, 2020, the Conditional Option herein granted shall terminate. Notwithstanding the above, in the event that on or before December 31, 2020, Developer has received

notification that it has been approved for either 4% or 9% Low Income Housing Tax Credit (LIHTC) funding from the Minnesota Housing Finance Agency, then this Conditional Option shall be effective until December 31, 2021.

2. Except as herein modified or amended, the provisions, conditions and terms of the Agreement will remain unchanged and in full force and effect.

3. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Email or facsimile signatures shall be binding as if an original signature page has been delivered.

IN WITNESS WHEREOF, DEDA and Developer have executed this First Amendment to Option Agreement effective as of the Effective Date.

DULUTH ECONOMIC
DEVELOPMENT AUTHORITY

ACCESSIBLE SPACE, INC., a
Minnesota nonprofit corporation

By: _____
Tim McShane
Its: President

By: _____
Stephen Vander Schaaf
Its: President & CEO

By: _____
Zack Filipovich
Its: Secretary

RESOLUTION 19D-45

RESOLUTION AUTHORIZING A SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH NORTHSTAR DEVELOPMENT INTERESTS, LLC RELATED TO THE VOYAGEUR LAKEWALK INN REDEVELOPMENT

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to enter into a Second Amendment to the Development Agreement, substantially in the form of that attached hereto (DEDA Contract No. 19 860 927²) with Northstar Development Interests, LLC ("Developer") related to the Voyageur Lakewalk Inn Redevelopment, extending the time for commencement of construction until April 30, 2019.

Approved by the Duluth Economic Development Authority this 18th day of December, 2019.

ATTEST:

Executive Director



STATEMENT OF PURPOSE: The purpose of this resolution is to approve a Second Amendment to the Development Agreement with Developer to extend the time within which Developer must commence construction of the Voyageur Lakewalk Inn Redevelopment project. The project, located at 319, 321, 323 and 333 East Superior Street, will be developed into an approximately fifteen-story multi-family residential and mixed-use development on the site in downtown Duluth.

The project was originally anticipated to begin construction in August of 2019 and DEDA approved an extension of that requirement in September of 2019: several pre-development items, including final selection of a lender, finalizing bids from general contractors, and negotiating a contract with Duluth Energy Systems to connect to the new hot water line in Superior St. resulted in a delay in construction commencement. Since the First Amendment, the Developer has secured a general contractor, finalized

negotiations with Duluth Energy Systems and secured a primary lender. The last item required to render the project ready to close is for the Developer to secure a lender for the TIF note; conversations are underway with multiple lending partners and the Developer believes they will finalize terms by the end of January, 2020. Thus, this Second Amendment extends the deadline for construction to commence to April 30, 2020, allowing ample time to wrap up this final element of pre-construction.

**DEVELOPMENT AGREEMENT
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
NORTHSTAR DEVELOPMENT INTERESTS, LLC
VOYAGEUR LAKEWALK INN REDEVELOPMENT
SECOND AMENDMENT**

THIS SECOND AMENDMENT entered into this _____ day of _____, 2019, is by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469, whose address is 402 City Hall, 411 West First Street, Duluth, MN 55802 (hereinafter referred to as "DEDA") and NORTHSTAR DEVELOPMENT INTERESTS, LLC, a Delaware limited liability company, whose address is 10 West Mifflin Street, Suite 400, Madison, WI 53703 (hereinafter referred to as "Developer").

WHEREAS, on August 26, 2019, DEDA and Developer entered into a Development Agreement pursuant to which Developer agreed to develop/redevelop certain property located at 333, 319, 321 and 323 East Superior Street in downtown Duluth into a fifteen story multi-family residential rental and mixed use development; and

On September 25, 2019, the parties entered into a First Amendment to the Development Agreement (the First Amendment and Development Agreement hereinafter referred to as the "Agreement") extending by three months the time within which Developer must commence construction; and

WHEREAS, the parties desire to further amend the Agreement to extend until April 30, 2020, the time within which Developer must commence construction.

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

1. The first sentence of Paragraph A. Construction ,of Article VII is hereby amended as follows:

Upon the fulfillment of the preconditions to construction provided for in Articles IV and VI above, but in no event later than April 30, 2020, Developer shall commence construction of the Project in conformance with the plans approved pursuant to Article VI.

2. Promptly upon execution of this Second Amendment, Developer agrees to record this Second Amendment in the offices of the St. Louis County Recorder and the

NORTHSTAR DEVELOPMENT INTERESTS, LLC,
a Delaware limited liability company

By: _____

Robert P. Dunn
Its Managing Member

STATE OF WISCONSIN)
) SS
COUNTY OF DANE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Robert P. Dunn, the Managing Member of Northstar Development Interests, LLC, a Delaware limited liability company, on behalf of the company.

Notary Public

My Commission Expires:_____

This instrument was drafted by:

Joan M. Christensen
Attorney for the Duluth Economic
Development Authority
410 City Hall
Duluth, MN 55802
(218) 730-5273

RESOLUTION 19D-47

**RESOLUTION CONDITIONALLY COMMITTING DEDA TO GRANT TO THE
ENTREPRENEUR FUND INC. \$250,000 TO FUND LEVERAGED GRANTS AND
LOANS TO FOR START-UP AND EXPANDING BUSINESSES.**

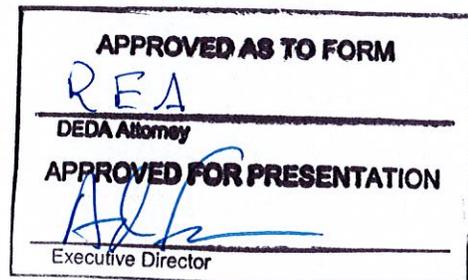
RESOLVED, by the Duluth Economic Development Authority ("DEDA") that DEDA hereby conditionally commits to grant \$250,000 to the Entrepreneur Fund, Inc. for it to use in the City of Duluth in implementing a leveraged grant and loan program for start-up and expanding businesses, subject to approval of a grant agreement, together with the terms and conditions thereof by DEDA.

RESOLVED, FURTHER, that the Executive Director is authorized and directed to convey DEDA's conditional commitment to the Entrepreneur Fund.

Approved by the Duluth Economic Development Authority this 18rd day of December, 2019.

ATTEST:

Executive Director



STATEMENT OF PURPOSE: The purpose of this resolution is to provide a conditional commitment to the Entrepreneur Fund, Inc. to provide funds to its Invest capital campaign which will generate funds that will be used to assist start-up businesses and existing businesses in need of expansion in the city of Duluth. This conditional commitment is necessary by the end of 2019 to allow the Entrepreneur Fund to secure grants and other funding commitments from outside sources, with leverage expected to greatly exceed a 1:1 ratio of matching funding for investment beyond the authority's initial support. Entrepreneur Fund intends to use the funds provided by the authority for grants and loans to start-up and existing businesses wholly within the city of Duluth, with details regarding fund use and reporting to be concluded in a future grant agreement.

RESOLUTION 19D-48

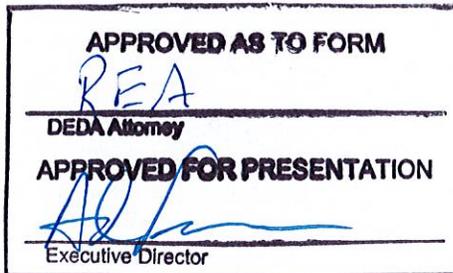
**RESOLUTION AUTHORIZING AGREEMENT WITH
RACHEL CONTRACTING, LLC
FOR THE DEMOLITION OF THE PASTORET TERRACE BUILDING
IN THE AMOUNT NOT TO EXCEED \$148,683.**

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to enter into an agreement (Contract No. _____) with Rachel Contracting, LLC for the demolition of the Pastoret Terrace Building, located at the intersection of 1st Avenue East and East 1st Street, in the amount not to exceed \$148,683, payable from Fund 860.

Approved by the Duluth Economic Development Authority this 18th day of December, 2019.

Attest:

Executive Director



STATEMENT OF PURPOSE:

The purpose of this Resolution is to authorize the demolition of the Pastoret Terrace Building in the amount not to exceed \$148,683.

Rachel Contracting, LLC was the lowest of seven qualified bidders. The bid opening took place on Friday, December 13, 2019.

Abatement of asbestos-related issues on the property is currently underway. The timing for issuance of a Notice to Proceed is subject to the completion of this abatement and on-going litigation.

Funding for abatement and demolition is provided for in the authority's 2019 budget through a partnership with St. Louis County and through use of other available authority sources in Fund 860.