



City of Duluth

411 West First Street
Duluth, Minnesota 55802

Meeting Agenda

Duluth Economic Development Authority.

Wednesday, May 25, 2022

5:15 PM

CALL TO ORDER

PUBLIC TO ADDRESS THE COMMISSION

PUBLIC HEARINGS

[22D-30](#) RESOLUTION AUTHORIZING FIFTH AMENDMENT TO AGREEMENT WITH THE LAKEVIEW PROPERTIES LLC INCREASING THE PROJECT SUPPORT BY \$1.3 MILLION.

Attachments: [22D-30-5th Amendment, The Lakeview Properties LLC DA](#)

APPROVAL OF MEETING MINUTES

[****](#) APRIL 20, 2022 SPECIAL MEETING MINUTES

Attachments: [04-20-22 DEDA Meeting Minutes-draft](#)

APPROVAL OF CASH TRANSACTIONS

[.....](#) APRIL 1, 2022 TO APRIL 30, 2022

Attachments: [DEDA Monthly Cash Activity April 2022](#)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

[22D-26](#) RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE LAND SALE AGREEMENT WITH SIMPLY TINY DEVELOPMENT, LLC RELATED TO THE REBUILD DULUTH PROGRAM

Attachments: [22D-26-Amendment to Land Sale Agreement - Simply Tiny Development](#)

[22D-27](#) RESOLUTION APPROVING TERMINATION OF CITY CONTRACT NO. 24268 AND AUTHORIZING AN AGREEMENT WITH NEW BURNHAM, LLC FOR ADDITIONAL AFFORDABLE UNITS IN THE NEW BURNHAM APARTMENTS PROJECT.

Attachments: [22D-27-Agreement for supplemental funding_ New Burnham](#)
[22D-27-ARPA Termination Agreement_ New Burnham](#)

[22D-28](#) RESOLUTION AUTHORIZING AN AGREEMENT WITH MERGE LLC FOR ADDITIONAL AFFORDABILITY IN THE URBANE DULUTH PROJECT.

Attachments: [22D-28-Agreement for supplemental funding_ Merge](#)

[22D-29](#) RESOLUTION AUTHORIZING REDEVELOPMENT GRANT CONTRACT OF \$672,918 WITH MINNESOTA DEED FOR THE HISTORIC ARMORY PROJECT

Attachments: [22D-29-DEDA Historic Armory GCA](#)

[22D-30](#) RESOLUTION AUTHORIZING FIFTH AMENDMENT TO AGREEMENT WITH THE LAKEVIEW PROPERTIES LLC INCREASING THE PROJECT SUPPORT BY \$1.3 MILLION.

Attachments: [22D-30-5th Amendment, The Lakeview Properties LLC DA](#)

[22D-31](#) RESOLUTION AUTHORIZING A LAND SALE AGREEMENT WITH SAIA, MOTOR FREIGHT.

Attachments: [22D-31-LSA with SAIA](#)

[22D-32](#) RESOLUTION OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY FINDING PARCELS ARE OCCUPIED BY STRUCTURALLY SUBSTANDARD BUILDINGS AND MEET THE REQUIREMENTS OF A REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT UNDER MINNESOTA STATUTES §469.174, SUBD. 10

Attachments: [22D-32-Duluth Central High School Letter of Finding](#)

[22D-33](#) RESOLUTION REJECTING NON-RESPONSIVE PROPOSAL FOR REDEVELOPMENT OF PASTORET/ROBESON BUILDINGS.

Attachments: [22D-33-Pastoret Terrace Historic Restoration RFP_Final -exhibit A](#)
[22D-33 RFP Distribution List-Exhibit B](#)

DISCUSSION

ADJOURN

**SPECIAL MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
WEDNESDAY, APRIL 20, 2022 – 12:15 P.M.
COUNCIL CHAMBERS-CITY HALL
MINUTES**

Present: Arik Forsman, Ellie Just, ChaQuana McEntyre, Tim McShane, Roz Randorf, Renee Van Nett

Absent: Matt Cartier

Others Present: Amanda Anderson, Robert Asleson, Chris Fleege, Chris Johnson (St. Luke's), Mia Thibodeau

1. CALL TO ORDER: The April 20, 2022 special meeting of DEDA was called to order by Vice President McShane at 12:15 p.m.

2. PUBLIC TO ADDRESS THE COMMISSION

No public comments.

3. PUBLIC HEARINGS

RESOLUTION 22D-20: RESOLUTION APPROVING THE ISSUANCE AND SALE OF HEALTH CARE FACILITIES REVENUE BONDS, SERIES 2022B (ST. LUKE'S HOSPITAL OF DULUTH OBLIGATED GROUP)

No public comments.

NEW BUSINESS

4. RESOLUTIONS FOR APPROVAL

RESOLUTION 22D-20: RESOLUTION APPROVING THE ISSUANCE AND SALE OF HEALTH CARE FACILITIES REVENUE BONDS, SERIES 2022B (ST. LUKE'S HOSPITAL OF DULUTH OBLIGATED GROUP)

Staff: Director Fleege invited the St. Luke's representatives to speak. This was a request from St. Luke's for DEDA to act as a non-conduit for health care facilities revenue bonds. Chris Johnson spoke on behalf of St. Luke's. Mr. Johnson provided St. Luke's is targeting \$80 million total for their project. There will be around \$7 million dollars spent in Two Harbors on a surgical expansion at the facility there. The rest of the money will be spent on the main St. Luke's campus in Duluth. This will allow St. Luke's to build on top of current building A and expanding

the ICU and critical and cardiac care capacity to meet the demands of the community. St. Luke's will be remodeling the floors in the old historic hospital facility to provide an updated look. St. Luke's also intends to reimburse itself for the purchase of the Pavilion building which happened in December of 2021—about \$7 to \$8 million of reimbursement. About \$200,000 will come to DEDA for the fees that St. Luke's is paying on the bonds.

Discussion: Commissioner Randorf thanked St. Luke's for investing in Duluth and the Downtown and patient care. Commissioner Randorf asked about how the bond trustee is determined or why a local entity wasn't used. Mr. Johnson explained that typically US Bank was used prior and due to pricing and the response time, the request was sent back out to market. UMB was the recommendation for this size of activity and they are really the industry leader. St. Luke's financial advisor recommended UMB.

Commissioner Van Nett thanked St. Luke's for the work and raised the topic of parking issues and the community impact and response. Commissioner Van Nett asked for clarification on whether or not the bonds and this project would be impacting citizens. Mr. Johnson provided that St. Luke's has a very comprehensive main campus redevelopment plan. Much of the plan revolves around the facility and works on revitalizing the old facility and keeping it so they don't have to build more towers and obstruct views and take up more parking. Alongside this project, St. Luke's will have a new parking ramp development next to the Northland building that will be happening in the next couple of years with DEED funds that were okayed a few years ago. This will be a \$14 million investment and will double the space of the current parking ramp; adding 250-300 more spaces and will likely alleviate parking on the streets from patients and employees. St. Luke's intent is to make their campus more walkable and incorporate green space. St. Luke's is focused on keeping in mind the community as the campus is revitalized. Community members are invited into speaking sessions and investigation around what the community would like to see from St. Luke's.

Commissioner McEntyre asked about how St. Luke's is being intentional within the community to ensure BIPOC community members have access to contracts to do work on the building and really just wanted to bring that to light. Mr. Johnson stated he will bring that note back to St. Luke's.

Commissioner Forsman asked if there will be a Project Labor Agreement for the work at St. Luke's. Mr. Johnson confirmed, to his knowledge, there would be a PLA. Commissioner Forsman also inquired about the 'statement of purpose' as it relates to Two Harbors and the approval contingency. The ask was, if the Two Harbors portion did not pass, would the Duluth portion still proceed.

Director Fleege provided the bond issuance is contingent upon the transaction and the closing. Director Fleege deferred to Mia Thibodeau from Fryberger to explain in greater detail. Mia added, for state law purposes, the City of Two Harbors has to approve because proceeds from these bonds are being spent in their jurisdiction. If Two Harbors did not approve, likely this would come back in front of the DEDA board to split the project somehow.

Vote to approve resolution 22D-20: (Randorf/Van Nett) Passed (6-0).

Commissioner Van Nett added she would like to ensure the Project Labor Agreement is in place for this project.

DISCUSSION

Director Fleege explained that normal development agreements have the community benefits and PLAs incorporated, especially when public assistance is provided on projects. When the parking ramp is built with bond dollars, the PLAs and community benefits will also be incorporated. In this issuance DEDA is acting as a conduit and St. Luke's is not receiving any subsidy from the City or those projects at this time. This is the distinction on when those elements are required.

9. ADJOURN: Vice President McShane adjourned the April 20, 2022 special meeting of DEDA at 12:26 p.m.

Respectfully submitted,

Chris Fleege--Executive Director

Duluth Economic Development Authority

April 2022 Cash Activity - all DEDA Funds

ACCUMULATED TRANSACTION LISTING, G/L Date Range 04/01/22 to 04/30/22 (as of 05/03/22)

G/L Date	Journal Number	Sub Ledg	Name	Net Amount	Description
<u>FUND 860 - OPERATING FUND</u>				Beginning Balance	\$ 2,629,314.52
04/01/22	2022-0000202	GL	Cost Allocation - DEDA	(33,333.33)	Cost Allocation - DEDA
04/01/22	2022-00002568	RA	Minnesota Assistance Council for Veterans	1,061.45	Invoice #2021-00000299
04/04/22	2022-00002616	RA	Pay Group OReilly LLC	463.71	Building Rent
04/05/22	2022-00002650	RA	Saturday Properties LLC	7,500.00	Invoice #2021-00000269
04/11/22	2022-00002703	AP	Matthew T Cartier	(35.00)	DEDA Meeting 3/23/22
04/11/22	2022-00002703	AP	Duluth Public Utilities - Comfort Systems	(1,706.57)	902 Railroad St 2/4/22-3/3/22
04/11/22	2022-00002703	AP	Ehlers and Associates Inc	(455.00)	General TIF Consulting
04/11/22	2022-00002703	AP	Engineering Systems Inc.	(63,105.25)	Extend Scope of work from contract 21-860-125
04/11/22	2022-00002703	AP	First American Title Insurance Company	(750.00)	Title Search-Exam Fee 128 W 1st St
04/11/22	2022-00002703	AP	Duluth News Tribune	(30.66)	DEDA Ad 2/26/22 Business Subs
04/11/22	2022-00002703	AP	Duluth News Tribune	(27.55)	DEDA Ad 2/26/22 - MN Investment
04/11/22	2022-00002703	AP	Arik Forsman	(35.00)	DEDA Meeting 3/23/22
04/11/22	2022-00002703	AP	Ellie Ann Just	(35.00)	DEDA Meeting 3/23/22
04/12/22	2022-00002855	RA	ISD School District 709	8,800.00	Escrow for blight study and TIF Analysis for Central High School Building
04/13/22	2022-00002902	RA	Passport Labs	846.94	Parking Revenue for March 2022
04/18/22	2022-00003019	GL	Clear Due To/From Prior to Posting Pay 8	108,568.19	
04/18/22	2022-00003020	RA	Interstatate Parking	(7,468.17)	Parking Revenue March 2022
04/20/22	2022-00003117	RA	Merge LLC	3,000.00	Deposit for Tax Increment Financing Plan
04/25/22	2022-00003122	AP	Duluth Public Utilities - Comfort Systems	(1,706.57)	902 Railroad St 3/4/22-4/5/22
04/25/22	2022-00003122	AP	St Louis County Recorder	(46.00)	Release - Hughes Olsen Workshop
04/25/22	2022-00003122	AP	St Louis County Recorder	(46.00)	Termination - Unique Properties
04/25/22	2022-00003122	AP	Upper Midwest Film Office	(2,000.00)	March Work
04/25/22	2022-00003122	AP	Renee Van Nett	(35.00)	DEDA Meeting 3/23/22
04/25/22	2022-00003122	AP	Duluth Public Utilities - Comfort Systems	(914.72)	335 W Superior St 3/1/22-3/29/22
04/25/22	2022-00003122	AP	Ehlers and Associates Inc	(260.00)	Financial Services DEDA Projects 21 860 132
04/25/22	2022-00003122	AP	Ehlers and Associates Inc	(275.00)	Financial Services DEDA Projects 21 860 132
04/25/22	2022-00003122	AP	Arrowhead Manufacturers & Fabricators Assn	(350.00)	AMFA Membership Dues
04/25/22	2022-00003122	AP	Baker Tilly Virchow Krause	(5,139.98)	PS to Facilitate Sale/Capital Upgrade of Duluth Paper Mill
04/29/22	2022-00003351	RA	1 LLC	112.00	Invoice #2021-00000322
04/30/22	2022-00003371	GL	Investment Earnings for April	1,601.00	Investment Earnings for April
<u>FUND 860 - OPERATING FUND</u>				Ending Balance: 04-30-2022	2,643,513.01 TB

FUND 861 - DEBT SERVICE

Beginning Balance 988,720.35

04/18/22	2022-00003019	GL	Clear Due To/From Prior to Posting Pay 8	(989,977.85)	Clear Due To/From Prior to Posting Pay 8
04/30/22	2022-00003371	GL	Investment Earnings for April	560.00	Investment Earnings for April

G/L Date	Journal Number	Sub Ledg	Name	Net Amount	Description
FUND 861 - DEBT SERVICE			Ending Balance: 04-30-2022	(697.50)	TB
<i>FUND 865 - CAPITAL PROJECTS</i>			<i>Beginning Balance</i>	<i>879,270.81</i>	
04/18/22	2022-00003019	GL	Clear Due To/From Prior to Posting Pay 8	881,409.66	Clear Due To/From Prior to Posting Pay 8
04/30/22	2022-00003371	GL	Investment Earnings for April	582.00	Investment Earnings for April
FUND 865 - CAPITAL PROJECTS			Ending Balance: 04-30-2022	1,761,262.47	TB
<i>FUND 866 - MRO FACILITY</i>			<i>Beginning Balance</i>	<i>393,538.30</i>	
04/11/22	2022-00002703	AP	Viking Automatic Sprinkler Co	(7,242.00)	Deluge Valve #2 Replacement MRO
04/11/22	2022-00002703	AP	Jamar Company	(7,725.00)	20 860 982 MRO Facility Maintenance
04/11/22	2022-00002703	AP	Jamar Company	(7,956.75)	20 860 982 MRO Facility Maintenance
04/25/22	2022-00003122	AP	Minnesota Power	(12,831.60)	5447119029 2/28/22-3/31/22
04/25/22	2022-00003122	AP	Duluth Public Utilities - Comfort Systems	(8,737.04)	4600 Stebner Rd 3/2/22-4/1/22 Gas
04/25/22	2022-00003122	AP	Duluth Public Utilities - Comfort Systems	(1,725.92)	4600 Stebner Rd 3/2/22-4/1/22 Water Sewer
04/25/22	2022-00003122	AP	CenturyLink - Phoenix	(199.61)	Data Services
04/30/22	2022-00003371	GL	Investment Earnings for April	244.00	Investment Earnings for April
FUND 866 - MRO FACILITY			Ending Balance: 04-30-2022	347,364.38	TB
<i>FUND 867 - STOREFRONT LOANS</i>			<i>Beginning Balance</i>	<i>402,185.30</i>	
01/07/22	2022-00002649	GL	Reclass Dec21 NS Bank Loan Pmt Received 1-7-22	663.93	Reclass Dec21 NS Bank Loan Pmt Received 1-7-22 (2021 YE Audit JE made March 2022)
04/05/22	2022-00002650	RA	North Shore Bank	666.20	Women in Construction Loan #90012 Payment
04/20/22	2022-00003117	RA	Alerus Financial	1,037.10	Payment on Loan #70003 Old City Hall
04/30/22	2022-00003371	GL	Investment Earnings for April	250.00	Investment Earnings for April
FUND 867 - STOREFRONT LOANS			Ending Balance: 04-30-2022	404,802.53	TB

REBUILD DULUTH
LAND SALE AGREEMENT
SIMPLY TINY DEVELOPMENT LLC
FIRST AMENDMENT

THIS FIRST AMENDMENT TO LAND SALE AGREEMENT (this "First Amendment") is made as of the last date of signature acknowledgement below by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and a political subdivision under Minnesota Statutes Chapter 469, hereinafter referred to as "DEDA," and Simply Tiny Development LLC, a Minnesota Limited Liability Company, hereinafter referred to as "Buyer".

RECITALS:

- A. On January 28, 2021, DEDA and Buyer entered into a Land Sale Agreement bearing DEDA Contract No. 21 860 104 (the "Agreement") pursuant to which DEDA agreed to convey the Property to Buyer for construction of Housing Units on the Property pursuant to DEDA's "Rebuild Duluth" program under the terms and conditions set forth in the Agreement.
- B. Due to code interpretations and concerns late in the season, as well as escalated construction costs, the parties have agreed to extend the construction completion deadline by one year.

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

1. Notwithstanding the provisions of Paragraph 10 of the Agreement, the parties hereto agree that this First Amendment shall constitute an extension of Buyer's obligation under Minnesota Statutes Section 469.105 Subd. 5 to begin work on the Project to devote it to its intended use as authorized herein.

2. That Section 13, of the Agreement is hereby amended by deleting said section in its entirety and by substituting the following Section 13 therefore:

Within two years from the Closing Date, Buyer shall have devoted the Property to its intended use by commencing construction on the Project in accordance with the approved Plans and Specifications as evidenced by the issuance of a building permit and the filing of an affidavit with the Executive Director, executed by Buyer, to which are attached pictures of commenced construction.

On or before December 31, 2023, Buyer shall have provided the Executive Director evidence of (i) completion of construction of the Housing Unit in accordance with the requirements of the Program and the Plans and Specifications; and (ii) evidence of the issuance of the Certificate of Occupancy for the Project. If Buyer fails to meet either the two-year deadline or the December 31, 2023 deadline as stated above, DEDA may cancel the sale and title to the Property shall revert to DEDA. DEDA hereby consents to the transfer of title to the Property to a third party within one year of the Closing if Buyer has completed construction of the Housing Unit in accordance with the requirements of the Program and the Plans and Specifications, and a Certificate of Occupancy has been issued as set forth above.

3. Upon execution hereof, Buyer agrees to cause this First Amendment to be recorded in the office of the St. Louis County Recorder and to pay all costs, including but not limited to recording fees and state deed tax, associated therewith.

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

5. This First Amendment may be executed, acknowledged and delivered in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

[The remainder of this page intentionally left blank.]

**DEVELOPMENT AGREEMENT SUPPLEMENT
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
NEW BURNHAM, LLC
HISTORIC ST. LOUIS COUNTY JAIL PROJECT**

THIS DEVELOPMENT AGREEMENT SUPPLEMENT ("Agreement"), effective as of the date of execution thereof by the parties hereto as shown below, by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469, hereinafter referred to as "DEDA", and NEW BURNHAM, LLC , a Minnesota limited liability company, hereinafter referred to as "Developer".

WHEREAS, Developer has acquired the historic St, Louis County Jail property and the buildings located thereon, which is located at 521 West Second Street in downtown Duluth and has entered into an agreement with DEDA for the development of the Project described in the development agreement dated October 1, 2021 and bearing DEDA Contract No. 21 860 114, hereinafter referred to as the "Development Agreement", for the redevelopment of the existing jail building into no less than 31 apartment units, 10% of which will be affordable, all as further hereinafter described; and

WHEREAS, City, through DEDA wishes to provide funding to further ameliorate the shortage of affordable housing to persons of low and moderate income and has agreed to provide additional funding to DEDA for this purpose; and

WHEREAS, DEDA and Developer have agreed, subject to the provision of such additional assistance by City and subject to the terms and conditions of this Agreement, that Developer will provide additional units of affordable housing in the Project, as the Project is defined in the Development Agreement; and

WHEREAS, DEDA and the Developer have agreed that the provision of the additional affordable housing shall be provided under the terms and conditions of the Development Agreement except to the extent that inconsistent with this Agreement.

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 that the Development Agreement is hereby amended and supplemented as follows:

1. Development Agreement

The parties hereto agree that the Development Agreement between DEDA and Developer dated October 1, 2021 and bearing DEDA Contract NO. 21 860 114 is hereby adopted by reference and shall be deemed to be a part of this Agreement except to the extent that any of the terms or conditions of this Agreement are explicitly contrary to the terms or conditions hereof in which case this Agreement shall be deemed to be controlling as to such terms and conditions.

2. Additional Affordable Housing

Upon the issuance of the Certificate of Completion provided for in Paragraph D of Article V of the Development Agreement, Developer agrees that, in addition to the units of affordable housing to be provided by it under the Development Agreement, it will commence holding and will hold during the Term of this Agreement not less than Ten (10) additional units of housing which will be held for rent to persons having an income at or below 70% of the area median income at rental rates determined by the United States Department of Housing and Urban Development to be affordable to such persons. This commitment shall be in addition to the number of units to be held as affordable under the Development Agreement. The reporting requirements of the Development Agreement shall specifically apply to the housing so provided.

3. Additional Assistance

In consideration of the Developer meeting the requirements of Paragraph 2 above for the Term of this Agreement, DEDA agrees that on upon the issuance of the Certificate of Completion provided for in Paragraph D of Article V of the Development Agreement, DEDA will pay to Developer the sum the of Three Hundred Eighty Thousand Dollars (\$380,000.00) payable from Fund 860-860-8640-_____.

4. Term

The term of this Agreement shall run from the Effective Date hereof until a date Ten (10) Years from and after date of the issuance of the Certificate of Completion provided for in Paragraph D of Article V of the Development Agreement unless sooner terminated as provided for herein or in the Development Agreement; provided that any of the terms and conditions of this Agreement or of the Development Agreement which by their nature shall need to extend beyond the Term hereof in order to give them effect shall be deemed to continue through the time necessary to give them full force and effect.

5. Development Agreement Confirmed

That except as hereinbefore provided for, the Development Agreement, together with all of its terms, covenants and conditions is hereby Confirmed in its entirety.

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TERMINATION AGREEMENT
CITY OF DULUTH
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
NEW BURNHAM, LLC
HISTORIC ST. LOUIS COUNTY JAIL PROJECT

THIS TERMINATION AGREEMENT, effective as of the date of execution thereof by the parties hereto as shown below, by and between the CITY OF DULUTH, a municipal corporation created and existing under the laws of the State of Minnesota, hereinafter referred to as "City", the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469, hereinafter referred to as "DEDA", and NEW BURNHAM, LLC , a Minnesota limited liability company, hereinafter referred to as "Developer".

WHEREAS, effective as of January 21, 2022 the parties hereto entered into an agreement bearing City Contract No. 24268 (the "Agreement") for the provision of additional assistance by the City to Developer to provide additional units of affordable housing in the Historic St. Louis County Jail Project; and

WHEREAS, the parties desire to provide such support to the Project in another manner and therefore to terminate the Agreement.

NOW THEREFORE, the parties hereto hereby agree to terminate the Agreement as of the effective date of this Termination Agreement and agree that none of the parties shall have any further rights or obligations to each other or to any other party as of the effective date of this Termination Agreement.

(remainder of this page intentionally left blank)

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

DULUTH ECONOMIC DEVELOPMENT
AUTHORITY

By: _____

Its President

By: _____

Its Secretary

STATE OF MINNESOTA)

) SS

COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by Matt Cartier, the President, respectively, of the Duluth Economic Development Authority of Duluth, an economic development authority created and existing under Minnesota Statutes, on behalf of the Authority.

Notary Public

**DEVELOPMENT AGREEMENT SUPPLEMENT
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
MERGE LLC
URBAN DULUTH PROJECT**

THIS DEVELOPMENT AGREEMENT SUPPLEMENT ("Agreement"), effective as of the date of execution thereof by the parties hereto as shown below, by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469, hereinafter referred to as "DEDA", and MERGE, LLC, D/B/A/MERGUE URBAN DEVELOPMENT GROUP, LLC , an Iowa limited liability company, hereinafter referred to as "Developer".

WHEREAS, Developer has acquired certain property located at West Superior Street and 20th Avenue West in the Lincoln Park neighborhood of Duluth and has entered into an agreement with DEDA for the development of the Project described in the development agreement dated August 9, 2021, and bearing DEDA Contract No. 21 860 121 hereinafter referred to as the "Development Agreement", for the development of a not less than 40 unit apartment building, all of which will be affordable, all as further hereinafter described; and

WHEREAS, City, through DEDA, wishes to provide funding to further ameliorate the shortage of affordable housing to persons of low and moderate income and has agreed to provide additional funding to DEDA for this purpose; and

WHEREAS, DEDA and Developer have agreed, subject to the provision of such additional assistance by City and subject to the terms and conditions of this Agreement, that Developer will provide additional units of affordable housing in the Project, as the Project is defined in the Development Agreement; and

WHEREAS, DEDA and the Developer have agreed that the provision of the additional affordable housing shall be provided under the terms and conditions of the Development Agreement except to the extent that inconsistent with this Agreement.

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 that the Development Agreement is hereby amended and supplemented as follows:

1. Development Agreement

The parties hereto agree that the Development Agreement between DEDA and Developer dated August 9, 2021 and bearing DEDA Contract NO. 21 860 121 is hereby adopted by reference and shall be deemed to be a part of this Agreement except to the extent that any of the terms or conditions of this Agreement are explicitly contrary to the terms or conditions hereof in which case this Agreement shall be deemed to be controlling as to such terms and conditions.

2. Additional Affordable Housing

Upon the issuance of the Certificate of Completion provided for in Paragraph D of Article V of the Development Agreement, Developer agrees that it will commence holding and will hold during the Term of this Agreement all of units of housing which will be held for rent to persons having an income at or below 70% of the area median income at rental rates determined by the United States Department of Housing and Urban Development to be affordable to such persons. The reporting requirements of the Development Agreement shall specifically apply to the housing so provided.

3. Additional Assistance

In consideration of the Developer meeting the requirements of Paragraph 2 above for the Term of this Agreement, DEDA agrees that on upon the issuance of the Certificate of Completion provided for in Paragraph D of Article V of the Development Agreement, DEDA will pay to Developer the sum the of Seven Hundred Eighty-four Thousand, Two Hundred Forty Dollars (\$784,240.00), payable from Fund 860-860-8640-_____.

4. Term

The term of this Agreement shall run from the Effective Date hereof until a date Ten (10) Years from and after date of the issuance of the Certificate of Completion provided for in Paragraph D of Article V of the Development Agreement unless sooner terminated as provided for herein or in the Development Agreement; provided that any of the terms and conditions of this Agreement or of the Development Agreement which by their nature shall need to extend beyond the Term hereof in order to give them effect shall be deemed to continue through the time necessary to give them full force and effect.

5. Development Agreement Confirmed

That except as hereinbefore provided for, the Development Agreement, together with all of its terms, covenants and conditions is hereby Confirmed in its entirety.

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STATE OF MINNESOTA
GRANT CONTRACT AGREEMENT

SC #: 210955

DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT
BUSINESS AND COMMUNITY DEVELOPMENT DIVISION

Redevelopment Grant Contract Agreement

**Grant No: RDGP-22-0001-o-FY22
Historic Duluth Armory Project**

This grant contract agreement is between the State of Minnesota, acting through the Department of Employment and Economic Development, Business and Community Development Division (State), and the Duluth Economic Development Authority (Grantee).

Recitals

1. Under Minn. Stat. § 116J.571 the State is empowered to enter into this grant.
2. The State is in need of programs to do the following: create new jobs, increase the tax base and provide other public benefits by redeveloping underused or unproductive sites.
3. The Grantee represents that it is duly qualified and agrees to perform all services described in this grant contract agreement to the satisfaction of the State.

Grant Contract Agreement

1 Term of Grant Contract Agreement

- 1.1 **Effective date:** April 1, 2022, or the date the State obtains all required signatures under Minn. Stat. § 16B.98, Subd. 5, whichever is later. Per Minn. Stat. § 16B.98, Subd. 7, no payments will be made to the Grantee until this grant contract agreement is fully executed. **The Grantee must not begin work under this grant contract agreement until this contract is fully executed and the Grantee has been notified by the State's Authorized Representative to begin the work.**
- 1.2 **Expiration date:** June 30, 2025, or until all obligations have been satisfactorily fulfilled, whichever occurs first.
- 1.3 **Survival of Terms.** The following clauses survive the expiration or cancellation of this grant contract agreement: 8. Liability; 9. Accounting; 10. Government Data Practices; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; 15. Grant Repayment; 16. Data Disclosure; 17. Reporting; 18. Conflict of Interest; and 19. Minnesota Business Subsidy Law.

2 Grantee's Duties

- 2.1 **Duties, Deliverables, and Completion Dates.** The Grantee, who is not a state employee, will perform the following duties and provide the deliverables as outlined below.
 - (a) Administer these grant funds in accordance with Minn. Stat. §§ 116J.551 – 559 and the application submitted on February 1, 2022 for funding for the Historic Duluth Armory Project, which is incorporated into this grant contract agreement and the provisions of this grant contract agreement. Any modification made to the approved application must be approved by the State.

- (b) Promptly notify the State of any proposed material change in the scope of the project as submitted in the grant application, budget as defined in Section 4.1(a) below, or entire project's completion date, which must be approved by the State, prior to implementation.
- (c) Provide evidence to the State prior to the closeout of the grant that the Redevelopment activities have been completed.
- (d) It is expected that the site will be redeveloped as proposed in the grant application and upon which funding was based. Any material change in the development plans for the site must be presented to the State and approved.
- (e) Adhere to all other requirements of this grant contract agreement.

2.2 **Provisions for Contracts and Sub-grants.**

- (a) **Contract Provisions.** The Grantee must include in any contract and sub-grant, in addition to provisions that define a sound and complete agreement, such provisions that require contractors and sub-grantees to comply with applicable state and federal laws. Along with such provisions, the Grantee must require that contractors performing work covered by this grant be in compliance with all applicable OSHA regulations.
- (b) **Ineligible Use of Grant Funds.** The dollars awarded under this grant contract agreement are grant funds and shall only be used by Grantee or awarded by Grantee to third parties as grant funds and cannot take the form of a loan under any circumstance. Grantee shall not use, treat, or convert the grant funds into an interest bearing loan, a non-interest bearing loan, a deferred loan, a forgivable deferred loan or any other type of loan. Further, Grantee shall include in any contract or sub-grant awarding the grant funds to a third party all the provisions and requirements of this grant contract agreement, including the requirement that these dollars are grant funds only and cannot be used, treated or converted into any type of loan.
- (c) **Job Listing Agreements.** Minn. Stat. § 116L.66, subd.1, requires a business or private enterprise to list any vacant or new positions with the state workforce center if it receives \$200,000 or more a year in grants from the State. If applicable, the business or private enterprise shall list any job vacancy in its personnel complement with MinnesotaWorks.net at www.minnesotaworks.net as soon as it occurs.
- (d) **Payment of Contractors and Subcontractors.** The Grantee must ensure that all contractors and subcontractors performing work covered by this grant are paid for their work that is satisfactorily completed.

3 Time

The Grantee must comply with all the time requirements described in this grant contract agreement. In the performance of this grant, time is of the essence.

4 Consideration and Payment

4.1 **Consideration.** State will pay the Grantee under this grant contract agreement as follows:

(a) **Redevelopment Costs.** The following table represents the total Redevelopment Costs.

Activities	Amount
Abatement (Armory Building)	\$1,263,290.00
Abatement and Demolition (Annex Building)	\$82,546.00
TOTAL	\$1,345,836.00

(b) **Total Obligation.** The total obligation of the State for all compensation and reimbursements to the Grantee under this grant contract agreement will not exceed \$672,918.00. In accordance with Minn. Stat. § 116J.575, subd. 1, the grant may pay for up to 50 percent of the eligible costs for a qualifying site. This requires a local match of at least 50 percent. For the purpose of this project, based on the budget above, the local match portion is at least \$672,918.00, which may come from any other money available to the municipality.

4.2. **Payment**

(a) **Invoices.** The State will disburse funds to the Grantee pursuant to this Contract, based upon payment requests submitted by the Grantee and reviewed and approved by the State. Payment requests must be accompanied by supporting invoices that relate to the activities in the approved budget. The amount of grant funds requested by the Grantee cannot exceed fifty percent (50%) of the total approved Redevelopment costs incurred by the Grantee as supported by invoices. The State will provide payment request forms. Every effort should be made to submit invoices within the same fiscal year the costs were incurred. In order to ensure that all funds are drawn prior to the expiration date of the grant, all payment requests must be received at least 30 days prior to the grant-term expiration date.

(b) **Eligible Costs.** Eligible costs include the costs identified in the Section 4.1(a) of this Contract. The Grantee may not use these funds to provide loans to other entities or for administrative costs associated with managing the project this grant is funding.

(c) **Travel Expenses.** Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Grantee as a result of this grant contract agreement are considered administrative in nature and not permitted. This does not include costs for contractors to complete the activities listed in Section 4.1(a), which may be considered eligible at the discretion of the State.

(d) **Program Income.** Program income generated from grant-funded activities on hand at the end of the grant period must be returned to the State unless the State has approved a re-use of the income.

4.3 **Contracting and Bidding Requirements.** Grantees that are municipalities must comply with Minn. Stat. § 471.345 if they are contracting funds from this grant contract agreement for any supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property. The Grantee must not contract with vendors who are suspended or debarred in Minnesota: <http://www.mmd.admin.state.mn.us/debarredreport.asp>

5 **Conditions of Payment**

All services provided by the Grantee under this grant contract agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

6 **Authorized Representative**

The State's Authorized Representative is Erin Welle, DEED, First National Bank Building, 332 Minnesota Street, St. Paul, MN 55101, 651-259-7453, erin.welle@state.mn.us, or his/her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant contract agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Grantee's Authorized Representative is Emily Nygren, Duluth Economic Development Authority, 411 West First Street, Room 418, Duluth, MN 55802, 218-730-5323, enygren@duluthmn.gov. If the Grantee's Authorized Representative changes at any time during this grant contract agreement, the Grantee must immediately notify the State.

7 **Assignment, Amendments, Waiver, and Grant Contract Agreement Complete**

7.1 **Assignment.** The Grantee shall neither assign nor transfer any rights or obligations under this grant contract agreement without the prior written consent of the State, approved by the same parties who executed and approved this grant contract agreement, or their successors in office.

7.2 **Amendments and Adjustments.**

(a) **Amendments.** Any amendments to this grant contract agreement, with the exception of Grant Adjustment Notices (GANs), must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant contract agreement, or their successors in office.

(b) **Grant Adjustment Notices (GANs).** GANs must be approved by the State in writing, and require a written change request by the Grantee. A GAN may be used for the purposes of transferring budget amounts between line items that do not change the awarded value, or other grant status activity. All other changes require a formal amendment as stated in paragraph 7.2(a).

7.3 **Waiver.** If the State fails to enforce any provision of this grant contract agreement, that failure does not waive the provision or the State's right to enforce it.

7.4 **Grant Contract Complete.** This grant contract agreement contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant contract agreement, whether written or oral, may be used to bind either party.

8 **Liability**

Subject to the provisions and limitations of Minn. Stat. § 466, the Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant contract agreement by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant contract agreement.

9 **Accounting**

Under Minn. Stat. § 16B.98, subd. 8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant contract agreement or transaction are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant contract agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

The Grantee shall maintain adequate financial records consistent with generally accepted accounting principles. The Grantee shall submit accounting system records that track the use of grant proceeds and all matching funds by eligible Redevelopment Costs for each year in which grant disbursement and expenditures were made. The records shall reflect both expenditures and revenues and shall be submitted after all grant proceeds and matching funds have been expended or at the State's request.

10 Government Data Practices and Intellectual Property

10.1 Government Data Practices The Grantee and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant contract agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant contract agreement. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data referred to in this clause by either the Grantee or the State.

If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

10.2 Intellectual Property Representations. The Grantee represents and warrants that Grantee's intellectual property used in the performance of this Contract does not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 8, the Grantee will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the State, at the Grantee's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of Grantee's intellectual property used in the performance of this Contract infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Grantee's or the State's opinion is likely to arise, the Grantee must, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing intellectual property as necessary and appropriate to obviate the infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.

11 Workers' Compensation

The Grantee certifies that it is in compliance with Minn. Stat. § 176.181, subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

12 Publicity and Endorsement

12.1 Publicity. Any publicity regarding the subject matter of this grant contract agreement must identify the State as the sponsoring agency. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant contract agreement. For DEED logos and formatting, please contact Laura Winge at 651-259-7173 or laura.winge@state.mn.us.

12.2 Endorsement. The Grantee must not claim that the State endorses its products or services.

13 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this grant contract agreement. Venue for all legal proceedings out of this grant contract agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14 Termination

14.1 **Termination by the State.** The State may immediately terminate this grant contract agreement with or without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

14.2 **Termination for Cause.** The State may immediately terminate this grant contract agreement if the State finds that there has been a failure to comply with the provisions of this grant contract agreement, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. To validate that reasonable progress has been made, a Payment Request, as outlined in Section 4.2 must be submitted to the State before June 30, 2023, or the State's obligation to fund the Grant may be terminated. Invoices must be for eligible costs incurred after the grant contract agreement is fully executed. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

14.3 **Termination for Insufficient Funding.** The State may immediately terminate this grant contract agreement if:

(a) It does not obtain funding from the Minnesota Legislature; or,

(b) If funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

15 Grant Repayment

If a project fails to substantially provide the public benefits listed in the grant application within five years from the date of the grant award, the commissioner may require that 100 percent of the grant amount be repaid by the development authority over a term not to exceed ten years. The commissioner may exercise discretion to require repayment of only a portion of the grant amount taking into account the public benefits generated by the completed development.

16 Data Disclosure

Under Minn. Stat. § 270C.65, subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

Other Provisions

17 Reporting

Grantee must submit to the State annual reports on the use of funds and the progress of the Project covering July 1st through June 30th of each year. The reports must be received by the State no later than July 25th of each year. The reports must identify specific Project goals listed in the application and quantitatively and qualitatively measure the progress of such goals. Grant payments shall not be made on grants, or subsequent grant awards made to the grantee, with past due progress reports. In addition, the Grantee shall submit a final report. The State will provide reporting forms.

18 Conflict of Interest

The State will take steps to prevent individual and organizational conflicts of interest in reference to Grantees per Minn. Stat. § 16B.98 and Department of Administration, Office of Grants Management, Policy Number 08-01 Conflict of Interest Policy for State Grant-Making. When a conflict of interest concerning State grant-making is suspected, disclosed, or discovered, transparency shall be the guiding principle in addressing it.

In cases where a potential or actual individual or organizational conflict of interest is suspected, disclosed, or discovered by the Grantee throughout the life of the grant contract agreement, they must immediately notify the State for appropriate action steps to be taken, as defined above.

19 Minnesota Business Subsidy Law

The Grantee must comply, if appropriate, with the Minnesota Business Subsidy Law, Minn. Stat. §§ 116J.993 – 116J.995.

(The rest of this page is left intentionally blank)

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. 16A.15.

Signed: **Ka Vue** Digitally signed by Ka Vue
Date: 2022.04.20 11:18:46
-05'00'

Date: 4/20/22

SWIFT Contract/PO No(s). 210955 PR 68559 PO 3000467673

2. GRANTEE

The Grantee certifies that the appropriate person(s) have executed the grant contract agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: DEDA President

Date: _____

By: _____

Title: DEDA Secretary

Date: _____

Grantee: Duluth Economic Development Authority
Grant Name: Historic Duluth Armory
Grant Number: RDGP-22-0001-o-FY22

3. STATE AGENCY

By: _____
(with delegated authority)

Title: Deputy Commissioner

Date: _____

Distribution:
Agency
Grantee
State's Authorized Representative - Photo Copy

EXHIBIT A

**DEVELOPMENT AGREEMENT
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
THE LAKEVIEW PROPERTIES LLC
VOYAGEUR LAKEWALK INN REDEVELOPMENT
FIFTH AMENDMENT**

THIS FIFTH AMENDMENT entered into this _____ day of _____, 2022, 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 422 City Hall, 411 West First Street, Duluth, MN 55802 (hereinafter referred to as "DEDA") and THE LAKEVIEW PROPERTIES, 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 bearing DEDA Contract No. 19 860 927, which contract was amended by a First Amendment, dated September 25, 2019, a Second Amendment dated December 18, 2019, a Third Amendment dated July 14, 2020 and a Fourth Amendment dated July 14, 2020, which Development Agreement and amendments are hereinafter collectively referred to as the "Agreement; and

WHEREAS, on December 18, 2019, the parties entered into a Second Amendment to the Development Agreement extending by four months the time within which Developer must commence construction; and

WHEREAS, the developer pursuant to the original Development Agreement has assigned its interest in the Agreement, the Property and the Project to Developer, which assignment was approved by DEDA pursuant to the above-referenced Fourth Amendment; and

WHEREAS, the parties desire to enter into a Fifth Amendment to the Agreement increasing the amount of the TIF subsidy provided by DEDA to the Project.

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. That subparagraph A of the fifth "WHEREAS" clause of the Agreement is hereby amended by deleting therefrom the amount of "\$6.2 Million" and by substituting therefor the amount of "\$7.5 Million".

2. That Paragraph A of Article VI of the Agreement is hereby amended to read as follows:
 - A. Plans, Specifications and Elevations. No less than thirty (30) days prior to the commencement of construction of the Project, or such lesser time as approved by the Executive Director, Developer shall submit working drawings, specifications and elevations for the Project together with detailed site grading, utility and landscaping plans and elevations to the Executive Director for approval. All such plans, specifications and elevations shall be in material conformance with this Agreement, with the schematic design which shall consist of drawings and other documents illustrating scale and relationship of various Project components, and with all applicable laws, ordinances, rules, regulations and requirements of DEDA, the City, the State of Minnesota and the United States of America. Said plans and specification shall provide for the Project be connected to the City's District Energy System and for said District's hot water system to serve as the normal source of heating energy to the Project. The Executive Director shall review such plans, specifications and elevations within fifteen (15) days of submission of same by Developer. The Executive Director's approval shall be provided to the Developer in writing. If the Executive Director rejects such plans, specifications and elevations in whole or in part as not being in compliance with the foregoing requirements, and upon notification to Developer of said rejection together with the reason or reasons therefor, Developer shall submit new or corrected plans, specifications and elevations meeting said objections within fifteen (15) days of said notice. The provisions of this Paragraph relating to approval, rejection and resubmission of corrected plans hereinafter provided for with respect to the originally submitted plans, specifications and elevations shall continue to apply until said plans, specifications and elevations have been approved in writing by the Executive Director. The Executive Director's approval of Developer's plans, specifications and elevations shall not constitute a waiver of building code or zoning ordinance or other applicable codes or ordinances imposed in the future upon Developer by law. Developer expressly agrees to be solely responsible for all costs, including architectural fees, connected with said plans, specifications and elevations and any revisions thereto.
3. That Paragraph D. of Article VII of the Agreement is hereby amended by deleting therefrom the amount of "\$6.2 Million" and by substituting therefor the amount of "\$7.5 Million".
4. That Paragraph A. of Article IX of the Agreement is hereby amended by deleting therefrom the

amount of "\$6.2 Million" and by substituting therefor the amount of "\$7.5 Million".

5. That Paragraph B. of Article XI of the Agreement is hereby amended by deleting therefrom the amount of "\$6.2 Million" and by substituting therefor the amount of "\$7.5 Million".
6. Except as provided in this Fourth Amendment, all terms and conditions of the Agreement shall remain in force and effect.

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

DULUTH ECONOMIC DEVELOPMENT
AUTHORITY

By: _____
Matt Cartier
Its President

By: _____
Ellie Just
Its Secretary

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

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by Matt Cartier, the President of the Duluth Economic Development Authority of Duluth, an economic development authority created and existing under Minnesota Statutes, on behalf of the Authority.

Notary Public

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

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by Ellie Just, the Secretary of the Duluth Economic Development Authority of Duluth, an economic development authority created and existing under Minnesota Statutes, on behalf of the Authority.

Notary Public

LAND SALE AGREEMENT

THIS LAND SALE AGREEMENT (“**Agreement**”) entered into as of the Effective Date (defined below) by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority under Minnesota Statutes Chapter 469, (“**DEDA**”), and SAIA MOTOR FREIGHT LINE, LLC, a Louisiana limited liability company (“**Developer**”).

WHEREAS, DEDA is the owner of fee simple title to that certain property situated in the City of Duluth (“**City**”), County of St. Louis, State of Minnesota (“**State**”), consisting of: (a) the approximately 3.40 acres of land described as **Lot 2 , Block 3 , Atlas Industrial Park, a subdivision in the City of Duluth, County of St. Louis, State of Minnesota, according to the recorded plat thereof** (the “**Land**”), together with any and all rights, benefits, privileges, easements, hereditaments and appurtenances thereunto belonging or appertaining thereto, and all after acquired interests of every kind and nature therein, (b) any water or mineral rights owned by, or leased to, DEDA, and all recapture rights and entitlements benefiting the Land under any planned development ordinance or other laws or otherwise; and (c) and any and all improvements located thereon, if any, and fixtures thereon (collectively, the “**Property**”); and

WHEREAS, Developer desires to acquire the Property at the Atlas Industrial Park for purpose of constructing on the Property a building consisting of a motor freight trucking terminal with not less than ten (10) dock doors (the “**Project**”) and it is anticipated that Developer will create jobs in Minnesota through the hiring of ten (10) FTEs for at least two (2) years following development of the Property by Developer and commencement of operations thereon; and

WHEREAS, DEDA is desirous of assisting and cooperating with Developer in fostering its project and finds that the conveyance of the Property to Developer is in the best interests of the City and its people and that the transaction furthers DEDA's general plan for development in the area.

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

1. Developer Application Fee.

Pursuant to DEDA’s fee schedule, Developer has paid a non-refundable application fee of \$1,000.00, the receipt of which is hereby acknowledged by DEDA.

2. Sale of the Property.

DEDA agrees to sell and convey to Developer, and Developer agrees to purchase from DEDA, on the terms and conditions herein set forth, the Property for the amount of Seventeen Thousand Six Hundred Eighty Dollars (\$17,680.00) payable at closing into DEDA Fund 860-860-8640-4640.

3. Earnest Money Earnest Money.

In addition to the Application Fee provided for in Paragraph 1 above, within five (5) business days after the Effective Date, Developer agrees to pay to DEDA an earnest money deposit (the "**Earnest Money**") in the amount of Five Hundred Dollars (\$500.00). The Earnest Money shall be applicable to the sale price of the Property as set forth in Paragraph 2 above if Developer closes on its purchaser of the Property on or before the Closing Date as set forth hereinbelow. If the Developer chooses to terminate this Agreement in accordance with the provisions of this Agreement, DEDA shall repay the Earnest Money to the Developer within five (5) business days following such termination.

4. Inspections.

1. At all times prior to Closing, including times following the Inspection Period (which "**Inspection Period**" is defined to be the period from and after the Effective Date through and including the date that is ninety (90) days after the Effective Date), Developer, its agents, employees and representatives will be entitled to (i) enter upon the Property in order to perform inspections and tests of the Property, including, without limitation, (A) inspecting the physical condition of the Property, including the condition of the soil in terms of topography, compaction, composition and potability; (B) investigating all relevant wetlands, flood plain and other issues related to site conditions of the Property; and (C) conducting environmental and feasibility audits, tests and studies, including a Phase I and Phase II environmental study as Developer deems necessary; (ii) review status, condition, capacity and utilization requirements of all utility connections and facilities; (iii) review and verify all accounting records relating to the Property since inception of DEDA's ownership and review any other information and documents pertaining to DEDA's ownership of the Property; and (iv) determine the legal and economic feasibility of obtaining all of the various governmental approvals, development incentives and related financing, permits and entitlements (collectively, "**Entitlements**") that are or will be necessary in order to obtain a final building permit for the commencement of development of the Property with one or more industrial/warehouse/distribution facilities (collectively, the "**Improvements**"). DEDA agrees to promptly cooperate and respond to all commercially reasonable requests and inquiries by Developer and its agents, employees and representatives with respect to such inspections, including, but not limited to completion of an ASTM E1527-13 User Questionnaire or similar document for use by Developer's environmental assessment consultant. Developer agrees that, if at the end of the Inspection Period, it determines not to purchase the Property and to terminate this Agreement, it will restore the Property to the condition it was in as of the effective date of this Agreement. If, on or prior to the expiration of the Inspection Period, Developer, in its sole discretion, determines that the results of any inspection, test or examination is inconclusive or the Property does not otherwise meet Developer's criteria for the purchase and

development of the Property in the manner contemplated by Developer, Developer may, in its sole discretion, terminate this Agreement by delivery of a written notice to DEDA, with a copy to the Title Company, given on or before the last day of the Inspection Period, whereupon the Earnest Money will be returned immediately to Developer and neither party will have any further liability to the other hereunder, except as hereinafter specifically provided in this Agreement.

5. Title Commitment; Survey.

Developer, may obtain, at Developer's expense, a commitment for title insurance ("**Title Commitment**") issued by First American Title Insurance Company (the "**Title Company**"), with an address of Attention: Wayne Bennett, 1201 Walnut, Suite 700, Kansas City, MO 64106, wbennett@firstam.com for the Title Policy (defined below). Developer may order, at Developer's expense, a currently dated survey of the Property (the "**Survey**"). Developer may object to matters disclosed by the Title Commitment and/or the Survey (such objected to matters, the "**Defects**") by specifying Developer's objections in writing to DEDA within prior to expiration of the Inspection Period (each such notice, a "**Defects Notice**"). At DEDA's election, DEDA may elect to cure any Defects, or DEDA may elect to decline to cure any Defects by delivering written notice to Developer within ten (10) days of receipt of Defects Notice (each such notice, a "**Cure Notice**"). If DEDA elects to cure the Defects, DEDA shall have until the Closing Date to cure the title defects after which the parties shall proceed to Closing subject to the terms and conditions of this Agreement. If DEDA delivers the Cure Notice identifying Defects which it has elected not to cure, or if DEDA fails to cause all Defects to be cured or insured over by the Title Company at or prior to Closing, then Developer may elect either of the following: (i) to terminate this Agreement by written notice to the DEDA not later than the Closing Date, in which event all Earnest Money will be immediately be returned to Developer and neither party will have any further rights or obligations hereunder except as otherwise specifically provided in this Agreement; or (ii) to proceed to close subject to such uncured Defects. If Developer terminates this Agreement pursuant to this Section, the Earnest Money shall be refunded to Developer and the parties shall have no further obligations to one another pursuant to this Agreement except as may survive termination of this Agreement according to its express terms. If Developer fails to terminate this Agreement pursuant to this Section, the parties shall proceed to the Closing as contemplated by this Agreement, subject to the other terms and conditions in this Agreement.

6. Closing; Closing Conditions.

(a) The closing on the conveyance of the Property from DEDA to Developer pursuant to this Agreement (the "**Closing**") shall occur at the office of the Title Company (which may be via delivery thereto of funds and documents) on a date mutually acceptable to both parties (the "**Closing Date**") within thirty (30) days after the expiration of the Inspection Period. DEDA shall deliver exclusive possession of the Property on the Closing Date. If (a) this Agreement is not terminated by Developer pursuant to the terms of this Agreement, (b) Developer fails to close on the Property on or before the Closing Date, and (c) DEDA is not in default under this Agreement, then (i) DEDA shall be entitled

to retain the Earnest Money as its sole remedy and as liquidated damages, it being further understood that DEDA's actual damages in the event of such default are difficult to ascertain and that such proceeds represent the parties' best current estimate of such damage; (ii) this Agreement shall automatically terminate; (iii) upon request of either party, both parties shall promptly sign a cancellation of this Agreement evidencing the cancellation of this Agreement; and (iv) except as expressly set forth in this Agreement, the parties shall have no further obligation to one another pursuant to this Agreement. Notwithstanding the above, the Closing Date may be extended if DEDA's Executive Director (the "**Executive Director**") and Developer mutually agree to do so in writing prior to the Closing Date.

(b) In addition to the other conditions precedent enumerated in this Agreement, the following will be additional "Conditions Precedent" to Developer's obligations to close hereunder:

i. Availability of Entitlements/Permits. As of the Closing Date, any Entitlements that were available as of the expiration of the Inspection Period will be and remain available, in full force and effect, and in good standing. Further, as of the Closing Date, any additional consents, approvals and permits necessary to commence (i) the development (including, without limitation, grading and foundation development) of the Property, and (ii) the construction and installation of the Improvements on the Property will be in full force and effect.

ii. DEDA's Compliance. DEDA will have complied with all of the terms and conditions set forth in this Agreement.

iii. Pending Actions. As of Closing, there will be no governmental requirement or governmental proceeding of any kind, pending or threatened, that, after Closing, would adversely affect the development or completion of the Property.

iv. Title Policy. At Closing, the Title Company will issue an ALTA current form commercial owner's policy of title insurance (or a "marked-up" Title Commitment) ("**Title Policy**"), dated as of the Closing Date, insuring Developer's interest as the fee owner of the Property and in the amount of the Purchase Price, and otherwise in accordance with the requirements of **Section 5** hereof, with all exceptions other than Permitted Exceptions (as defined below) deleted, which title policy will provide full "extended form" coverage. At Developer's option and expense, the Title Policy will include the following endorsements: (i) a zoning endorsement; (ii) an owner's comprehensive endorsement; (iii) a tax parcel endorsement; (iv) a survey endorsement; (v) an access endorsement; (vi) a contiguity endorsement (to the extent applicable); and (vii) an endorsement to increase coverage to an amount satisfactory to Developer as Developer constructs improvements on the Property. For purposes of this Agreement, the term "**Permitted Exceptions**", will mean both (i) all restrictions, covenants, conditions, matters or exceptions to title (other than Mandatory Cure Items) that are set forth in the Title Evidence (excluding therefrom any liens, claims, encumbrances impairing the marketability of title to the Property), but not objected to by Developer in a Defects Notice; and (ii) any other Defects to which Developer objects by delivery of a Defects

Notice, but DEDA fails to so cure, or if DEDA fails to cause all such other Defects to be insured over by the Title Company (collectively, “**Other Defects**”), and Developer nevertheless elects to close, accepting title to the Property subject to such Other Defects.

v. Representations and Warranties. All representations and warranties made by DEDA in this Agreement will be substantially true, accurate and complete and with respect to all of the Property at the time of the Closing.

vi. Condition of the Property. The Property will be in substantially the same condition as exists on the Effective Date.

In the event that any of the Conditions Precedent or other conditions precedent set forth herein are not satisfied prior to the Closing, Developer, in its sole discretion, may terminate this Agreement by written notice to DEDA, in which event the Earnest Money and all earnings thereon will be promptly returned to Developer and neither party will have any further liability to the other except as specifically set forth in this Agreement.

7. Closing Documents.

At Closing, DEDA shall deliver to the Title Company in escrow for the benefit of Developer, the following original documents:

(a) a special warranty deed (“**Deed**”) to Developer conveying marketable fee simple title in the Property to Developer in recordable form and otherwise in form reasonably acceptable to DEDA, the Title Company (for purposes of issuing the Title Policy) and Developer and agreed to prior to expiration of the Inspection Period, conveying the Property to Developer or its assignee, free and clear of all liens, claims and encumbrances except for matters of public record which are Permitted Exceptions and shall include the Deed Covenant (defined below);

(b) A Minnesota Certificate of Real Estate Value form duly completed and executed by DEDA (unless the Deed is exempt from the requirements therefor).

(c) A Minnesota Well Disclosure Certificate duly completed and executed by DEDA (unless the Deed is exempt from the requirements therefor).

(d) If applicable, an Owner’s Affidavit or comparable “no lien” statement, in form and substance acceptable to the Title Company as may be required to enable the Title Company to issue ALTA extended coverage for the Title Policy, executed by DEDA (it being understood that DEDA will provide any certificates or undertakings required in order to induce the Title Company to insure over any “gap” period resulting from any delay in the recording of documents or the later-dating of the title insurance file).

(e) A joint Closing statement between DEDA and

Developer, conforming to the proration and other relevant provisions of this Agreement.

(f) An “Entity Transferor” certification (as required under Section 1445 of the Internal Revenue Code), confirming DEDA’s representation that it is a “United States Person” in form reasonably acceptable to DEDA and Developer and agreed to prior to expiration of the Inspection Period.

(g) Such other documents and instruments as the Title Company reasonably requires to evidence the due organization and valid existence of DEDA and its authority to enter into and perform its obligations under this Agreement.

8. Deed Covenant

The Deed shall contain, as a covenant running with the Land, the following covenant pursuant to Minnesota Statutes, Sections 469.090 to 469.108 relating to the use of the Property, including 469.091 and 469.105:

[§Subd. 5. Contracts. The economic development authority may make contracts for the purpose of economic development within the powers given it in sections 469.090 to 469.108. The authority may contract or arrange with the federal government, or any of its departments, with persons, public corporations, the state, or any of its political subdivisions, commissions, or agencies, for separate or joint action, on any matter related to using the authority’s powers or performing its duties. The authority may contract to purchase and sell real and personal property. An obligation or expense must not be incurred unless existing appropriations together with the reasonably expected revenue of the authority from other sources are sufficient to discharge the obligation or pay the expense when due. The state and its municipal subdivisions are not liable on the obligations.

469.105 SALE OF PROPERTY.

§Subd. 1. Power. An economic development authority may sell and convey property owned by it within the city or an economic development district if it determines that the sale and conveyance are in the best interests of the city or district and its people, and that the transaction furthers its general plan of economic development. This section is not limited by other law on powers of economic development authorities.

Subd. 2. Notice; hearing. An authority shall hold a hearing on the sale. At the hearing a taxpayer may testify for or against the sale. At least ten, but not more than 20, days before the hearing the authority shall publish notice of the hearing on the proposed sale in a newspaper. The newspaper must be published and have general circulation in the authority’s county and city. The notice must describe the property to be sold and state the time and place of the hearing. The notice must also state that the public may see the terms and conditions of the sale at the authority’s office and that at the hearing the authority will meet to decide if the sale is advisable.

Subd. 3. Decision; appeal. The authority shall make its findings and decision on whether the sale is advisable and enter its decision on its records within 30 days of the hearing. A taxpayer may appeal the decision by filing a notice of appeal with the district court in the city or economic development district's county and serving the notice on the secretary of the authority, within 20 days after the decision is entered. The only ground for appeal is that the action of the authority was arbitrary, capricious, or contrary to law.

Subd. 4. Terms. The terms and conditions of sale of the property must include the use that the bidder will be allowed to make of it. The authority may require the purchaser to file security to assure that the property will be given that use. In deciding the sale terms and conditions the authority may consider the nature of the proposed use and the relation of the use to the improvement of the authority's city and the business and the facilities of the authority in general. The sale must be made on the authority's terms and conditions. The authority may publish an advertisement for bids on the property at the same time and in the same manner as the notice of hearing required in this section. The authority may award the sale to the bid considered by it to be most favorable considering the price and the specified intended use. The authority may also sell the property at private sale at a negotiated price if after its hearing the authority considers that sale to be in the public interest and to further the aims and purposes of sections 469.090 to 469.108.

Subd. 5. One-year deadline. Within one year from the date of purchase, the purchaser shall devote the property to its intended use or begin work on the improvements to the property to devote it to that use. If the purchaser fails to do so, the authority may cancel the sale and title to the property shall return to it. The authority may extend the time to comply with a condition if the purchaser has good cause. The terms of sale may contain other provisions that the authority considers necessary and proper to protect the public interest. A purchaser must not transfer title to the property within one year of purchase without the consent of the authority.

Subd. 6. Covenant running with the land. A sale made under this section must incorporate in the deed as a covenant running with the land the conditions of sections 469.090 to 469.108 relating to the use of the land. If the covenant is violated the authority may declare a breach of the covenant and seek a judicial decree from the district court declaring a forfeiture and a cancellation of the deed.

Subd. 7. Plans; specifications. A conveyance must not be made until the purchaser gives the authority plans and specifications to develop the property sold. The authority must approve the plans and specifications in writing. The authority may require preparation of final plans and specifications before the hearing on the sale.

DEDA will file an appropriate release or satisfaction of such covenants upon completion of construction of the Project described below in accordance with the approved plans and specifications as evidenced by the issuance of a certificate of

occupancy by the City's Construction Services and Inspections Division ("**Certificate of Occupancy**").

9. The Project.

Developer hereby agrees to construct the Project on the Property with a total construction cost of not less than One Million Five Hundred Thousand Dollars (\$1,500,000.00) and its use of the Property shall be for purposes of the Project. Developer further agrees that the Project shall conform to the City of Duluth's Engineering Guidelines and Unified Development Chapter, including but not limited to, storm water policies and requirements, driveway entrance requirements, and parking lot design standards.

10. Plans and Specifications.

Prior to the commencement of any construction work on the Project, Developer shall have presented to DEDA plans and specifications for the Project. Such plans shall be subject to DEDA's approval in the form of approval of the Executive Director in writing, which approval shall not be unreasonably withheld, delayed, or denied. In the event of any proposed change in the plans and specifications after the initial approval by the Executive Director, said proposed change shall be likewise subject to the approval of the Executive Director.

11. Project Deadlines.

A. Completion of Project

On or before the last day of the eighteenth (18th) full calendar month following the Closing Date (the "**Completion Target Date**"), Developer shall have completed construction of the Project as evidenced by Developer's submittal to the Executive Director of a Certificate of Occupancy issued by the City of Duluth's Construction Services and Inspections Division. If Developer fails to complete construction of the Project by the Completion Target Date, provided, that such failure is not the result of any Event Force Majeure (defined below), unreasonable delay, withholding, or denial in the issuance of a Certificate of Occupancy or any other permit or authorization by the City or any other governmental authority (in which case the Completion Target Date shall be extended on a day for day basis upon notice to DEDA by Developer of the fact of such delay), DEDA may declare Developer to be in default under this Agreement, and upon written notice from DEDA, Developer agrees to reconvey to DEDA by deed title to the Property, subject only to the Permitted Exceptions.

B. Completion Covenant

In addition to the foregoing, within one (1) year of the Closing Date, Developer shall have commenced construction of the Project; provided, however, such date shall be extended on a day for day basis upon notice to DEDA by Developer of the fact of such delay due to any Event Force Majeure (defined below), unreasonable delay, withholding, or denial in the issuance of a Certificate of Occupancy or any other permit or authorization

by the City or any other governmental authority. The commencement of construction shall be demonstrated by the issuance of a building permit evidence of the actual physical work on the Property and, upon written request therefore by DEDA, the filing of an affidavit with the Executive Director, executed by Developer, to which are attached pictures of commenced construction.

12. Statutory Disclosures

DEDA staff handling the sale of the Property on behalf of DEDA 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.

13. Recordation.

At Closing, Developer agrees to direct the Title Company to submit for recording this Agreement and the Deed in the office of the St. Louis County Registrar of Titles and to pay all costs associated therewith. Upon recordation, Developer shall, as soon thereafter as is reasonably practicable in the circumstances, submit to DEDA a copy of the recorded Agreement and a copy of the recorded Deed showing the date and document numbers of record. DEDA will file an appropriate release or satisfaction of this Agreement upon completion of construction of the Project described below in accordance with the approved plans and specifications as evidenced by the issuance of a Certificate of Occupancy.

14. Employment Covenant

Developer agrees and commits that, within thirty (30) days of the issuance of the Certificate of Occupancy referenced in Subparagraph A of Paragraph 10 above, Developer shall be employing no less than ten (10) full-time employees and that such employees shall continue to be employed on the Property for not less than two (2) calendar years after the date of the issuance of the Certificate of Occupancy. For the purposes of this Agreement full-time equivalent employment shall mean two thousand eighty (2,080) working hours per employee per year.

15. Environmental Indemnification.

Developer hereby agrees that for itself, its successors and assigns, it will indemnify and save DEDA and its officers, agents, servants and employees harmless from and against all liabilities, losses, damages, costs, expenses, including attorney's fees and expenses, causes of action, suits, claims, demands and judgments arising out of any condition existing on the Property, as a result of Developer's gross negligence or willful misconduct, which constitutes a violation of any federal, state or local environmental laws, rules or regulations with regard to pollutants or hazardous or dangerous substances or arising out of the presence on the Property of any element, compound, pollutant, contaminant or toxic or hazardous substance, material or waste, or any mixture thereof, which otherwise causes injury or death to person(s) or damage to property. Indemnification granted hereby shall include all the costs of clean up; remediation; costs

incurred in proceedings before a court of law or an administrative agency including reasonably attorney's fees, expenses, and the fees; the cost of preparing and securing approval of Response Action Plans as may be necessary to meet the requirements of the aforesaid agencies if DEDA chooses to require indemnification of the same. Provided, however, that the indemnity provided by Developer to DEDA pursuant to this Section is intended to run only to the benefit of DEDA and is not intended to, nor shall it, inure to the benefit of any third party.

16. Assumption of Risk

Developer agrees that it is experienced in and knowledgeable about the development of real estate and has exclusively relied on its own consultants, advisors, counsel, employees, agents, principals and/or studies, investigations and/or inspections with respect to the Property, its condition, value and potential. The conveyance of the Property to Developer shall constitute Developer's acknowledgment that it has independently inspected and investigated the Property. Upon conveyance, Developer shall assume the risk that adverse matters, including but not limited to adverse physical and environmental conditions and the suitability or unsuitability of the Property for Developer's intended use, may not have been revealed by Developer's investigations.

17. No Representations by DEDA

Without limitation, Developer acknowledges that DEDA has made no representations or warranties (whether express or implied, oral or written) regarding the Property or the Project, including but not limited to the value, quality or condition of the Property or the Project; the status of title to the Property; the suitability of the Property or the Project for any activity or use which Developer may conduct; the compliance of the Property or the Project with any laws or regulations; the habitability, merchantability, marketability, profitability, or fitness of the Property or the Project for a particular purpose; and compliance by the Property or the Project with any and all environmental rules, regulations, orders or laws. Developer acknowledges and agrees that DEDA has no obligation to remove any personal property or debris from the Property. Developer acknowledges and agrees that, to the maximum extent permitted by law, Developer is purchasing the Property in its "AS-IS" condition. This Section 17 shall survive the Closing, cancellation or termination of this Agreement for any reason.

18. Taxes and Costs

DEDA represents and warrants to Developer that there are no property taxes due or special assessments assessed against the Property as of the Effective Date of this Agreement.. In the event that any outstanding property taxes or special assessments become assessed against the Property, DEDA shall pay all real estate taxes and installments of special assessments assessed against the Property before and up to the Closing Date, and Developer shall pay all real estate taxes and installments of special assessments assessed against the Property on and after the Closing Date. At Closing Developer shall pay: (a) one-half (1/2) of any Closing costs, (b) the costs of any title

commitment and title insurance policy premiums, and (c) its own attorneys' fees and costs. At Closing DEDA shall pay (a) one-half (1/2) of any Closing costs, (b) recording fees for recordation of the Deed, and (c) any real estate transfer tax or conveyance fees.

19. Default and Remedies.

In the event that Developer fails to perform or to comply with any of the terms, covenants or conditions of this Agreement, and said failure to so perform or comply shall continue for a term of thirty (30) days after notice from DEDA to Developer of such nonperformance or noncompliance, Developer shall be in default of its obligations hereunder and DEDA may, at its option, and in addition to the remedies set forth in Sections 6 or 11, exercise any one or more of the following rights and remedies. The remedies provided for under this Section shall be deemed to be cumulative and nonexclusive and the election of one remedy shall not be deemed to be a waiver of any other remedy with regard to any occasion of default hereunder. Further, the waiver by DEDA of any default on the part of Developer hereunder or the failure of DEDA to declare default on the part of Developer of any of its obligations pursuant to this Agreement shall not be deemed to be a waiver of any subsequent event of default on the part of Developer of the same or any other obligation of Developer hereunder and, to be effective, any waiver of any Developer default hereunder shall be in writing by DEDA.

a. For a default by Developer under Section 11.A of this Agreement, DEDA may seek and be entitled to receive reconveyance of the Property from Developer, free and clear of all liens and encumbrances created by Developer.

b. DEDA may seek and be entitled to injunctive and declaratory relief as is necessary to prevent Developer's violation of the terms and conditions of Section 6 and Section 11.A of this Agreement.

If, prior to or as of the Closing, DEDA will have failed to perform any of the covenants and agreements contained herein to be performed by DEDA within the time for performance as specified herein (including DEDA's obligation to close), Developer may elect either to (i) terminate this Agreement by written notice to DEDA with a copy to the Title Company, in which event the Earnest Money, together with all interest thereon, will be returned immediately to Developer, and neither party will have any further rights or obligations hereunder except as otherwise expressly provided below or elsewhere in this Agreement; or (ii) proceed to close hereunder, in which event Developer may file an action for specific performance of this Agreement to compel DEDA to close pursuant to this Agreement and cure such default without the requirement to post a bond or other security in such specific performance action; provided that in the event Developer terminates this Agreement pursuant to clause (i) above, Developer will be entitled to sue DEDA for all actual damages suffered by Developer on account of DEDA's failure, non-performance or breach hereunder. Except as provided above, the remedies of Developer hereunder are cumulative and not exclusive, and the exercise of any one remedy will not be in limitation or derogation of any other remedy herein enumerated or otherwise available at law or in equity.

20. Notices.

Any notice, demand or request which may be permitted, required or desired to be given in connection therewith will be given in writing and directed to DEDA and Developer as follows:

In the case of DEDA: Duluth Economic Development Authority
411 West First Street Room 160
Duluth, Minnesota, 55802
Attn: Executive Director
Email: cfleege@duluthmn.gov

In the case of Developer: Saia Motor Freight Line, LLC
11465 Johns Creek Parkway, Suite 330
Johns Creek, GA 30097
Attention: Real Estate Department
Email: realestate@saia.com

With a copy to: Bryan Cave Leighton Paisner LLP
1200 Main Street
Suite 3800
Kansas City, Missouri 64105
Attn: Michael Humphrey
Email: mrhumphrey@bclplaw.com

Notices will be either (a) personally delivered (including delivery by Federal Express or other courier service) to the offices set forth above, in which case they will be deemed delivered on the date of delivery to said offices; or (b) sent by certified or registered mail, return receipt requested, in which case they will be deemed delivered on the date that is three (3) business days after the date shown on the receipt, unless delivery is refused or delayed by the addressee, in which event they will be deemed delivered on the date of deposit in the U.S. Mail or (c) by confirmed facsimile or by email, in which case they will be deemed delivered on the date sent if sent by 5:00 p.m. (Chicago time). Notices may be delivered on behalf of the parties by their respective attorneys.

21. Subordination

The Executive Director may, in his sole discretion, decide to subordinate this Agreement to liens of other parties. Said consent of the Executive Director will be deemed valid only when reduced to writing

22. Assignment

The parties acknowledge that DEDA is relying upon the qualifications and identity of Developer to complete the Project. Therefore, Developer represents and agrees for itself, its successors and assigns that it has not made or created, and will not make or create

or suffer to be made or created, any total or partial sale, assignment, conveyance, lease, trust, lien or power of attorney, and has not or will not otherwise transfer in any other way all or any portion of the Property, the Project, this Agreement or any other contract or agreement entered into in connection with carrying out its obligations hereunder; and Developer will not make or create or suffer to be made any such transfer of Developer's rights hereunder (each of the above, an "**Assignment**"). Notwithstanding the above, the Executive Director may, in his sole discretion, consent in writing to an Assignment by the Developer. If any assignment of Developer's obligations under this Agreement is approved by the Executive Director, any such assignee shall explicitly assume the obligations of Developer under this Agreement and Developer remains principally liable for the performance of Developer's obligations under this Agreement.

23. Real Estate Brokers

DEDA and Developer each represent and warrant to the other that this Agreement is made and entered into as a result of direct negotiations between parties without the aid or assistance of any broker or other agent except for Developer's broker, Fischer & Company, and each of the parties hereby represent and warrants to the other that they have entered into no agreement or made any undertaking of any kind whatsoever as a result of which any claim could properly be brought against the other for any commission, finder's fee or other form of compensation of a similar character as a result of this transaction.

24. Construction

Both parties have contributed to the drafting of this Agreement. In the event of a dispute, this Agreement shall be construed without reference to any rule of construction based on the identity of the drafters of this Agreement.

25. Applicable Law.

This Agreement, together with all of its paragraphs, terms and conditions, 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.

26. No Third-Party Claims.

This Agreement is to be construed and understood solely as an Agreement between DEDA and Developer and shall not be deemed to create any rights in any other person. No person shall have the right to make claim that she or he is a third-party beneficiary of this Agreement or of any of its terms and conditions, which, as between DEDA and Developer, may be waived at any time by mutual agreement between DEDA and Developer.

27. Severability.

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

28. Amendments.

Any amendments 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.

29. Entire Agreement.

This Agreement constitutes the entire agreement between parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter.

30. Counterparts

This Agreement may be executed, acknowledged and delivered in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

31. Force Majeure.

Neither party is responsible for any failure to perform its obligations under this Agreement, if it is prevented or delayed in performing those obligations by an Event of Force Majeure. Where there is an Event of Force Majeure, the party prevented from or delayed in performing its obligations under this Agreement must immediately notify the other party giving full particulars of the Event of Force Majeure and the reasons for the Event of Force Majeure preventing that party from, or delaying that party in performing its obligations under this Agreement and that party must use its reasonable efforts to mitigate the effect of the Event of Force Majeure upon its or their performance of this Agreement and to fulfill its or their obligations under this Agreement. Upon completion of the Event of Force Majeure the party affected must as soon as reasonably practicable recommence the performance of its obligations under this Agreement. An Event of Force Majeure does not relieve party from liability for an obligation which arose before the occurrence of that event, nor does that event affect the obligation to pay money in a timely manner which matured prior to the occurrence of that event. An **“Event of Force Majeure”** is an event or circumstance which is beyond the control and without the fault or negligence of the party affected and which by the exercise of reasonable diligence the party affected was unable to prevent provided that event or circumstance is limited to the following: (a) riot, war, invasion, act of foreign enemies, hostilities (whether war be declared or not) acts of terrorism, civil war, rebellion, revolution, insurrection of military or usurped power, requisition or compulsory acquisition by any governmental or competent authority; (b) ionizing radiation or contamination, radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, radioactive toxic explosive or other hazardous properties of any explosive assembly or nuclear component; (c) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds; (d)

STATE OF GEORGIA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by _____, the _____ of Saia Motor Freight Line, LLC, a Louisiana limited liability company, on behalf of the company.

Notary Public

This Instrument Drafted By:
This Instrument Drafted By:
Bryan Cave Leighton Paisner LLP
1200 Main Street
Suite 3800
Kansas City, Missouri 64105
Attn: Michael Humphrey
Email: mrhumphrey@bclplaw.com

May 18, 2022

Jennifer Moses, AICP
Planning and Development
City of Duluth
411 West First Street
Duluth, MN 55802

TIF ANALYSIS FINDINGS FOR THE DULUTH CENTRAL HIGH SCHOOL SITE

LHB was hired to inspect two buildings on the former Central High School campus in Duluth, Minnesota, to determine if they meet the definition of "Substandard" as defined by *Minnesota Statutes, Section 469.174, subdivision 10*. The building parcels may potentially be part of a future Redevelopment TIF District, so will need to be compliant with all the statutes pertaining to a Redevelopment District.

The buildings are located on the former Central High School campus on East Central Entrance (see Diagram 1).



Diagram 1

CONCLUSION

After inspecting and evaluating the buildings on April 22, 2022 and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the buildings qualify as substandard.

The remainder of this letter and attachments describe our process and findings in detail.

MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

INTERIOR INSPECTION

"The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."

EXTERIOR INSPECTION AND OTHER MEANS

"An interior inspection of the property is not required, if the municipality finds that

(1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and

(2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."

DOCUMENTATION

"Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3, clause (1)."

QUALIFICATION REQUIREMENTS

Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1) requires two tests for occupied parcels:

1. Coverage Test

"...parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots..."

The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states:

"For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

The LHB team reviewed the following parcels:

Building A Parcel Number 010-2710-06120 (plus others TBD)

- The parcel is approximately 19.19 acres and is 20 percent covered by buildings, parking lots or other improvements.

Building B Parcel Number 010-2710-06203

- The parcel is approximately 10.50 acres and is 27 percent covered by buildings, parking lots or other improvements.

Findings

The parcels are covered by buildings, parking lots or other improvements, exceeding the 15 percent parcel requirement.

2. Condition of Buildings Test

Minnesota Statutes, Section 469.174, Subdivision 10(a) states:

"...and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"

Structurally substandard is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, which states:

"For purposes of this subdivision, 'structurally substandard' shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)* defined as "structurally substandard", due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

Findings

The two buildings exceed the criteria required to be determined a substandard building (see the attached Building Code, Condition Deficiency and Context Analysis Reports).

Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in *Subdivision 10(c)* which states:

"A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."

"Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."

LHB counts energy code deficiencies toward the 15 percent code threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)* for the following reasons:

- The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
- Chapter 13 of the *2015 Minnesota Building Code* states, "Buildings shall be designed and constructed in accordance with the International Energy Conservation Code." Furthermore, *Minnesota Rules, Chapter 1305.0021 Subpart 9* states, "References to the International Energy Conservation Code in this code mean the Minnesota Energy Code..."

- Chapter 11 of the *2015 Minnesota Residential Code* incorporates *Minnesota Rules, Chapters, 1322 and 1323 Minnesota Energy Code*.
- The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
- In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.

Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. For an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

Findings

The buildings have code deficiencies exceeding the 15 percent building code deficiency criteria required to be determined substandard (see the attached Building Code, Condition Deficiency and Context Analysis Reports).

TEAM CREDENTIALS

MICHAEL A. FISCHER, AIA, LEED AP - PROJECT PRINCIPAL/TIF ANALYST

Michael has 34 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial, and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning master's degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards, and community task forces, including City Council President in Superior, Wisconsin, Chair of the Duluth/Superior Metropolitan Planning Organization, and Chair of the Edina, Minnesota Planning Commission. Most recently, he served as a member of the Edina city council and Secretary of the Edina HRA. Michael has also managed and designed several award-winning architectural projects and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

PHIL FISHER – INSPECTOR

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota, he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

ATTACHMENTS

We have attached a Building Code, Condition Deficiency and Context Analysis Report, Replacement Cost Report, Code Deficiency Report, and thumbnail photo sheets of the building.

Please contact me at (612) 752-6920 if you have any questions.

LHB, INC.

A handwritten signature in blue ink, appearing to read "MA Fischer".

MICHAEL A. FISCHER, AIA, LEED AP

c: LHB Project No. 140705.01

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APPENDIX A

Building Code, Condition Deficiency and Context Analysis Report

Replacement Cost Report

Code Deficiency Report

Photographs

Central High School Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A

Former Duluth Central High School

Address: 800 East Central Entrance, Duluth, Minnesota 55811
Parcel ID: 010-2710-06120 Plus Multiple Others
Inspection Date(s) & Time(s): April 22, 2022, 10:30 am
Inspection Type: Interior and Exterior
Summary of Deficiencies: It is our professional opinion that this building is Substandard because:
- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	\$46,168,976
Estimated Cost to Correct Building Code Deficiencies:	\$16,091,321
Percentage of Replacement Cost for Building Code Deficiencies:	34.9%

DEFECTS IN STRUCTURAL ELEMENTS

1. Steel supporting walkway around cafeteria should be protected from rusting per code.
2. Concrete pilasters supporting exterior cafeteria are cracked and damaged.
3. Steel lintels should be protected from rusting per code.
4. Masonry/concrete at above grade portions are damaged/missing allowing for water intrusion which is contrary to code.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. There are no code compliant accessible restrooms in the building.
 - b. Showers are not code compliant for accessibility,
 - c. Water fountains in the building are not code compliant for accessibility.
 - d. Accessible seating in the auditorium is not code compliant.
 - e. Interior signage does not comply with code.
 - f. The music mezzanine does not comply with code for accessibility.
 - g. There are no code required assistive listening devices in the auditorium.
 - h. There is no code compliant accessible route to all levels of the building.
2. Light and Ventilation
 - a. The lighting system does not comply with code.
 - b. The electrical wiring system does not comply with code.

- c. The HVAC system does not comply with code.
 - d. The kitchen dishwasher does not have a code required exhaust hood.
 - e. The kitchen lacks code required exhaust system.
3. Fire Protection/Adequate Egress
- a. The smoke detectors do not comply with code.
 - b. The emergency notification system is not code compliant.
 - c. Emergency lighting is not code compliant.
 - d. Emergency exit signage is not code compliant.
 - e. Through wall, floor, and ceiling penetrations are not properly fire caulked per code.
 - f. Exiting from the cafeteria to the exterior does not comply with code.
 - g. Thresholds do not comply with code for maximum height.
 - h. Science rooms do not have code required secondary exits.
 - i. Door hardware does not comply with code.
 - j. Typical guard rail openings exceed code required 4 inch spacing.
 - k. Concrete sidewalks are damaged creating an impediment to emergency egress which is contrary to code.
 - l. Exterior landings do not comply with code for height from threshold.
 - m. Stair rails do not comply with code.
 - n. Loading dock and small gym stair treads do not comply with code.
4. Layout and Condition of Interior Partitions/Materials
- a. Interior walls and ceilings are damaged from vandalism and roof leaks.
 - b. VCT and carpeting is damaged creating an impediment to emergency egress which is contrary to code.
 - c. Interior ACT ceilings should be replaced.
 - d. Walls should be repaired/repainted.
 - e. Damaged Asbestos Containing Building Material should be repaired and protected per code.
5. Exterior Construction
- a. Exterior doors are rusting and should be repainted.
 - b. Windows are broken/missing allowing for water intrusion which is contrary to code.
 - c. Expansion joint and window caulking is damaged/missing allowing for water intrusion which is contrary to code.
 - d. Roofing material is failing allowing for water intrusion which is contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

- 1. Steel supports for the exterior cafeteria walkway should be protected from rusting per code.
- 2. Steel lintels should be protected from rusting per code.
- 3. Damaged/missing masonry should be repaired/replaced to prevent water intrusion per code.
- 4. Restrooms should be modified to comply with accessibility code.
- 5. Locker room showers should be modified to comply with accessibility code.
- 6. Code compliant water fountains should be installed.
- 7. Code required accessible seating should be installed in the auditorium.

8. The music mezzanine should be modified to comply with accessibility code.
9. Code required assistive listening devices should be installed in the auditorium.
10. A code compliant accessible route to all levels should be created within the building.
11. The lighting system should be modified to comply with code.
12. The electrical wiring system does not comply with code.
13. A code compliant HVAC system should be installed.
14. The kitchen dish washer should have a code required exhaust system installed.
15. The kitchen area should have a code required exhaust system installed.
16. Code compliant smoke detectors should be installed.
17. Code compliant emergency lighting should be installed.
18. Code compliant emergency exit signage should be installed.
19. Code required fire caulking should be installed in all through wall, floor, and ceiling penetrations.
20. Cafeteria exiting should be modified to comply with code.
21. Science rooms should have code required secondary exits installed.
22. Code compliant door hardware should be installed.
23. Guard rail opening should be modified to comply with code.
24. Damaged concrete sidewalks should be repaired/replaced to create a code required unimpeded means for emergency egress.
25. Exterior exit landings do not comply with code for maximum height to thresholds.
26. Stair rails should be modified to comply with code.
27. Loading dock and small gym stair treads should be modified to comply with code.
28. Damaged VCT and carpeting should be repaired/replaced to create a code required unimpeded means for emergency egress.
29. Repair/protect damaged ACBM to comply with code.
30. Failed/missing windows should be replaced to prevent water intrusion per code.
31. Failed caulking should be replaced to prevent water intrusion per code.
32. Failed roofing material should be replaced to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

This High School building has been vacant for several years and is deteriorating from lack of maintenance. Vandals have gained entrance through broken windows and have begun damaging interior surfaces. Structural supports for the cafeteria walkway should be protected per code. Exterior walls, roofing material, and windows are failing allowing for water intrusion which is contrary to code. Roof leaks in several areas are causing ceiling tile damage. ACBM is not fully protected per code. Life safety systems are not fully code compliant. The building does not comply with current code for accessibility. The electrical wiring system and lighting systems do not comply with code. The HVAC system does not comply with code. There are code deficiencies in the kitchen exhaust systems. The restrooms are not code compliant for accessibility. The locker room showers do not comply with code for accessibility. VCT and carpeting is damaged and should be replaced to comply with code for unimpeded means for emergency egress. Door hardware does not comply with code. Damaged sidewalks should be repaired/replaced to comply with code for an unimpeded means for emergency egress. Damaged ceiling tile should be replaced. Interior walls should be repaired/repainted.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

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Estimate Name:	Duluth Central HS 2022	
Building Type:	School, High, 2-3 Story with E.I.F.S. / Rigid Steel	
Location:	DULUTH, MN	 <p>Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.</p>
Story Count:	2	
Story Height (L.F.):	15.00	
Floor Area (S.F.):	228826	
Labor Type:	OPN	
Basement Included:	No	
Data Release:	Year 2022 Quarter 2	
Cost Per Square Foot:	\$205.56	
Building Cost:	\$46,168,976.77	

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		4.21%	\$7.53	\$1,722,685.31
A1010	Standard Foundations			\$3.56	\$815,432.56
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	3120		\$1.47	\$336,765.00
A10101103100	Strip footing, concrete, reinforced, load 14.8 KLF, soil bearing capacity 6 KSF, 12" deep x 32" wide	3120		\$0.94	\$214,097.52
A10102107700	Spread footings, 3000 PSI concrete, load 200K, soil bearing capacity 6 KSF, 6' - 0" square x 20" deep	212.98		\$1.16	\$264,570.04
A1030	Slab on Grade			\$3.82	\$874,044.38
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	114413		\$3.82	\$874,044.38
A2010	Basement Excavation			\$0.15	\$33,208.37
A20101105740	Excavate and fill, 30,000 SF, 4' deep, sand, gravel, or common earth, on site storage	171619.5		\$0.15	\$33,208.37
B	Shell		28.09%	\$50.21	\$11,488,578.45
B1010	Floor Construction			\$14.21	\$3,250,861.96
B10102049918	Cast-in-place concrete column, 16", square, tied, minimum reinforcing, 300K load, 10'-14' story height, 240 lbs/LF, 4000PSI	3588		\$1.79	\$410,307.53
B10102205100	Cast-in-place concrete beam and slab, 7.5" slab, two way, 12" column, 25'x25' bay, 40 PSF superimposed load, 149 PSF total load	114413		\$12.41	\$2,840,554.43
B1020	Roof Construction			\$4.48	\$1,025,140.48
B10201083000	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns and bearing wall, 25'x25' bay, 18" deep, 20 PSF superimposed load, 40 PSF total load	114413		\$4.48	\$1,025,140.48
B2010	Exterior Walls			\$13.98	\$3,198,926.25
B20101321201	Brick wall, composite double wythe, standard face/CMU back-up, 8" thick, perlite core fill, 3" XPS	70200		\$13.98	\$3,198,926.25
B2020	Exterior Windows			\$10.96	\$2,507,143.86
B20202102100	Aluminum flush tube frame, thermo-break frame, 2.25" x 4.5", 5'x6' opening, 2 intermediate horizontals	23400		\$5.63	\$1,288,217.97
B20202201100	Glazing panel, insulating, 1/2" thick, 2 lites 1/8" float glass, tinted	23400		\$5.33	\$1,218,925.89
B2030	Exterior Doors			\$0.99	\$227,015.01
B20301106950	Door, aluminum & glass, with transom, narrow stile, double door, hardware, 6'-0" x 10'-0" opening	5.28		\$0.21	\$47,174.37
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	42.24		\$0.74	\$168,694.47
B20302204350	Door, steel 24 gauge, overhead, sectional, manual operation, 8'-0" x 8'-0" opening	3.52		\$0.05	\$11,146.17
B3010	Roof Coverings			\$5.33	\$1,220,073.23
B30101203300	Roofing, single ply membrane, EPDM, 60 mils, fully adhered	114413		\$1.36	\$310,059.23
B30103202700	Insulation, rigid, roof deck, extruded polystyrene, 40 PSI compressive strength, 4" thick, R20	114413		\$2.91	\$666,000.36
B30104101300	Base flashing, aluminum, .016" thick, fabric 2 sides, .025" aluminum reglet, .032" counter flashing	3120		\$0.52	\$120,097.38
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	3120		\$0.54	\$123,916.26
B3020	Roof Openings			\$0.26	\$59,417.66

B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	10		\$0.08	\$18,917.36
B30202102100	Smoke hatch, unlabeled, galvanized, 2'-6" x 3'; not incl hand winch operator	17.6		\$0.18	\$40,500.30
C	Interiors		23.27%	\$41.59	\$9,516,862.45
C1010	Partitions			\$5.08	\$1,162,921.08
C10101045500	Concrete block (CMU) partition, light weight, hollow, 6" thick, no finish	10983.65		\$0.43	\$99,156.86
C10101049000	Concrete block (CMU) partition, light weight, hollow, 6" thick, no finish, foamed in insulation	98852.83		\$4.65	\$1,063,764.22
C1020	Interior Doors			\$2.30	\$526,336.41
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	326.89		\$2.30	\$526,336.41
C1030	Fittings			\$6.65	\$1,521,349.74
C10301100400	Toilet partitions, cubicles, ceiling hung, painted metal	228.83		\$0.88	\$201,662.29
C10303100200	Lockers, steel, 1- tier, std. duty, 5' to 6' high, per opening, 1 wide, knock down constr.	5280.6		\$5.35	\$1,224,652.99
C10305200240	Chalkboards, liquid chalk type, aluminum frame & chalktrough	4576.52		\$0.42	\$95,034.46
C2010	Stair Construction			\$1.02	\$233,733.44
C20101100720	Stairs, steel, pan tread for conc in-fill, picket rail, 12 risers w/ landing	17.6		\$1.02	\$233,733.44
C3010	Wall Finishes			\$4.43	\$1,016,036.69
C30102202000	2 coats paint on masonry with block filler	70200		\$2.80	\$641,086.32
C30102202000	2 coats paint on masonry with block filler	197705.66		\$0.99	\$227,632.63
C30102301940	Ceramic tile, thin set, 4-1/4" x 4-1/4"	21967.3		\$0.64	\$147,317.74
C3020	Floor Finishes			\$8.06	\$1,844,878.51
C30204100160	Carpet, tufted, nylon, roll goods, 12' wide, 36 oz	22882.6		\$0.62	\$142,721.75
C30204100220	Carpet, padding, add to above, 2.7 density	22882.6		\$0.12	\$28,230.95
C30204101120	Terrazzo, maximum	22882.6		\$3.06	\$699,997.04
C30204101600	Vinyl, composition tile, maximum	137295.6		\$1.48	\$338,069.82
C30204102160	Oak strip, sanded and finished, minimum	45765.2		\$2.10	\$481,190.42
C30204102340	Underlayment, plywood, 3/8" thick	45765.2		\$0.68	\$154,668.53
C3030	Ceiling Finishes			\$10.24	\$2,342,887.63
C30302106000	Acoustic ceilings, 3/4" fiberglass board, 24" x 48" tile, tee grid, suspended support	228826		\$10.24	\$2,342,887.63
D	Services		30.68%	\$54.84	\$12,547,978.01
D1010	Elevators and Lifts			\$0.82	\$187,881.11
D10101108600	Hydraulic passenger elevator, 2500 lb., 2 floor, 125 FPM	1.76		\$0.82	\$187,881.11
D2010	Plumbing Fixtures			\$7.49	\$1,713,731.72
D20101102120	Water closet, vitreous china, bowl only with flush valve, floor mount	228.83		\$1.71	\$391,953.77
D20102102000	Urinal, vitreous china, wall hung	75.69		\$0.48	\$109,298.50
D20103102120	Lavatory w/trim, wall hung, PE on CI, 20" x 18"	228.83		\$2.14	\$489,740.27
D20104102040	Kitchen sink w/trim, countertop, stainless steel, 44" x 22" triple bowl	15.84		\$0.20	\$45,646.01
D20104301840	Lab sink w/trim, polyethylene, single bowl, flanged, 23-1/2" x 20-1/2" OD	21.12		\$0.16	\$37,423.93
D20104404260	Service sink w/trim, PE on CI, corner floor, 28" x 28", w/rim guard	10.56		\$0.24	\$55,790.91
D20107101680	Shower, stall, baked enamel, terrazzo receptor, 36" square	75.69		\$1.23	\$280,992.79
D20108201920	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH	114.41		\$1.32	\$302,885.54
D2020	Domestic Water Distribution			\$0.89	\$203,707.00
D20202502260	Gas fired water heater, commercial, 100 < F rise, 600 MBH input, 576 GPH	5		\$0.89	\$203,707.00
D2040	Rain Water Drainage			\$0.50	\$114,279.93
D20402104280	Roof drain, CI, soil, single hub, 5" diam, 10' high	35.2		\$0.45	\$103,781.57
D20402104320	Roof drain, CI, soil, single hub, 5" diam, for each additional foot add	176.02		\$0.05	\$10,498.36
D3010	Energy Supply			\$5.45	\$1,247,925.25
D30105202040	Commercial building heating system, fin tube radiation, forced hot water, 100,000 SF, 1mil CF, total 3 floors	263149.9		\$5.45	\$1,247,925.25
D3030	Cooling Generating Systems			\$17.98	\$4,114,874.99

D30301154600	Packaged chiller, water cooled, with fan coil unit, schools and colleges, 60,000 SF, 230.00 ton	263149.9		\$17.98	\$4,114,874.99
D4010	Sprinklers			\$2.62	\$598,863.96
D40104100640	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 50,000 SF	114413		\$1.51	\$345,584.47
D40104100760	Wet pipe sprinkler systems, steel, light hazard, each additional floor, 50,000 SF	114413		\$1.11	\$253,279.49
D4020	Standpipes			\$0.46	\$104,489.08
D40203101580	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, 1 floor	3.52		\$0.30	\$69,125.61
D40203101600	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, additional floors	7.04		\$0.15	\$35,363.47
D5010	Electrical Service/Distribution			\$0.85	\$194,224.05
D50101200560	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 2000 A	1.25		\$0.28	\$63,900.00
D50102300560	Feeder installation 600 V, including RGS conduit and XHHW wire, 2000 A	100		\$0.28	\$63,580.50
D50102400400	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 2000 A	1.2		\$0.29	\$66,743.55
D5020	Lighting and Branch Wiring			\$12.73	\$2,912,828.40
D50201100480	Receptacles incl plate, box, conduit, wire, 8 per 1000 SF, .9 W per SF, with transformer	228826		\$3.81	\$872,932.29
D50201300280	Wall switches, 2.0 per 1000 SF	228826		\$0.51	\$116,975.85
D50201350320	Miscellaneous power, 1.2 watts	228826		\$0.39	\$90,168.89
D50201400280	Central air conditioning power, 4 watts	228826		\$0.75	\$172,051.98
D50201452080	Motor installation, three phase, 460 V, 15 HP motor size	1		\$0.01	\$2,740.25
D50201550440	Motor feeder systems, three phase, feed to 200 V 5 HP, 230 V 7.5 HP, 460 V 15 HP, 575 V 20 HP	100		\$0.01	\$1,288.65
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	228826		\$7.24	\$1,656,670.49
D5030	Communications and Security			\$4.49	\$1,027,277.05
D50309100280	Communication and alarm systems, includes outlets, boxes, conduit and wire, sound systems, 100 outlets	1.6		\$1.07	\$243,772.80
D50309100456	Communication and alarm systems, fire detection, addressable, 100 detectors, includes outlets, boxes, conduit and wire	2.64		\$1.04	\$237,663.44
D50309100462	Fire alarm command center, addressable with voice, excl. wire & conduit	1.76		\$0.13	\$29,778.23
D50309100840	Communication and alarm systems, includes outlets, boxes, conduit and wire, master clock systems, 50 rooms	1.25		\$0.63	\$143,771.94
D50309101040	Communication and alarm systems, includes outlets, boxes, conduit and wire, master TV antenna systems,100 outlets	2.31		\$1.63	\$372,290.64
D50309200102	Internet wiring, 2 data/voice outlets per 1000 S.F.	1		\$0.00	\$0.00
D5090	Other Electrical Systems			\$0.56	\$127,895.47
D50902100880	Generator sets, w/battery, charger, muffler and transfer switch, diesel engine with fuel tank, 250 kW	440.05		\$0.56	\$127,895.47
E	Equipment & Furnishings		13.76%	\$24.59	\$5,626,239.88
E1020	Institutional Equipment			\$20.56	\$4,705,725.14
E10207200100	Architectural equipment, laboratory equipment, counter tops, acid proof, economy	22882.6		\$13.88	\$3,177,152.90
E10207300110	Architectural equipment, laboratory equipment, cabinets, wall, open	624		\$0.68	\$155,861.47
E10207300120	Architectural equipment, laboratory equipment, cabinets, base, drawer units	624		\$6.00	\$1,372,710.77
E1090	Other Equipment			\$4.02	\$920,514.74
E10906100120	Architectural equipment, school equipment basketball backstops, suspended type, electrically operated	7.04		\$0.32	\$72,389.63
E10906100130	Architectural equipment, school equipment bleachers-telescoping, manual operation, 15 tier, economy (per seat)	5280.6		\$3.61	\$825,215.20
E10906100150	Architectural equipment, school equipment, weight lifting gym, universal, economy	7.04		\$0.04	\$8,894.92
E10906100170	Architectural equipment, school equipment, scoreboards, basketball, 1 side, economy	3.52		\$0.06	\$14,014.99
F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00

SubTotal	100%	\$178.75	\$40,033,625.15
Contractor Fees (General Conditions,Overhead,Profit)	15.0%	\$26.81	\$6,135,351.62
Architectural Fees	0.0%	\$0.00	\$0.00
User Fees	0.0%	\$0.00	\$0.00
Total Building Cost		\$205.56	\$46,168,976.77

CENTRAL HIGH SCHOOL REDEVELOPMENT TIF DISTRICT

Code Deficiency Cost Report

Parcel A - 800 East Central Entrance, Duluth, Minnesota 55811
 Parcel ID 010-2710-06120 Plus Multiple Others

Building Name or Type
 Former Duluth Central High School

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Restrooms				
	Modify restrooms to comply with accessibility code	\$ 5.21	SF	228,826	\$ 1,192,183.46
	Lockeroom Showers				
	Modify locker room showers to comply with accessibility code	\$ 1.23	SF	228,826	\$ 281,455.98
	Water Fountains				
	Install code compliant water fountains	\$ 1.32	SF	228,826	\$ 302,050.32
	Auditorium				
	Install code compliant accessible seating in the auditorium	\$ 15,000.00	Lump	1	\$ 15,000.00
	Provide code required assistive listening devices in auditorium	\$ 5,000.00	Lump	1	\$ 5,000.00
	Music Mezzanine				
	Provide code required access to music mezzanine	\$ 25,000.00	Lump	1	\$ 25,000.00
	Accessible Route				
	Provide a code required accessible route to all levels of the building	\$ 0.82	SF	228,826	\$ 187,637.32
Structural Elements					
	Steel Supports				
	Protect steel supports around cafeteria exterior from rusting per code	\$ 2,500.00	Lump	1	\$ 2,500.00
	Steel Lintels				
	Protect steel lintels from rusting per code	\$ 1,000.00	Lump	1	\$ 1,000.00
	Exterior Masonry				
	Repair/replace damaged exterior masonry to prevent water intrusion per code	\$ 1.00	SF	228,826	\$ 228,826.00
Exiting					
	Emergency Lighting				
	Install a code compliant emergency lighting system	\$ 0.75	SF	228,826	\$ 171,619.50
	Emergency Notification System				
	Install a code compliant emergency notification system	\$ 0.13	SF	228,826	\$ 29,747.38
	Cafeteria				
	Modify cafeteria exiting to comply with code	\$ 15,000.00	Lump	1	\$ 15,000.00
	Science Rooms				
	Install code required secondary egress in all science lab rooms	\$ 100,000.00	Lump	1	\$ 100,000.00
	Door Hardware				
	Install code compliant door hardware	\$ 0.23	SF	228,826	\$ 52,629.98
	Guard Rails				
	Modify guard rails to comply with code	\$ 2,500.00	Lump	1	\$ 2,500.00
	Concrete Sidewalks				
	Repair/replace damaged sidewalks to create a code required unimpeded means of emergency egress	\$ 5.00	SF	50,000	\$ 250,000.00

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Exterior Exit Landings				
	Modify exterior exit landings to comply with code	\$ 15,000.00	Lump	1	\$ 15,000.00
	Interior Stairs				
	Modify interior stair railings to comply with code	\$ 1.02	SF	228,826	\$ 233,402.52
	Exterior Stairs				
	Modify exterior loading dock and small gym stairs to comply with code for proper tread size	\$ 35,000.00	Lump	1	\$ 35,000.00
	Flooring Material				
	Repair/replace damaged flooring material to create a code required unimpeded means of emergency egress	\$ 0.62	SF	228,826	\$ 141,872.12
Fire Protection					
	Smoke Detectors				
	Install code required smoke detectors	\$ 1.04	SF	228,826	\$ 237,979.04
	Fire Caulking				
	Install code required fire caulking	\$ 0.05	SF	228,826	\$ 11,441.30
	Asbestos Containing Building Material				
	Repair/Protect ACBM from damage per code	\$ 0.20	SF	228,826	\$ 45,765.20
	Building Sprinkler System				
	Modify building sprinkler system to comply with code	\$ 1.11	SF	228,826	\$ 253,996.86
Exterior Construction					
	Windows				
	Replace failed window system to prevent water intrusion per code	\$ 10.96	SF	228,826	\$ 2,507,932.96
	Expansion Joint Caulking				
	code	\$ 0.10	SF	228,826	\$ 22,882.60
Roof Construction					
	Roofing Material				
	Replace failed roofing material to prevent water intrusion per code	\$ 6.09	SF	228,826	\$ 1,393,550.34
Mechanical- Electrical					
	Mechanical				
	Install code compliant HVAC system	\$ 23.43	SF	228,826	\$ 5,361,393.18
	machine	\$ 18,000.00	EA	1	\$ 18,000.00
	Install code compliant exhaust system in kitchen	\$ 38,000.00	EA	1	\$ 38,000.00
	Electrical				
	Install code compliant electrical wiring system	\$ 5.49	SF	228,826	\$ 1,256,254.74
	Install code compliant lighting system	\$ 7.24	SF	228,826	\$ 1,656,700.24
Total Code Improvements					\$ 16,091,321

Energy Code

Central High School Redevelopment TIF District | 800 E Central Entrance - Parcel A



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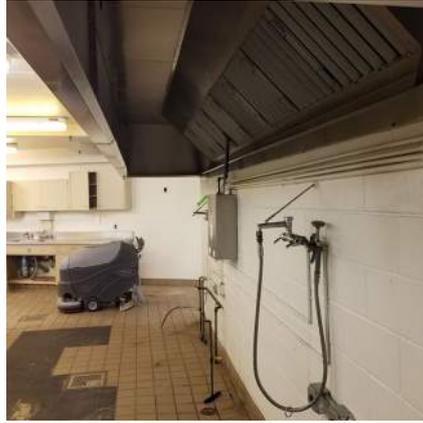


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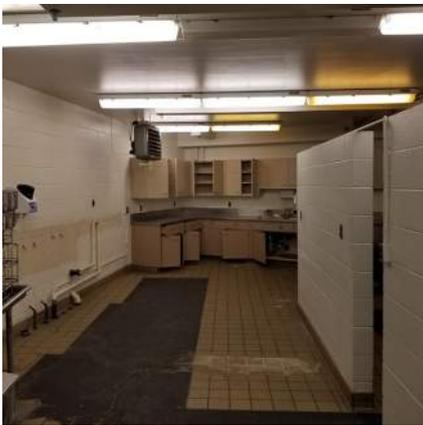
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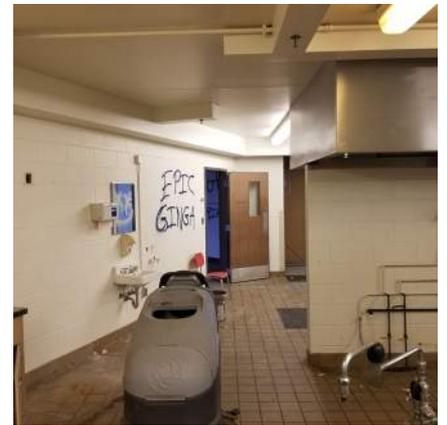
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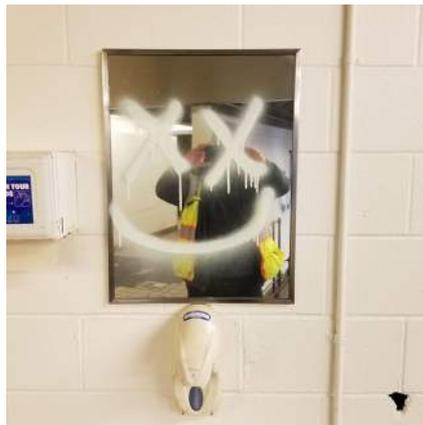
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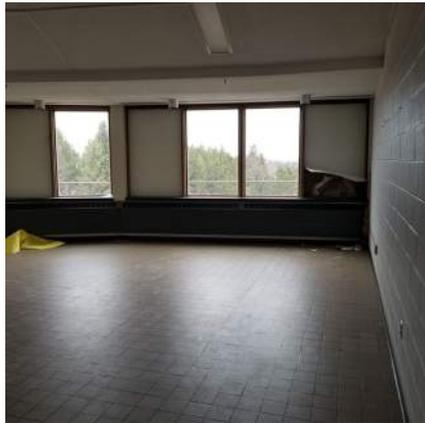
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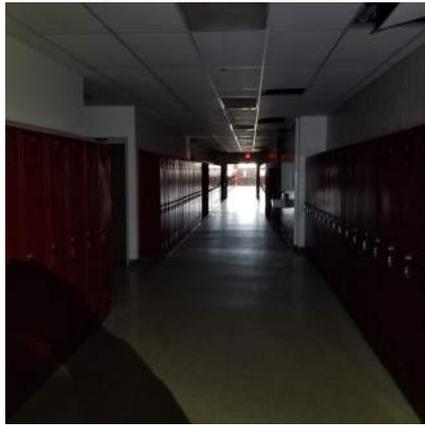
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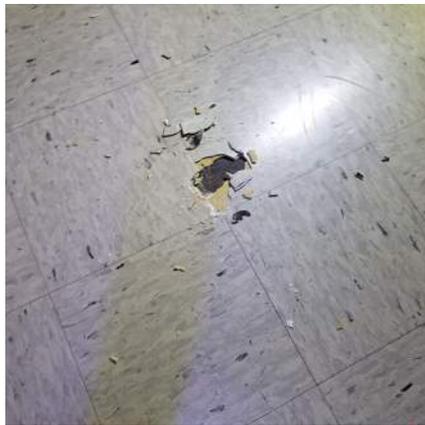
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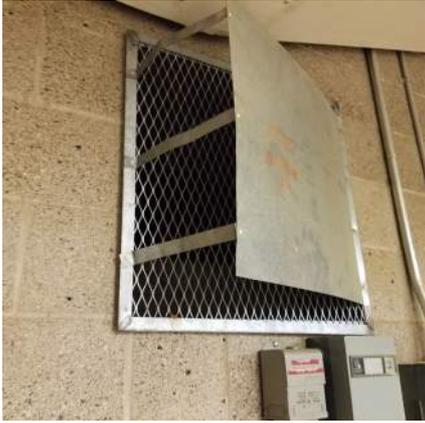


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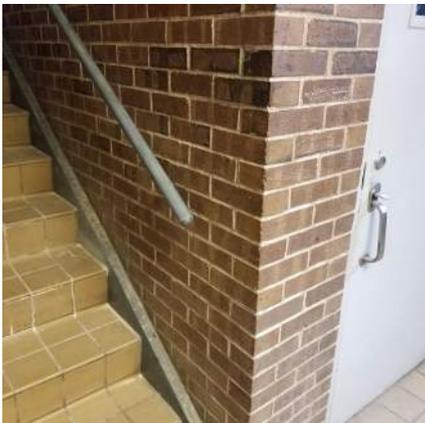
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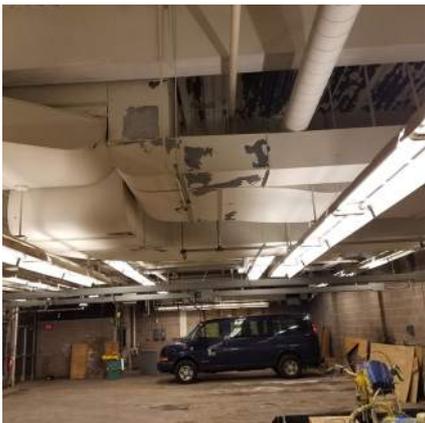
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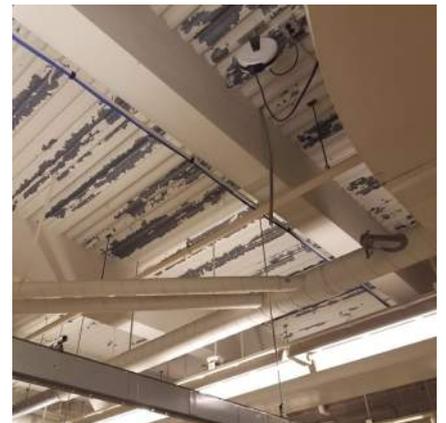
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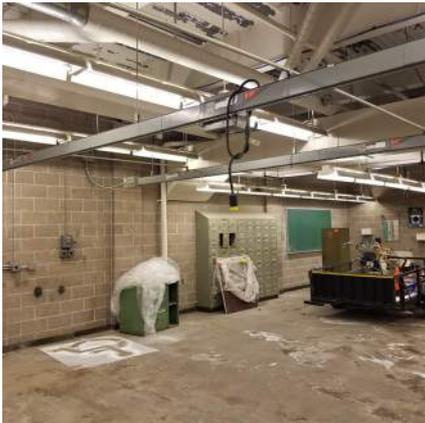
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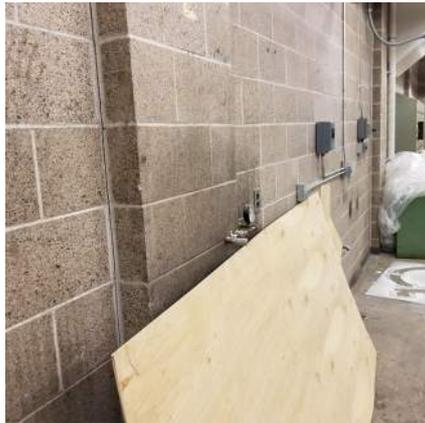
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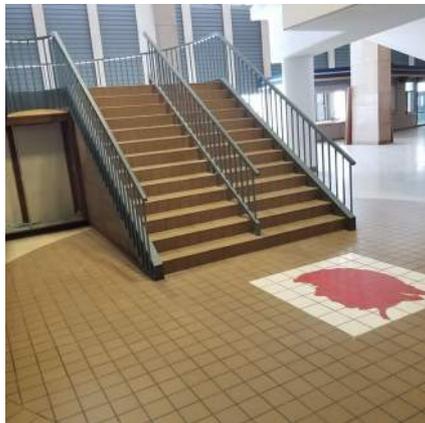
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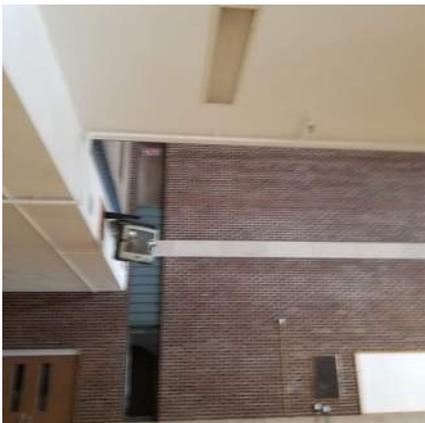
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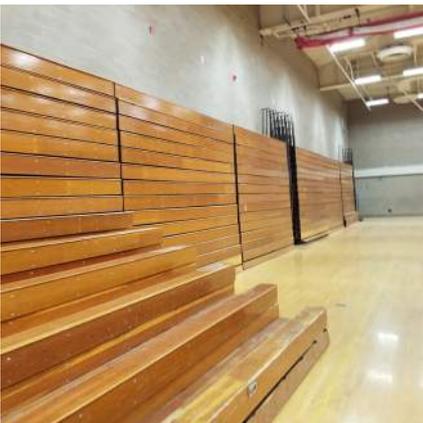
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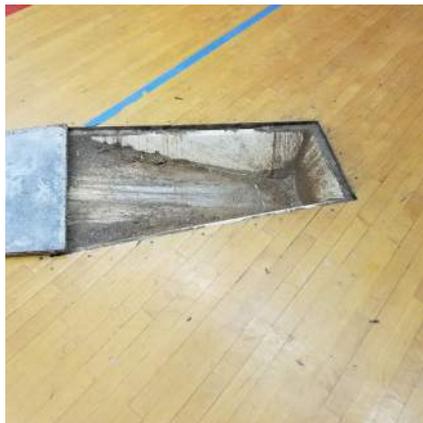
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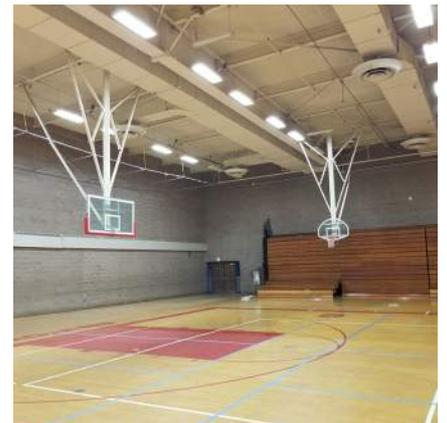
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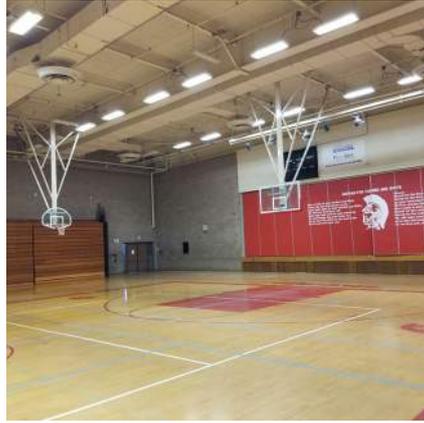


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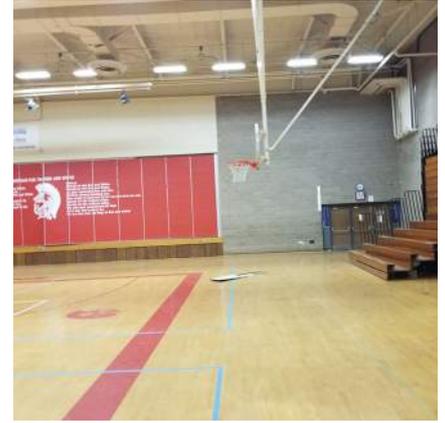
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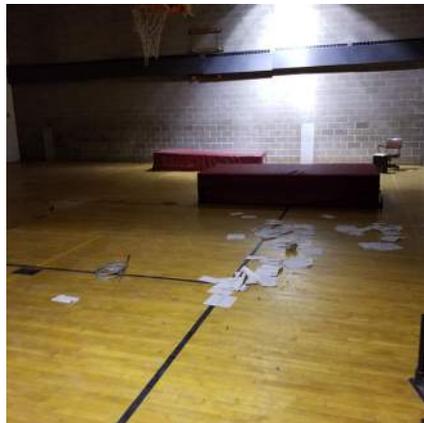
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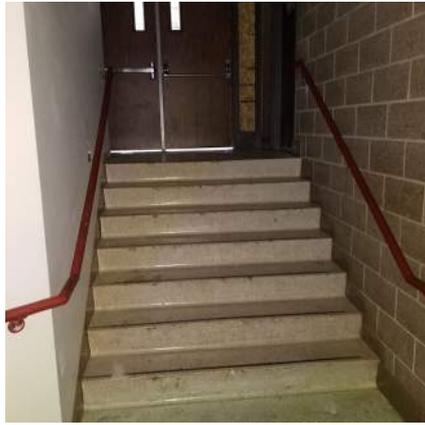


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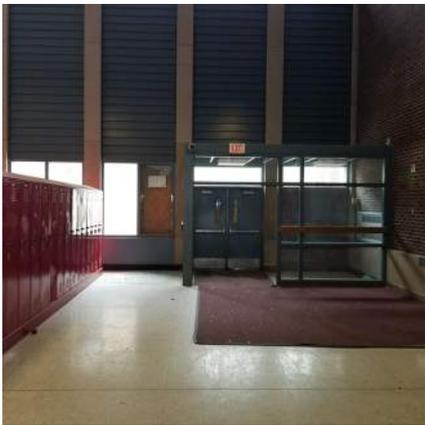
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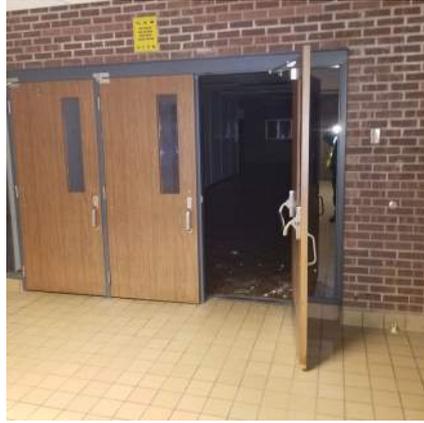


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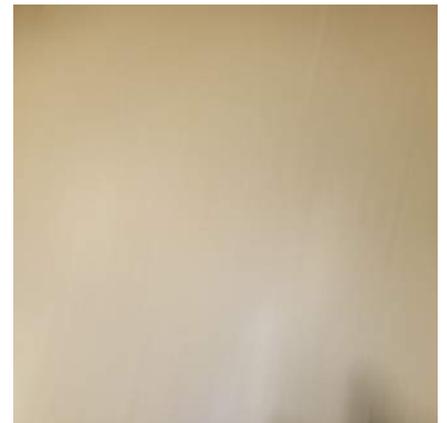
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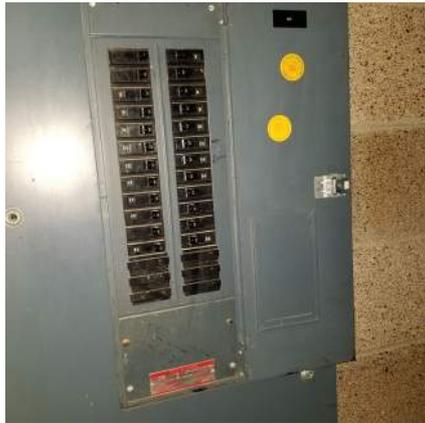
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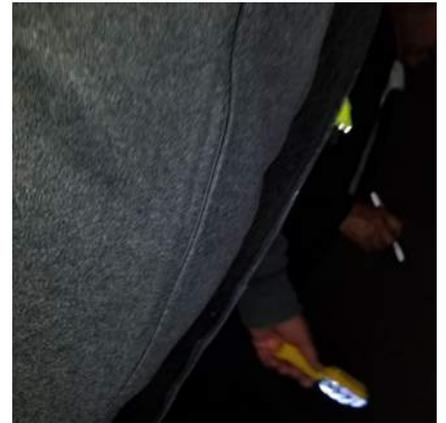
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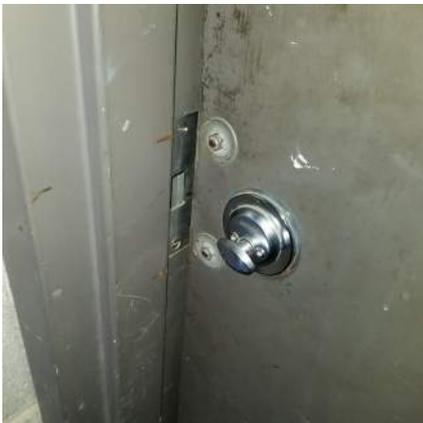
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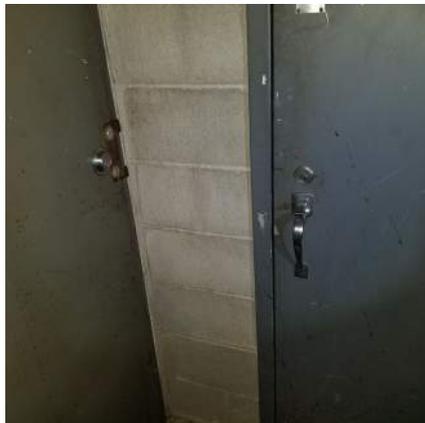
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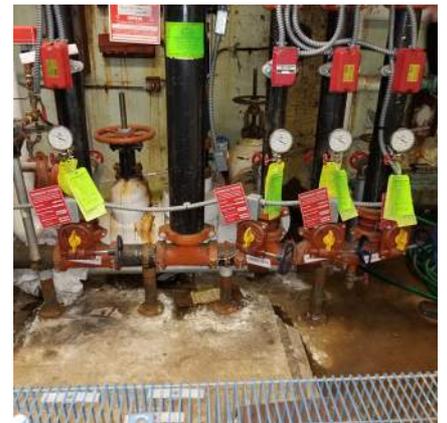
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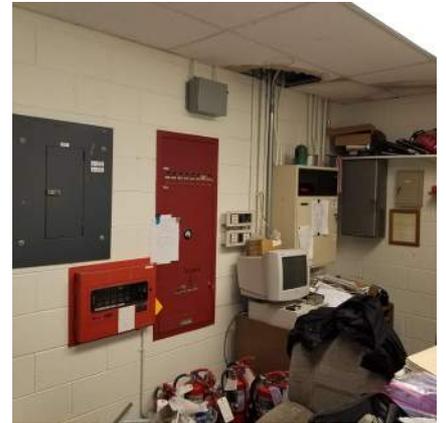
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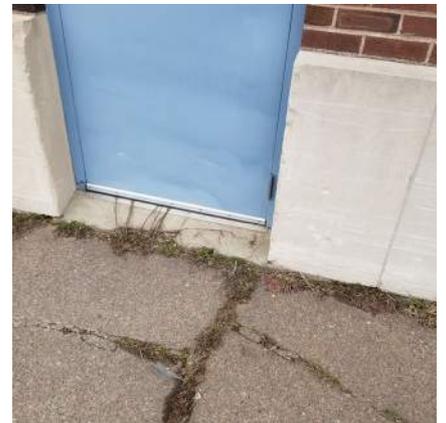
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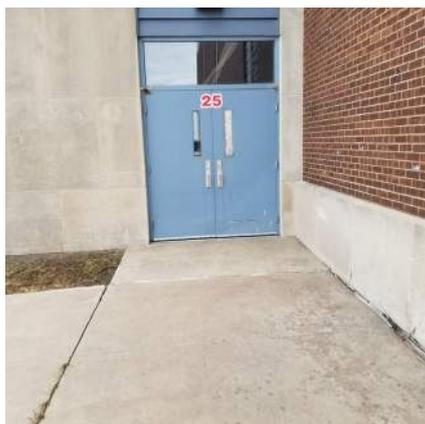
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Central High School Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel B

Secondary Technical Center Main Campus

Address: 802 East Central Entrance, Duluth, Minnesota 55811
Parcel ID: 010-2710-06203
Inspection Date(s) & Time(s): April 22, 2022, 11:30 am
Inspection Type: Interior and Exterior
Summary of Deficiencies: It is our professional opinion that this building is Substandard because:
- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	\$10,094,151
Estimated Cost to Correct Building Code Deficiencies:	\$2,585,060
Percentage of Replacement Cost for Building Code Deficiencies:	25.6%

DEFECTS IN STRUCTURAL ELEMENTS

1. Steel support beams should be protected from rusting per code.
2. Steel lintels should be protected from rusting per code.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. The elevator does not comply with code.
 - b. Restrooms are not fully code compliant for accessibility.
2. Light and Ventilation
 - a. The lighting system does not fully comply with code.
 - b. The HVAC system does not comply with code.
 - c. Electrical wiring system does not comply with code.
3. Fire Protection/Adequate Egress
 - a. Thresholds do not comply with code for maximum height.
 - b. Through wall, floor, and ceiling penetrations should be fire caulked per code.
 - c. Green houses do not have code required secondary exits.
 - d. Lecture hall does not have a code required secondary exit.
 - e. Emergency notification system does not comply with code.
 - f. Emergency lighting system does not comply with code.

4. Layout and Condition of Interior Partitions/Materials
 - a. Interior walls should be repaired/repainted.
 - b. Basement block walls show signs of efflorescence, indicative of water infiltration which is contrary to code.
 - c. Windows are failing allowing for water intrusion which is contrary to code.

5. Exterior Construction
 - a. Exterior hollow metal door frames are rusting and should be repaired/repainted.
 - b. Roofing material is failing allowing for water intrusion which is contrary to code.
 - c. The Exterior Insulation and Finish System, (EIFS), is damaged and joints are failing, allowing for water intrusion which is contrary to code.
 - d. Expansion joint caulking is failing allowing for water intrusion which is contrary to code.
 - e. Exterior walls should be repaired/repainted.

DESCRIPTION OF CODE DEFICIENCIES

1. Protect steel support beams from rusting per code.
2. Protect steel lintels from rusting per code.
3. Modify elevator to comply with code.
4. Modify restrooms to comply with code.
5. Install code compliant lighting system.
6. Install code compliant HVAC systems.
7. Install code compliant electrical wiring system.
8. Modify thresholds to comply with code.
9. Install code required fire caulking at all through wall, floor, and ceiling penetrations.
10. Install code required secondary exits in greenhouses.
11. Install code required secondary exit from lecture hall.
12. Install code compliant emergency notification system.
13. Install code compliant emergency lighting system.
14. Protect below grade level block walls from water intrusion per code.
15. Replace failing windows to prevent water intrusion per code.
16. Replace failed roofing material to prevent water intrusion per code.
17. Repair damaged EIFS to prevent water intrusion per code.
18. Replace failed expansion joint caulking to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

The secondary technical school has been vacant for several years. Roofing and window systems are failing allowing for water intrusion which is contrary to code. Interior walls should be repaired/repainted. The elevator and restrooms do not fully comply with accessibility code. The greenhouses and lecture hall do not have code required secondary emergency exits. The emergency notification system does not comply with code. The emergency lighting system does not comply with code. Steel support beams and steel lintels should be protected from rusting per code. Damaged exterior walls and failed caulking should be repaired/replaced to prevent water intrusion per code.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard:

M:\14Proj\140705\400 Design\406 Reports\140705-01 TIF Report 2022\Building Reports\B - Secondary Tech Center Main Campus Building Report .docx

Estimate Name:	Secondary Technical Center Main Campus
Building Type:	School, Vocational with Decorative Concrete Block / Rigid Steel
Location:	DULUTH, MN
Story Count:	3
Story Height (L.F.):	16.00
Floor Area (S.F.):	52775
Labor Type:	STD
Basement Included:	No
Data Release:	Year 2022 Quarter 1
Cost Per Square Foot:	\$191.27
Building Cost:	\$10,094,151.02



Costs are derived from a building model with basic components.
Scope differences and market conditions can cause costs to vary significantly.

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		6.50%	\$10.82	\$570,900.05
A1010	Standard Foundations			\$3.58	\$189,155.78
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	600		\$1.50	\$79,245.90
A10101102500	Strip footing, concrete, reinforced, load 5.1 KLF, soil bearing capacity 3 KSF, 12" deep x 24" wide	660		\$0.86	\$45,292.17
A10102107550	Spread footings, 3000 PSI concrete, load 150K, soil bearing capacity 3 KSF, 7' - 6" square x 18" deep	32.98		\$1.22	\$64,617.71
A1030	Slab on Grade			\$7.16	\$377,758.17
A10301203440	Slab on grade, 5" thick, heavy industrial, reinforced	17591.67		\$7.16	\$377,758.17
A2010	Basement Excavation			\$0.08	\$3,986.10
A20101105740	Excavate and fill, 30,000 SF, 4' deep, sand, gravel, or common earth, on site storage	17591.67		\$0.08	\$3,986.10
B	Shell		36.12%	\$60.07	\$3,170,309.92
B1010	Floor Construction			\$29.63	\$1,563,883.59
B10102506150	Floor, concrete, slab form, open web bar joist @ 2' OC, on W beam and column, 25'x30' bay, 29" deep, 100 PSF superimposed load, 145 PSF total load	35183.33		\$25.86	\$1,364,671.78
B10102506200	Floor, concrete, slab form, open web bar joist @ 2' OC, on W beam and column, 25'x30' bay, 29" deep, 100 PSF superimposed load, 145 PSF total load, for columns add	35183.33		\$1.94	\$102,206.18
B10107203650	Fireproofing, gypsum board, fire rated, 2 layer, 1" thick, 10" steel column, 3 hour rating, 17 PLF	1773.24		\$1.84	\$97,005.63
B1020	Roof Construction			\$6.67	\$352,160.72
B10201123900	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 25'x30' bay, 25" deep, 40 PSF superimposed load, 60 PSF total load	17591.67		\$5.59	\$294,776.35
B10201124000	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 25'x30' bay, 25" deep, 40 PSF superimposed load, 60 PSF total load, add for column	17591.67		\$1.09	\$57,384.37
B2010	Exterior Walls			\$11.50	\$606,846.96
B20101155440	Concrete block (CMU) wall, split rib, 8 ribs, hollow, regular weight, 8x8x16, reinforced, vertical #5@32", grouted	24480		\$11.50	\$606,846.96
B2020	Exterior Windows			\$7.51	\$396,262.80
B20202101700	Aluminum flush tube frame, for insulating glass, 2" x 4-1/2", 5'x6' opening, no intermediate horizontals	4320		\$3.03	\$159,790.32
B20202201100	Glazing panel, insulating, 1/2" thick, 2 lites 1/8" float glass, tinted	4320		\$4.48	\$236,472.48
B2030	Exterior Doors			\$0.95	\$50,266.29
B20301106450	Door, aluminum & glass, without transom, wide stile, double door, hardware, 6'-0" x 7'-0" opening	1.32		\$0.25	\$13,313.62
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	3.96		\$0.30	\$16,019.44
B20302204400	Door, steel 24 gauge, overhead, sectional, manual operation, 10'-0" x 10'-0" opening	1.32		\$0.07	\$3,760.31
B20302204600	Door, steel 24 gauge, overhead, sectional, electric operator, 10'-0" x 10'-0" opening	3.96		\$0.33	\$17,172.92
B3010	Roof Coverings			\$3.49	\$184,252.17

B30101203300	Roofing, single ply membrane, EPDM, 60 mils, fully adhered	17591.67	\$0.95	\$50,374.09
B30103201600	Insulation, rigid, roof deck, polyisocyanurate, 2#/CF, 2" thick	35183.33	\$1.93	\$101,783.98
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	600	\$0.47	\$24,543.84
B30104300040	Flashing, aluminum, no backing sides, .019"	600	\$0.14	\$7,550.26
B3020	Roof Openings		\$0.32	\$16,637.39
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	2.64	\$0.09	\$4,843.65
B30202102100	Smoke hatch, unlabeled, galvanized, 2'-6" x 3', not incl hand winch operator	5.28	\$0.22	\$11,793.74
C	Interiors		17.16%	\$28.54
C1010	Partitions		\$6.69	\$353,219.91
C10101045500	Concrete block (CMU) partition, light weight, hollow, 6" thick, no finish	31665	\$6.69	\$353,219.91
C1020	Interior Doors		\$2.86	\$151,147.60
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	87.96	\$2.86	\$151,147.60
C1030	Fittings		\$0.49	\$25,895.37
C10301100400	Toilet partitions, cubicles, ceiling hung, painted metal	26.39	\$0.49	\$25,895.37
C2010	Stair Construction		\$2.64	\$139,377.46
C20101100740	Stairs, steel, pan tread for conc in-fill, picket rail, 16 risers w/ landing	7.92	\$2.64	\$139,377.46
C3010	Wall Finishes		\$6.75	\$356,089.25
C30102202000	2 coats paint on masonry with block filler	24480	\$1.86	\$98,245.58
C30102300320	Painting, masonry or concrete, latex, brushwork, primer & 2 coats	31665	\$1.31	\$69,039.20
C30102300340	Painting, masonry or concrete, latex, brushwork, addition for block filler	31665	\$1.10	\$58,041.95
C30102300860	Wall coatings, acrylic glazed coatings, maximum	25332	\$1.48	\$78,356.94
C30102301940	Ceramic tile, thin set, 4-1/4" x 4-1/4"	6333	\$0.99	\$52,405.58
C3020	Floor Finishes		\$3.29	\$173,550.06
C30204100160	Carpet, tufted, nylon, roll goods, 12' wide, 36 oz	10555	\$1.33	\$69,966.98
C30204101600	Vinyl, composition tile, maximum	36942.5	\$1.96	\$103,583.08
C3030	Ceiling Finishes		\$5.82	\$307,030.17
C30302107400	Acoustic ceilings, 3/4" mineral fiber, 12" x 12" tile, concealed 2" bar & channel grid, suspended support	31665	\$5.82	\$307,030.17
D	Services		40.22%	\$66.89
D1010	Elevators and Lifts		\$2.93	\$154,435.48
D10101108600	Hydraulic passenger elevator, 2500 lb., 2 floor, 125 FPM	1.32	\$2.93	\$154,435.48
D2010	Plumbing Fixtures		\$6.73	\$355,395.62
D20101102120	Water closet, vitreous china, bowl only with flush valve, floor mount	34.83	\$1.27	\$67,190.14
D20102102000	Urinal, vitreous china, wall hung	17.42	\$0.56	\$29,353.03
D20103102120	Lavatory w/trim, wall hung, PE on Cl, 20" x 18"	34.83	\$1.55	\$81,544.72
D20104102040	Kitchen sink w/trim, countertop, stainless steel, 44" x 22" triple bowl	2.23	\$0.13	\$6,869.73
D20104404340	Service sink w/trim, PE on Cl, wall hung w/rim guard, 24" x 20"	4.47	\$0.55	\$29,065.72
D20107101680	Shower, stall, baked enamel, terrazzo receptor, 36" square	13.06	\$0.96	\$50,449.29
D20108201880	Water cooler, electric, wall hung, dual height, 14.3 GPH	17.42	\$1.43	\$75,389.82
D20109222240	Bathroom, lavatory & water closet, 1 wall plumbing, share common plumbing wall*	3.96	\$0.29	\$15,533.17
D2020	Domestic Water Distribution		\$1.04	\$54,811.90
D20202502220	Gas fired water heater, commercial, 100 < F rise, 500 MBH input, 480 GPH	1.69	\$1.04	\$54,811.90
D2040	Rain Water Drainage		\$1.08	\$56,838.57
D20402104200	Roof drain, Cl, soil, single hub, 4" diam, 10' high	9.9	\$0.54	\$28,388.50
D20402104240	Roof drain, Cl, soil, single hub, 4" diam, for each additional foot add	456	\$0.54	\$28,450.07
D3010	Energy Supply		\$11.91	\$628,314.66
D30105202000	Commercial building heating system, fin tube radiation, forced hot water, 10,000 SF, 100,000 CF, total 2 floors	31665	\$7.54	\$397,782.06
D30105301920	Commercial building heating systems, terminal unit heaters, forced hot water, 10,000 SF bldg, 100,000 CF, total, 2 floors	21110	\$4.37	\$230,532.60

D3030	Cooling Generating Systems			\$17.12	\$903,502.72
D30301154560	Packaged chiller, water cooled, with fan coil unit, schools and colleges, 40,000 SF, 153.33 ton	52775		\$17.12	\$903,502.72
D4010	Sprinklers			\$3.78	\$199,291.33
D40104100620	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 10,000 SF	26387.5		\$2.14	\$113,125.59
D40104100740	Wet pipe sprinkler systems, steel, light hazard, each additional floor, 10,000 SF	26387.5		\$1.63	\$86,165.74
D4020	Standpipes			\$1.59	\$84,089.05
D40203101580	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, 1 floor	2.64		\$1.05	\$55,486.45
D40203101600	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, additional floors	5.28		\$0.54	\$28,602.60
D5010	Electrical Service/Distribution			\$1.67	\$87,882.67
D50101200400	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 800 A	1.65		\$0.62	\$32,932.10
D50102300400	Feeder installation 600 V, including RGS conduit and XHHW wire, 800 A	79.16		\$0.38	\$20,241.77
D50102400280	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 800 A	1.58		\$0.66	\$34,708.80
D5020	Lighting and Branch Wiring			\$15.24	\$804,032.74
D50201100480	Receptacles incl plate, box, conduit, wire, 8 per 1000 SF, .9 W per SF, with transformer	52775		\$4.31	\$227,467.11
D50201300280	Wall switches, 2.0 per 1000 SF	52775		\$0.60	\$31,522.51
D50201350440	Miscellaneous power, 2 watts	52775		\$0.73	\$38,466.64
D50201400280	Central air conditioning power, 4 watts	52775		\$0.83	\$43,718.28
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	59108		\$8.77	\$462,858.20
D5030	Communications and Security			\$3.70	\$195,136.72
D50309100220	Communication and alarm systems, includes outlets, boxes, conduit and wire, sound systems, 12 outlets	0.73		\$0.40	\$21,102.88
D50309100454	Communication and alarm systems, fire detection, addressable, 50 detectors, includes outlets, boxes, conduit and wire	1.32		\$1.27	\$67,228.75
D50309100462	Fire alarm command center, addressable with voice, excl. wire & conduit	1.32		\$0.39	\$20,427.09
D50309100720	Communication and alarm systems, includes outlets, boxes, conduit and wire, master clock systems, 10 rooms	0.79		\$0.45	\$23,956.20
D50309101000	Communication and alarm systems, includes outlets, boxes, conduit and wire, master TV antenna systems, 30 outlets	1.21		\$1.18	\$62,421.80
D50309200102	Internet wiring, 2 data/voice outlets per 1000 S.F.	1		\$0.00	\$0.00
D5090	Other Electrical Systems			\$0.12	\$6,271.38
D50902100240	Generator sets, w/battery, charger, muffler and transfer switch, gas/gasoline operated, 3 phase, 4 wire, 277/480 V, 11.5 kW	4.62		\$0.12	\$6,271.38
E	Equipment & Furnishings		0.00%	\$0.00	\$0.00
E1090	Other Equipment			\$0.00	\$0.00
F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00
SubTotal			100%	\$166.32	\$8,777,522.63
Contractor Fees (General Conditions,Overhead,Profit)			15.0%	\$24.95	\$1,316,628.39
Architectural Fees			0.0%	\$0.00	\$0.00
User Fees			0.0%	\$0.00	\$0.00
Total Building Cost				\$191.27	\$10,094,151.02

CENTRAL HIGH SCHOOL REDEVELOPMENT TIF DISTRICT

Code Deficiency Cost Report

Parcel B - 802 East Central Entrance, Duluth, Minnesota 55811
Parcel ID 010-2710-06203

Building Name or Type
Secondary Technical Center Main Campus

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Elevator				
	Modify elevator to comply with code	\$ 0.50	SF	52,775	\$ 26,387.50
	Restrooms				
	Modify restrooms to comply with code	\$ 0.25	SF	52,775	\$ 13,193.75
Structural Elements					
	Steel Beams				
	Protect steel beams from rusting per code	\$ 2,500.00	Lump	1	\$ 2,500.00
	Steel Lintels				
	Protect steel lintels from rusting per code	\$ 500.00	Lump	1	\$ 500.00
Exiting					
	Thresholds				
	Modify thresholds to comply with code for maximum height	\$ 1,000.00	Lump	1	\$ 1,000.00
	Green Houses				
	Install code required secondary egress from green houses	\$ 2,500.00	EA	3	\$ 7,500.00
	Lecture Hall				
	Install code required secondary egress in lecture hall	\$ 5,000.00	EA	1	\$ 5,000.00
	Emergency Notification System				
	Install a code compliant emergency notification system	\$ 0.39	SF	52,775	\$ 20,582.25
	Emergency Lighting System				
	Install a code compliant emergency lighting system	\$ 0.59	SF	52,775	\$ 31,137.25
Fire Protection					
	Fire Caulking				
	Install code required fire caulking	\$ 0.02	SF	52,775	\$ 1,055.50
Exterior Construction					
	Below Grade Block Walls				
	Protect below grade block walls from water intrusion per code	\$ 5,000.00	Lump	1	\$ 5,000.00
	Windows				
	Replace failed window system to prevent water intrusion per code	\$ 7.51	SF	52,775	\$ 396,340.25
	External Insulation Finishing System				
	Repair damaged EIFS to prevent water intrusion per code	\$ 2,500.00	Lump	1	\$ 2,500.00

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Expansion Joint Caulking				
	Replace failed expansion joint caulking to prevent water intrusion per code	\$ 2,000.00	Lump	1	\$ 2,000.00
Roof Construction					
	Roofing Material				
	Replace failed roofing system to prevent water intrusion per code	\$ 4.89	SF	52,775	\$ 258,069.75
Mechanical- Electrical					
	Mechanical				
	Install code compliant HVAC system	\$ 29.03	SF	52,775	\$ 1,532,058.25
	Electrical				
	Install code compliant electrical wiring system	\$ 4.31	SF	52,775	\$ 227,460.25
	Install code compliant lighting system	\$ 1.00	SF	52,775	\$ 52,775.00
Total Code Improvements					\$ 2,585,060

Central High School Redevelopment TIF District | 802 E Central Entrance - Parcel B



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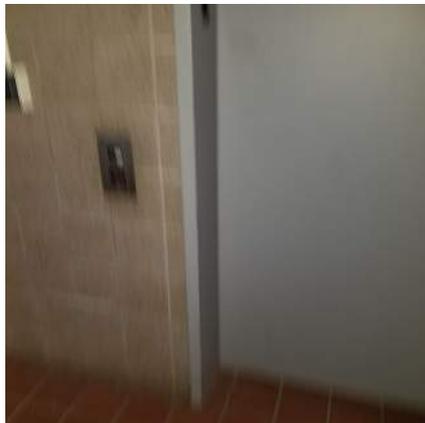
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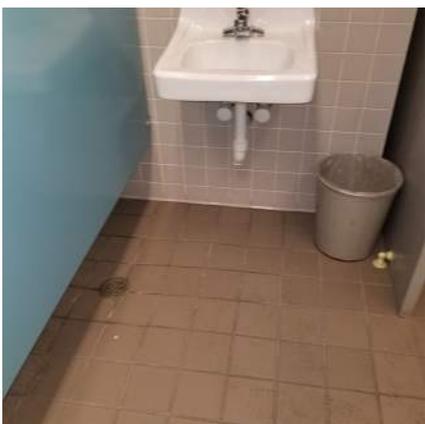
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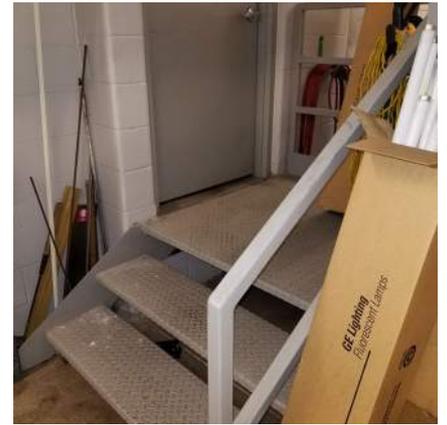
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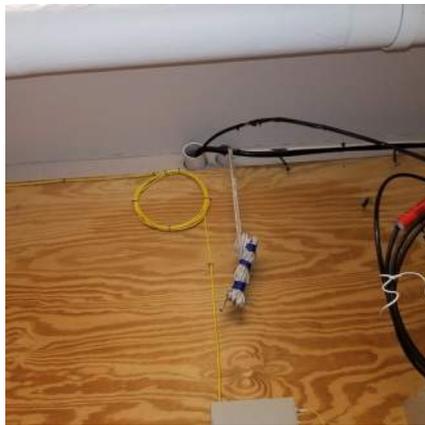
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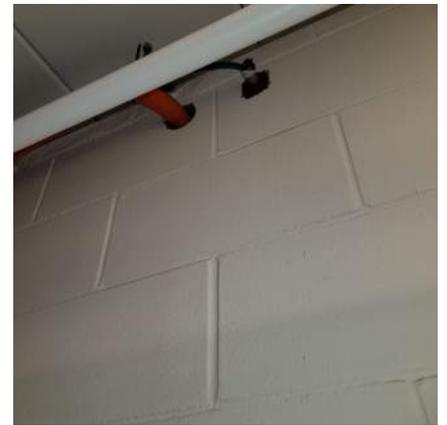
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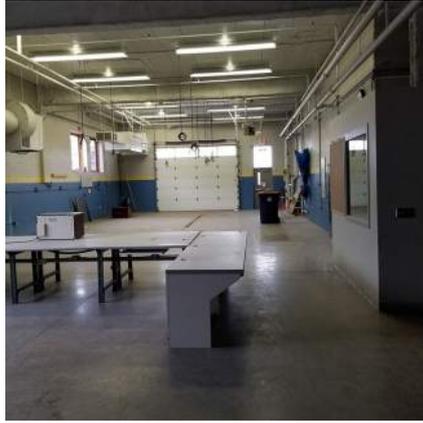


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Central High School Redevelopment TIF District | 802 E Central Entrance - Parcel B



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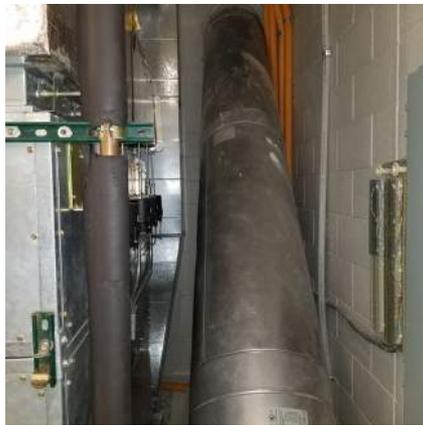
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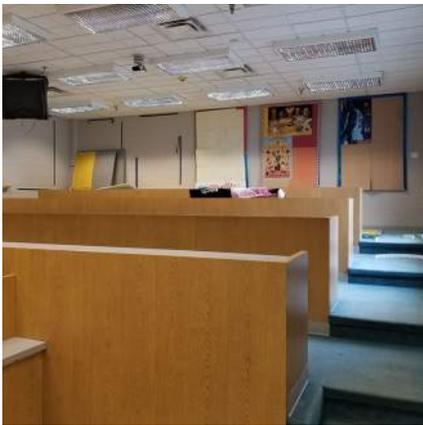
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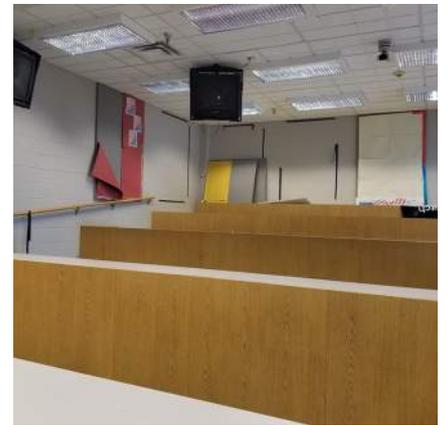
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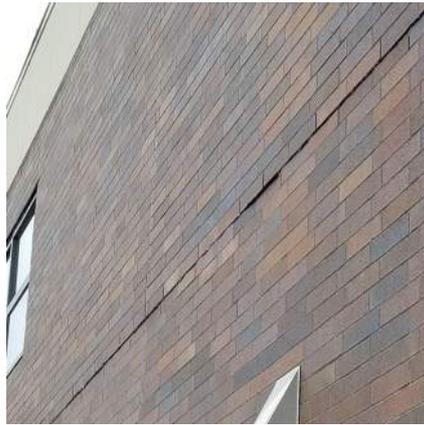
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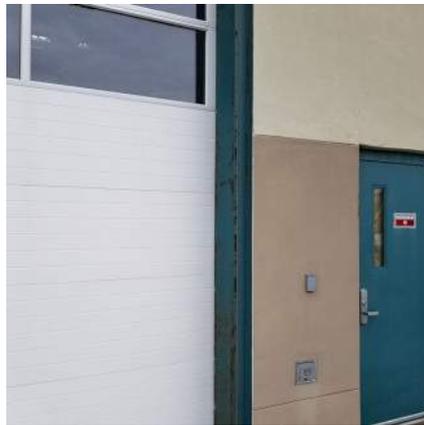
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Central High School Redevelopment TIF District | 802 E Central Entrance - Parcel B



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Duluth Economic Development Authority

22-5504 Request for Proposals Historic Restoration Pastoret Terrace Duluth, Minnesota

Release Date: March 21, 2022
Proposals Due: April 21, 2022

Overview

The Duluth Economic Development Authority (“DEDA”) is seeking viable proposals from qualified development entities to perform historic restoration of the Pastoret Terrace, Kozy Bar and Robison Ballroom buildings (“Pastoret”) in downtown Duluth. DEDA is interested in residential or mixed-use proposals that take great care in preserving the site’s historic integrity into the future. Located on an approximately 14,000 square foot parcel at the corner East 1st Street and 2nd Avenue East in Duluth, the Pastoret property is situated near Essentia Health and St. Luke’s and just one block uphill from Superior Street (downtown’s main street) which hosts many amenities such as restaurants, brew-pubs, hotels, theatres and retail establishments.



Bird's Eye View of Project Site 010-0930-00270

Development entities responding to this proposal must have experience with substantial restoration projects that meet the Secretary of the Interior’s Standards for the Treatment of Historic Properties (<https://www.nps.gov/tps/standards/four-treatments.htm>). As a contributing resource to the Duluth Commercial Historic District, proposed restoration must maintain historic integrity and will be reviewed by the Minnesota State Historic Preservation Office (MN SHPO). The Duluth Economic Development Authority’s (“DEDA”) conveyance of the property will be contingent on selected entities’ historic preservation experience and financial readiness. DEDA encourages Respondents to pursue Historic Tax Credits; other financial assistance, such as tax increment financing, may be available subject to funding gaps and DEDA and City Council support. Proposal selection will be based on the

Respondent’s background, previous experience, proposed restoration project design, project timeline, financial capability, and ability to develop the site a way that meets DEDA and the City’s goals. Questions regarding project scope should be directed to the Planning and Economic Development Department.

Questions about this RFP should be directed to the City of Duluth Purchasing Office:
purchasing@duluthmn.gov

The Duluth Community

The fourth-largest city in Minnesota, Duluth has a population of approximately 87,000 and over 6.7 million visitors annually. Duluth is the largest metropolitan area on the shores of Lake Superior: home to more than 250,000 people, 25 to 34-year old residents are the fastest growing demographic, increasing by 25% over the last 5 years.



Duluthians enjoy a high quality of life in a vibrant place that boasts great tasting, clean water and a spectacular landscape along the entire 26-mile stretch of the city. Offering more than 11,000-acres of greenspace within city limits, Duluth offers access to over 250 miles of hiking and world-class biking trails, sailing, cross country and downhill skiing, fly and deep-sea fishing, rock and ice climbing, inspirational arts and entertainment performances, a mix of local and nationally recognized retailers, and diverse culinary options.

Duluth has three highly ranked college institutions that are rated among the best in the nation for liberal arts education. They offer a medical school and top-notch engineering programs. Duluth is the home of two regional medical centers that are investing a combined \$1 billion over the next few years. The Port of Duluth-Superior is the farthest-inland freshwater seaport, connecting the heartland of the U.S. and Canada to the global economy. Duluth’s economic outlook is promising as aviation, education, healthcare, engineering, tourism and information technology companies continue to grow and flourish here.



In summary, Duluth is home to abundant natural resources and outdoor recreation, robust industry clusters, top-notch educational campuses, and some of the most breathtaking natural scenery in the country – qualities that make it an unrivaled place to live, work, and explore.

Objective

DEDA is seeking a qualified developer whose project will preserve the Pastoret buildings to historic standards while creating reuse opportunities for the currently vacant and blighted property, while adhering to the Governing Principles in Duluth's comprehensive plan, Imagine Duluth 2035 (<https://imagineduluth.com/document>). Projects that include demolition of existing structures will not be considered.

The primary purpose of this RFP process is to identify a qualified entity that clearly has the experience, vision, and financial capability to design and complete a quality historic restoration project consistent with DEDA's objectives stated above on the Property.

Site Information

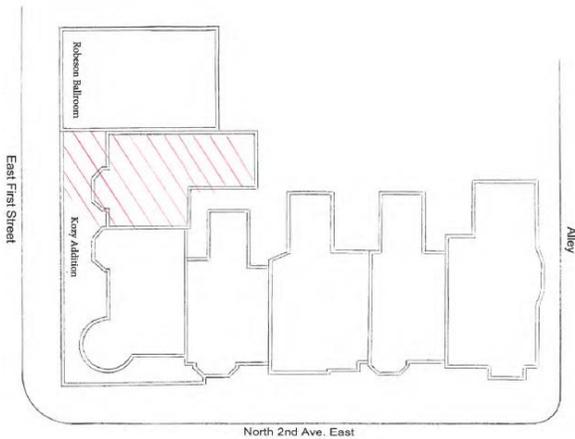
The Pastoret Terrace site is an approximately 14,000 square foot site that has past historical uses that range from residential to commercial. Designed by renowned Architect Oliver Traphagen and constructed in 1887 by Michael Pastoret, the Romanesque Revival style building is a contributing resource to the Duluth Commercial Historic District. Originally constructed as six town homes, the building was divided into apartment units over time, with 50 units created by 2009. In 1924, a restaurant was added to the first floor and the prominent corner tower was removed. The tavern became the Kozy Bar in 1960. The building next door at 125 E. First Street was purchased by the buildings previous owner and renamed to Paul Robeson Ballroom. The existing buildings that makeup the Pastoret Terrace combined are approximately 20,000 square feet. In 2010 and 2011, the structure caught fire and repairs were too costly for the property owner. The building has remained vacant since that time and beginning in 2016 the property was tax forfeited to the State of Minnesota after which time DEDA purchased. The Pastoret Terrace property experienced an additional fire on November 1, 2020, that further compromised the building's overall structural stability.

The site is zoned Downtown Mix (F-8) and has utilities nearby along East 2nd Street Alley and North 2nd Avenue East. For more site information, please see Appendix C. For information on zoning regulations in the F-8 district, visit "Land Use Zoning" on the City's website at <https://duluthmn.gov/planning-development/land-use-zoning-and-applications/zoning-regulations/>.

The site is currently owned by the Duluth Economic Development Authority (DEDA). The DEDA is looking to sell the Property; purchase price will be negotiable based on the community benefits of the project.

Building Information

The building complex is comprised of three basic elements: the Pastoret Terrace component of housing units with frontage on First Street and Second Avenue East, the Kozy Bar extension on First Street and the Paul Robeson Ballroom structure to the west fronting on First Street.



Photos courtesy of 2020 LHB Fire Assessment Report



Photo courtesy of Duluth Public Library

The two-and-a-half-story Pastoret Terrace portion is constructed with exterior and interior brick masonry bearing walls with wood floor and roof joists spanning between the masonry. The building featured brownstone-trimmed windows, wrought iron details on the roof, and a round corner tower. Within this building, there are numerous wood partition walls that break the original units into smaller apartments. The overall complex footprint is an L shape with the southern five sections served by a non-original internal double loaded corridor that steps down at each section change. The most northerly structure does not connect to the internal hall used by other units but does share a common masonry wall. On the southeast there is a one-story addition that contains the Kozy Bar. This 10-foot extension of the lowest level of the southern townhome in the Pastoret Terrace wraps around two sides of the original Pastoret Terrace building. Exterior walls are either wood or brick masonry, with a wood roof structure. On the southwest corner of the complex there is a two-story structure, the Paul Robeson Ballroom, that shares a common wall with the westernmost townhome. The building has exterior brick masonry bearing walls and the floor and roofs are frame with wood joists that span across the building.

Due to previous fires and vandalism, the roof system of the southerly Pastoret Building is entirely failed and in a collapsed state. The building is presently open to the elements from the roof and unbarricaded window openings. Extensive structure damage to the westerly building portion timber wall and floor framing compromises the stability of the building. Access to the interior is currently unsafe as the stability of the floors and exterior walls is unpredictable. The upper regions of the south and east exterior masonry walls contribute to further stability concerns. Restoration of the building's interior will require significant removal of non-historic demising walls, plaster wall and ceilings, flooring and windows and replacement with furnishings that meet Secretary of the Interior's Standards for the Treatment of Historic Properties. It is presumed that any future building restoration would require completely new electrical, mechanical and plumbing systems. DEDA has remediated all known hazardous materials in the property. See appendix A for results of a Phase I Environmental Site Assessment.

Proposal Requirements and Format

All proposals must include the following to be considered:

- Conceptual plan
 - City does not expect detailed design or architectural documents
 - If residential use proposed; please include unit type/count information
- Budget and pro forma that includes:
 - Sources and Uses based on estimate from experienced GC or CM
 - Securing estimates from local companies is encouraged
- Examples of previous successful projects of a similar nature
 - Specific to historic preservation/rehabilitation

Proposals should submit the above information in the following format:

1. Proposal Cover Sheet – A completed and signed Proposal Cover Sheet (Appendix A).
2. Proposal Narrative with Conceptual Plan – A written and graphic summary of the proposed development, which shall include an explanation of how the proposed development is intended to be integrated into its surroundings and will support broad principles of neighborhood development and historic restoration.
3. Statement of Qualifications – Include descriptions of relevant example projects completed within the past 5 years that are comparable in scope to the project, as well as financial capacity to ensure project success. Include references of previous clients/projects.
4. Project Schedule – Information on the preliminary schedule, including timing for site plan development, regulatory approvals, and construction activities.

Evaluation Criteria

DEDA will evaluate the development proposals based on the following criteria:

- Project timeline and ability to begin project in 2023.
- Financial capability, including resources available as equity for the project and strength of financial commitments.
- The quality of the proposed development and how it contributes to the surrounding neighborhood context (parking, pedestrian impacts, activation of street levels, access, etc.).
- Qualifications and experience of the Respondent and team members with projects of similar scale and magnitude.
- Quality, creativity, and feasibility of historic preservation development proposal.

DEDA encourages and welcomes bids from women-owned and minority-owned businesses.

DEDA reserves the right, at its sole discretion, to reject any or all submittals if, in its opinion, it is determined to be in the public interest to do so; to waive minor irregularities and informalities of a submittal; to cancel, revise, or extend this solicitation; and to select the proposal it deems is in the best interests of the City, even if it is not the highest purchase price nor provides the greatest financial

benefit to the City. The City reserves the right to request clarification of information submitted and to request additional information from any Respondent.

This Request for Proposals does not obligate the City of Duluth to pay any costs incurred by any respondent in the submission of qualifications and/or proposals or in making necessary studies or designs for the preparation of any proposal, nor for procuring or contracting for the services to be furnished under this Request for Proposals. Any proposal accepted by DEDA shall be subject to approval by the Duluth Economic Development Authority.

DEDA appreciates your consideration of this Request for Proposals and welcomes all responsible Respondents.

Questions, Answers, & Addenda

Any questions regarding this RFP must be submitted by e-mail to the Purchasing Office at purchasing@duluthmn.gov **no later than** April 8th, as indicated in the calendar of events listed below. Answers to questions will be posted as an Addendum to the RFP.

If the City deems it necessary to revise and part of the RFP before the proposal response date, the City will post an addendum to its website <https://duluthmn.gov/purchasing/bids-request-for-proposals/>. Although an e-mail notification will be sent, it is the Bidder's responsibility to periodically check the website for and new information.

Appendices

Appendix A – Proposal Cover Sheet

Appendix B – Phase I Environmental Assessment summary and findings

Appendix C – Site Maps (utilities, current and future zoning)

Appendix D – Pastoret Terrace Assessment: Terrace, Kozy Bar, and Ballroom (2016 structural condition assessment report prepared by LHB, Inc.)

Appendix E – Pastoret Terrance – 11-01-2020 Fire Initial Assessment (2020 report documenting findings concerning fire damage sustained at the property November 2020 prepared by LHB, Inc.)

Schedule

The following summarizes the expected schedule for this RFP process:

- Request for Proposals issued –March 21, 2022
- Deadline for questions for the City– April 8, 2022
- Development proposals due – April 21, 2022
 - **Please send a digital copy of your proposal with the title “[entity name]” 22-5504 Pastoret RFP” to:**
 - Purchasing@DuluthMN.gov
- Notification of selected proposal to occur in late April

APPENDIX A - PROPOSAL COVER SHEET

DEDA

22-5504 Historic Restoration Pastoret Terrace

Respondent Information:	
Company Name	
Mailing Address	
Website	
Principal Contact Person	
Contact Person's Phone Number	
Contact Person's E-Mail Address	
Federal ID Number	

<i>Signature</i>	
Signature of authorized official. Signatory consents and agrees to adhere to the terms outlined in this proposal:	
Printed Name	
Title	

FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM MAY RESULT IN THE REJECTION OF THE PROPOSAL

The Signatory hereby represents upon all of the penalties of law for the purpose of inducing the Duluth Economic Development Authority review a proposal for development, that all documentation herein and attached are true and that all work herein described, if selected, will proceed in accordance with the Ordinances of the City of Duluth and the laws of the State of Minnesota. Signatory also understands that all documents provided to DEDA may be considered public data, per Minnesota Government Data Practices Act.

APPENDIX B

Phase I Summary

Executive Summary

Barr Engineering Co. was retained by the City of Duluth to perform a Phase I Environmental Site Assessment (Assessment) of property currently owned by the Duluth Economic Development Authority, which is currently vacant. The property is located at 109 North Second Avenue, City of Duluth, St. Louis County, Minnesota (Property). The Assessment was performed in conformance with ASTM, International (ASTM) Practice E 1527-13 and all federal All Appropriate Inquires rule (40 CFR Part 312) together with procedures and methods required by the cooperative agreement with the U.S. Environmental Protection Agency (EPA).

Property Use

The Property is currently owned by the Duluth Economic Development Authority and is approximately 0.32 acres in size. The property is currently vacant and one building including the former Paul Robeson Ballroom, Kozy Bar, and Pastoret Apartments/Annex is located on the property.

Physical Setting

The Property is currently vacant and is zoned Downtown Mix (F-8). Located in East Downtown, the topography at the Property significantly slopes southeastward towards Lake Superior and shallow groundwater flow direction at the Property is considered to be to the southeast. The current use of adjoining properties includes commercial, residential, and light industrial. Native soil at the Property consist of urban land-Mesaba-Rock outcrop complex. Bedrock at the Property is the Duluth complex.

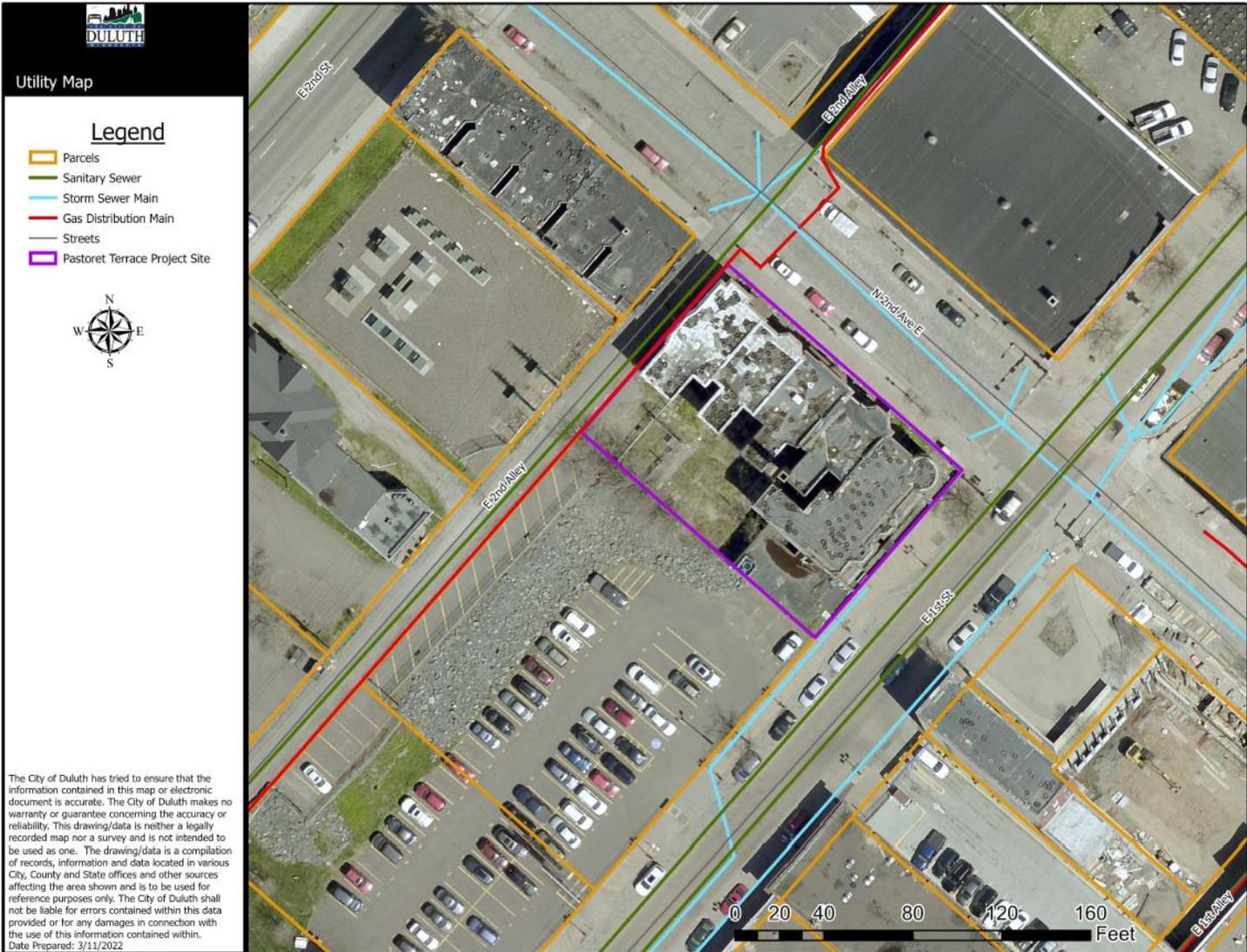
Environmental Site Assessment Results

Barr identified the following findings and recognized environmental conditions (RECs) in connection with the Property:

Finding ID #	Description of Finding	Opinion with Respect to Finding	REC ID #
1	<p>Upgradient Sites</p> <ul style="list-style-type: none"> Several potentially up-gradient sites or adjoining/nearby sites with regulatory database listings that identified soil and/or groundwater contamination were found. These sites include 112 E 2nd Street, which is active in the WIC program and the Hemlock Garage, located at 110 E 4th Street which has not received a closure letter. 	<p>Based on the presence of leak sites located adjacent to and/or in the near vicinity of the Property, there is a potential for contamination at these sites with the potential to adversely impact the Property, and this finding is a REC.</p>	1
2	<p>Current Site Use</p> <ul style="list-style-type: none"> The Property is currently vacant; however, household debris and waste material are present throughout the interior of the buildings. The debris consists of microwaves, clothing, dishes, household chemicals, mattresses, and furniture. The debris is inert and would not likely cause a release to soil or groundwater. 	<p>Based on the type of debris present throughout the Property, this finding is considered de minimis and not a REC.</p>	2

APPENDIX C

Site Maps





Current and Future Land Use

Legend

- Parcels
- Zoning Districts
- Central Business Secondary
- Central Business Primary
- Streets
- Pastoret Terrace Project Site



The City of Duluth has tried to ensure that the information contained in this map or electronic document is accurate. The City of Duluth makes no warranty or guarantee concerning the accuracy or reliability. This drawing/data is neither a legally recorded map nor a survey and is not intended to be used as one. The drawing/data is a compilation of records, information and data located in various City, County and State offices and other sources affecting the area shown and is to be used for reference purposes only. The City of Duluth shall not be liable for errors contained within this data provided or for any damages in connection with the use of this information contained within.
 Date Prepared: 3/11/2022

700+ DEVELOPER DISTRIBUTION LIST

Duluth News Tribune March 23, 2022

Email notification sent to Minnesota Builder's Exchange

Email notification sent to Wisconsin Builder's Exchange

Email notification to 700+ City of Duluth Purchasing Department Website Subscribers

Email notification to known possible proposers as follows:

Board of Trade Guru Naganat <guru@dubinconsultinginc.com>; 'David Dubin' <david@dubinconsultinginc.com>

P&R Properties 'Dante Tomassoni' <dante@prcompanies.net>

Roers 'Andy Bollig' <Andy@roerscompanies.com>

Saturday Properties Mark Laverty <mlaverty@saturdayproperties.com>; 'Kim Van Dyn Hoven' <kvandynhoven@saturdayproperties.com>

Burnham Apts (jail) Jon Commers <commers@donjek.com> Meghan Elliott <elliott@newhistory.com>

Titanium Partners Brian Forcier' <bforcier@titaniumpartners.com>; 'Jeff Wefel' <jwefel@titaniumpartners.com>

Sherman Associates Will Anderson; wanderson@sherman-associates.com

Mike Schraepfer mike@rentwithheirloom.com

Exhibit B