

RESOLUTION 24D-46

RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT WITH STUDIO CAFE LLC FOR THE REDEVELOPMENT OF A 22 W 1ST STREET IN DOWNTOWN DULUTH IN THE AMOUNT OF \$140,000.

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to enter into a Development Agreement, substantially in the form of that attached hereto (DEDA Contract No. 24 860_____) with Studio Cafe, LLC in an amount not to exceed \$140,000, payable from Fund 860, to facilitate the re-development of a vacant structure located at 22 West First Street, which upon completion will house an approximately 4,075 square foot coffee shop and cafe and result in the creation and retention of no less than four (4) full-time equivalent jobs. as described in said Development Agreement

Approved by the Duluth Economic Development Authority this 23rd day of October, 2024.

ATTEST:

Executive Director

STATEMENT OF PURPOSE: The purpose of this resolution is to approve the attached Grant/Development Agreement with Studio Cafe, LLC to facilitate in the capital investment project for 1st Street redevelopment, currently underway in Downtown Duluth.

As Studio Café will be utilizing a vacant building that is a contributing structure to the National Register of Historic Places Downtown Historic District. Interior and exterior improvements are necessary to the structural stability and longevity of the building. The owner has obtained estimates from local contractors that propose the project to cost between \$1,380,807 and \$722,681 for the remainder of the buildout, which will involve sistering joists, shoring walls and floors, reconstruction and tuckpointing of the North brick wall, all new windows and doors, new plumbing to a commercial kitchen along with two ADA bathrooms, and all finishing work to create a sustainable space and encourage downtown reinvestment. Previous funding of \$50,000 was provided by the Duluth 1200 Fund in March 2024, for brick front façade repair.

The property owner is committed to honoring the architectural heritage of 22 W 1st St, as evidenced by efforts to retain, or restore, as much of the building's unique character

and original façade as possible during the project, contributing aesthetic improvements and preserving the historical character of downtown Duluth. Studio Cafe also aims to pay homage to the unique history of the building, which once housed the long-standing Young at Heart Records store, by playing and selling vinyl records from local musicians.

To facilitate Studio Café's historical preservation and downtown revitalization efforts and the creation and retention of no less than four (4) full-time equivalent (FTE) employee positions, the Development Agreement will contribute up to \$140,000 of financial assistance to the Project, which will be utilized for the repair and installation of windows, doors, tuckpointing, brick re-construction, structural stabilization to walls and floors and finishing materials..