

**SUB-RECIPIENT FUNDING AGREEMENT
CONTAMINATION CLEANUP GRANT PROGRAM
LOT D PROJECT**

THIS AGREEMENT, effective as of _____, 2026, is entered into by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority under Minnesota Statutes (1989) chapter 469 (“**DEDA**”), and INLAND DEVELOPMENT PARTNERS, LLC, a Minnesota limited liability company (the “**Subgrantee**”).

WHEREAS, in cooperation with Subgrantee, DEDA applied to and received approval for funds in the amount of \$2,134,320.00 from the State of Minnesota, acting by and through its Department of Employment and Economic Development, Business and Community Development Division (“**DEED**”) under its Contamination Cleanup Grant Program (the “**Cleanup Grant**”); and

WHEREAS, the DEDA desires to award proceeds of the Cleanup Grant in the amount of \$2,134,320.00 (the “**Subgrant**”) to Subgrantee, to assist Subgrantee with the development of the site on the real property described on attached **Exhibit A** (the “**Property**”) by funding a portion of the costs of those elements of the development identified as Eligible Costs in Section 4.1 of the Cleanup Grant Agreement identified below (the “**Project**”), subject to the Subgrantee providing a portion of the required matching funds; and

WHEREAS, the Subgrantee has agreed it will expend the Subgrant on Approved Project Costs as identified in the Cleanup Grant Agreement and will provide \$561,440.00 of the required local match under the Cleanup Grant Agreement (the “**Match Funds**”).

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

1. **AWARD.** Subject to the provisions of Paragraph 11 below, DEDA awards the Subgrant to Subgrantee for assessment and/or clean-up activities as are described in Grant Agreement No. CCGP-25-0027-Z-FY26 between DEDA and DEED attached to this Agreement as **Exhibit B** (the “**Cleanup Grant Agreement**”) and the application to DEED, submitted on November 1, 2025 (the “**Application**”), on file in DEDA’s Office, both of which are incorporated into this Agreement and are hereinafter referred to as (the “**Documents**”). In the event of a conflict between the Cleanup Grant Agreement, this Agreement and the Application, the Documents shall be deemed to be controlling in the following order: 1) Grant Agreement No. CCGP-25-0027-Z-FY26; 2) this Agreement; and 3) the Grant Application. The Subgrant and Match Funds must be used exclusively to pay or reimburse only expenses authorized under the Cleanup Grant Agreement. Administrative costs incurred by the Subgrantee are not eligible for reimbursement under this Agreement. Notwithstanding anything to the contrary, the Subgrantee understands and agrees that any reduction of the Cleanup Grant or termination of the Cleanup Grant Agreement will result in a like reduction of the Subgrant or termination of this Agreement, and that any material change in the timeline or scope of the Project as set forth in the Documents must be approved in writing by DEDA and DEED.

2. **LOCAL MATCH.** The parties acknowledge that the local match for the grant funds provided pursuant to the Cleanup Grant is in an amount of at least \$711,440 (the “**Local Match**”). The parties shall be responsible for the Local Match in the following order:

A. *Subgrantee.* The Subgrantee shall contribute the Match Funds in an amount of up to Five Hundred Sixty-One Thousand and Four Hundred and Forty Dollars (\$561,440) for the Project in the form of a local match for the grant funds being provided pursuant to the Cleanup Grant. Subgrantee agrees to complete all proceedings necessary to provide its portion of the Local Match of the Cleanup Costs at or before the time the Local Match is required as Eligible Costs of the Cleanup Grant Agreement.

B. *DEDA.* DEDA shall grant to Subgrantee and, after Subgrantee has contributed the full amount of Match Funds, contribute an amount of up to \$150,000 payable from Fund 860 for the Project in the form of a local match for the grant funds being provided pursuant to the Cleanup Grant (the “**Local Match Grant**”). The Local Match Grant funds shall be distributed in the same manner and upon the same terms as the Subgrant. Local Match Grant funds shall be used to reimburse Subgrantee for Approved Project Costs. Subgrantee shall complete all proceedings necessary to apply the Local Match Grant to Eligible Costs of the Clean Up Grant Agreement at or before the time the Local Match is required.

C. *Excess Costs.* In the event that total actual Cleanup Costs exceed the amount of Eligible Costs, DEDA shall not be required to increase the amount of the grants provided to Subgrantee herein and Subgrantee shall increase its Match Funds to meet such actual Cleanup Costs. Subgrantee shall be responsible for all other costs of the Project.

3. **PERFORMANCE.** The Subgrantee must comply with all requirements applicable to “subrecipient” in the Documents. Subgrantee’s default under the Documents will constitute noncompliance with this Agreement. If DEDA reasonably finds that there has been a failure to comply with the provisions of this Agreement or that reasonable progress on the Project has not been or will not be made, DEDA may take action to protect its interests, including refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed. If action to correct substandard performance is not taken by the Subgrantee within 30 calendar days, or such longer period specified by DEDA’s Executive Director (the “**Executive Director**”) after written notice by DEDA, DEDA may terminate this Agreement.

4. **TIME OF PERFORMANCE.** Subgrantee must complete the Project on or before December 31, 2028. In order to ensure that all funds are drawn prior to DEDA’s Cleanup Grant Agreement term end date, all payment requests from Subgrantee to DEDA must be received by DEDA at least 30 days prior to said term end date. DEDA is not obligated to pay for any Project costs incurred thereafter. It is expected the Project will begin as described in the Documents. Subgrantee must make at least one payment request on or before November 30, 2026.

5. **CONDITIONS PRECEDENT TO DISBURSEMENT.** The following requirements are conditions precedent to DEDA’s disbursement of any of the Subgrant proceeds:

A. The Subgrantee must have provided evidence satisfactory to the Executive Director showing that Subgrantee has title in fee simple or site control of the Property as required by the Documents or otherwise meets the requirements of DEED.

B. The Subgrantee must have provided to the Executive Director such evidence of compliance with all of the provisions of this Agreement and the Documents as DEDA may reasonably request.

C. The Subgrantee shall have contributed the Match Funds as required by this Agreement and provided evidence of the same to DEDA.

D. The Subgrantee must have complied with the financial and performance reporting requirements as specified in the Documents.

E. DEDA shall have received the Subgrant proceeds from DEED.

6. **DISBURSEMENT.** It is expressly agreed and understood that the total amount to be paid by DEDA under this Agreement shall not exceed a Subgrant of Two Million One Hundred and Thirty-Four Thousand and Three Hundred Twenty Dollars (\$2,134,320.00) payable from Fund 860 and a Local Match Grant of One Hundred and Fifty Thousand Dollars (\$150,000). DEDA will make disbursements only upon receipt of a written payment request in the form provided by DEED (the “**Payment Request Form**”) from Subgrantee acceptable to DEDA and DEED. Payment requests may be made no more than once per month and must be accompanied by invoices supporting the reimbursement of Subgrantee of Approved Project Costs and such other documentation related thereto as shall be reasonably requested by the Executive Director. The Payment Request Form must have attached all invoices from each provider to be paid or cost to be reimbursed. DEDA will, upon its approval of the Payment Request Form and supporting documentation, forward it to DEED for approval. Upon DEED approval of the Payment Request Form and receipt by DEDA of the approved amounts of Cleanup Grant funds, DEDA will disburse the approved amount of Subgrant funds in accordance with the information provided in the Payment Request Form. The final payment request must be submitted within 60 days of completion of the Project, and no later than December 31, 2028. Subgrant funds cannot be used as match for any other grant or program and cannot be used, treated, or converted into any type of loan.

7. **NOTICES.** Communication and details concerning this Agreement must be directed to the following Agreement representatives:

DEDA: Duluth Economic Development Authority
Attn: Executive Director
411 W. 1st Street Rm. 160
Duluth, MN 55802

With copy to: Amanda Anderson

SUBGRANTEE: Inland Development Partners, LLC
Attn: Steve Schwanke
100 Lake St. W. Ste. 200
Wayzata, MN 55391-1791

With copy to: Legal Department

8. **GENERAL CONDITIONS.**

A. **General Compliance.** The Subgrantee agrees to comply with all applicable federal, state and local laws and regulations governing the Project and Cleanup Grant funds provided under this Agreement, including without limitation all applicable OSHA regulations, especially the federal Hazardous Waste Operations and Emergency Response Standards (29 C.F.R. 1910.120 and 29 C.F.R. 1926.65) and when applicable all federal Davis Bacon and related act requirements. The Subgrantee agrees it must not contract with vendors who are suspended or debarred by the State of Minnesota or the federal government.

B. **Subcontracts.**

1. *Compliance with Laws.* The Subgrantee must require that contractors performing work being paid with the Subgrant funds comply with all applicable federal, state and local laws and regulations governing the Project. Subgrantee must require that contractors performing work on the Project do not contract with vendors who are suspended or debarred by the State of Minnesota or the federal government.

2. *OSHA.* Subgrantee must require that contractors performing work being paid with the Subgrant funds be in compliance with all applicable OSHA regulations, especially the Federal Hazardous Waste Operations and Emergency Response Standards (29 C.F.R. 1910.120 and 29 C.F.R. 1926.65).

C. **Termination.** In the event the Cleanup Grant Agreement is terminated, this Agreement shall contemporaneously terminate. Upon termination, Subgrantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed. The terms of this Subparagraph shall be subject to the provisions of Paragraph 11 below.

D. **Independent Contractor.** Nothing contained in this Agreement is intended to, or may be construed in any manner, as creating or establishing the relationship of co-partners, joint ventures, or joint enterprise, between the parties or constituting either party as an agent, representative or employee of the other for any purpose or in any manner whatsoever. The Subgrantee and its officers, agents, or employees shall not be considered an employee of DEDA or the City of Duluth for any purpose or in any manner whatsoever. The Subgrantee will, at all times, remain an independent contractor with respect to the work to be performed under this Agreement. Any and all claims that may or might arise on behalf of Subgrantee arising out of employment or alleged employment, including without limitation, claims of discrimination, shall in no way be the responsibility of DEDA. Subgrantee and its officers, agents, or employees shall not be entitled to claim or collect from DEDA or the City of Duluth any compensation or rights or benefits of any kind whatsoever, including by not limited to, hospital care, sick leave and vacation pay, disability pay, severance pay, unemployment compensation, FICA, retirement, life and/or medical insurance and workers' compensation insurance. Furthermore, DEDA and the City of Duluth shall not, in any way, be responsible to defend, indemnify, or save harmless Subgrantee, its officers, agents, or employees from liability or judgments arising out of the intentional or negligent acts or omissions of Subgrantee while performing the work specified hereunder.

E. **Indemnification and Hold Harmless.** To the extent permitted by law, the Subgrantee shall defend, indemnify, and hold DEDA, the City of Duluth, and DEED, their employees, officers, and agents, harmless from and against any and all liability, claims, actions, suits, charges, damages, losses, costs, expenses, and judgments whatsoever, including reasonable attorneys' fees, asserted by itself or any other person or persons, that arise directly or indirectly out of the Subgrantee's, its contractor's or subcontractor's performance or nonperformance under this Agreement. This Section shall not be construed to bar any legal remedies Subgrantee may

have for DEDA's failure to fulfill its obligations pursuant to this Agreement. Claims included in this indemnification include any claims asserted pursuant to the Minnesota Environmental Response and Liability Act (MERLA), Minnesota Statutes, Chapter 115B; the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA) as amended, United States Code Title 42, Sections 9601 et. seq.; and the Federal Resource Conservation and Recovery Act of 1976 (RCRA) as amended, United States Code Title 42, Sections 6901 et. seq. Nothing in this provision shall affect the limitations of liability of DEDA as set forth in Minnesota Statutes Chapter 466. This Section shall survive the termination of this Agreement for any reason.

F. Insurance.

1. *Insurance Required.* During the term of this Agreement, Subgrantee and its contractors and subcontractors rendering services being paid with funds from this Agreement shall procure and maintain Commercial General and Automobile Liability Insurance with limits of not less than \$1,500,000 Single Limit; and coverages of Subgrantee and its contractors/subcontractors shall include:

- a. Public liability including premises and operations coverage;
- b. Independent contractors' protective contingent liability;
- c. Personal injury;
- d. Owned, non-owned, and hired vehicles;
- e. Contractual liability covering customary construction contract and subcontract indemnity provisions;
- f. Products—completed operations; and
- g. Workers' Compensation coverage in required statutory limits. Policy shall carry an "all states" endorsement.

Umbrella coverage with a "form following" provision may make up the difference between the commercial general and auto liability coverage amounts and the required minimum stated above.

2. *Additional Insurance Requirements.* All insurance required in this Section shall be taken out and maintained in responsible insurance companies organized under the laws of the United States and licensed to do business in Minnesota. DEDA and the City of Duluth shall be named as an additional insured under the Commercial General and Automobile Liability Insurance. DEDA does not represent or guarantee that the types of limits or coverages provided above are adequate to protect Subgrantee's interests and liabilities.

3. *Certificates of Insurance.* Certificates of insurance showing that Subgrantee carries the above-described insurance in the specified amounts shall be furnished to DEDA prior to the disbursement of any of the Subgrant proceeds, and a certificate showing continued maintenance of such insurance shall be on file with DEDA during the term of this Agreement. The form of each certificate of insurance shall contain an unconditional requirement that the insurer notify DEDA without fail not less than 30 days prior to any cancellation, non-renewal or modification of the policy or coverages evidenced by said certificate; provided, however, that a ten (10) day prior notice requirement may apply in the event of cancellation due to nonpayment of premium and shall further provide that failure to give such notices to DEDA will render any such change or changes in said policy or coverages ineffective as against DEDA.

4. *Contractor/Subcontractor Evidence of Insurance.* The Subgrantee must not commence work until any and all contractors/subcontractors have obtained the required proof of insurance which clearly evidences required insurance coverages. If the Subgrantee fails to furnish proof of insurance coverages from the contractors/subcontractors when requested by DEDA,

DEDA may withhold payments and/or pursue any other rights or remedy allowed under this Agreement, law, equity, and/or statute.

G. **Time is of the essence.** Subgrantee must comply with all the time requirements described in this Agreement and the Documents. In the performance of this Agreement, time is of the essence.

9. **ADMINISTRATIVE REQUIREMENTS.**

A. **Accounting Standards.** The Subgrantee agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by generally accepted accounting practices to properly account for expenses incurred under this Agreement.

B. **Records.**

1. *Inspections and Retention.* Audits and records, including but not limited to all financial and environmental documents related to the funds provided under this Agreement, shall be accessible to authorized representatives of DEDA for purposes of examination and audit. In addition, the Subgrantee shall give DEED, the Legislative Auditor, and the State Auditor's Office, through any authorized representatives, access to and the right to examine all records, books, papers, and documents related to this Agreement for a minimum of six years from the end of the Cleanup Grant Agreement term end date. The Subgrantee must retain all records pertinent to this Agreement or transaction until the conclusion of the latest of (a) six years after the conclusion of this Agreement; (b) six years from the end of the Cleanup Grant Agreement, evidenced by receipt and approval of all final reports; or (c) six years from the end of the required period of time to satisfy all state and program retention requirements.

2. *Data Practices Act.* The Subgrantee must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13.

3. *Close-Out.* The Subgrantee's obligation to DEDA does not end until all close-out requirements are completed. Activities during this close-out period include: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and receivable accounts to DEDA), determining the custodianship of records and resolving audit findings.

C. **Procurement.** The Subgrantee must maintain an inventory record of all nonexpendable personal property procured with funds provided under this Agreement. Program income is income generated from grant-funded activities, including interest earned on grant funds. All unexpended program income must revert to DEDA upon termination of this Agreement.

10. **BUSINESS SUBSIDY AGREEMENT.**

A. **Description of Subsidy.** The business subsidy provided to Subgrantee consists of the award of \$2,134,320 in this Agreement.

B. **Need for Subsidy.** Without the award provided pursuant to this Agreement, the costs of cleanup and remediation of the Project are not economically feasible without such assistance that, therefore, but for the award to be provided for hereunder, the Project could not be reasonably expected to be undertaken in the foreseeable future.

C. **Public Purpose.** The public purpose of the award to be provided pursuant to this Agreement is to assess and clean-up the site, in connection with construction of the Project that will create jobs that pay a livable wage, enhance the City's tax base, and achieve redevelopment on sites which would not be developed without assistance. In accordance with §116J.994, subdivision 4, DEDA has determined after a public hearing that the creation or retention of jobs

is not a goal of this development/redevelopment effort funded by this award.

D. **Business Subsidy Goal.** Achievement of the Business Subsidy Goal in accordance with Minnesota Statutes §116J.994 shall be measured as follows: Subgrantee agrees that on or before December 31, 2028, it shall have constructed the Project on the Property in accordance with this Agreement (the “**Business Subsidy Goal**”). On the Compliance Date, the Subgrantee shall have:

1. Cleaned up the site as proposed in the grant application and upon which funding was based.

E. **Reporting Requirement.** On or before March 1st of each year following the commencement of this Agreement, Subgrantee shall file with DEDA and for two (2) years after the earlier of (a) when the Project has been completed, or (b) when a business first occupies the Property (the “**Benefit Date**”), reports on forms developed by the Minnesota Department of Employment and Economic Development (“**DEED**”) setting forth Subgrantee’s progress in meeting the Business Subsidy Goal during the preceding Reporting Period. Said report shall include the information required in Minnesota Statute §116J.994, subdivision 7, and shall be accompanied by such documentation as the Executive Director reasonably request in writing. All such reports shall be signed on behalf of Subgrantee by an officer of Subgrantee with authority to bind Subgrantee.

F. **Penalty.** If DEDA does not receive the reports described in Paragraph E of this Section, it will send to Subgrantee a warning by certified mail within one week of the required filing date. If within 14 days of the post marked date of the warning the reports are not made, Subgrantee agrees to pay DEDA a penalty of \$100 for each subsequent day until the report is filed, up to a maximum of \$1,000.

G. **Special Event of Default if Business Subsidy Goals Not Met.** Subgrantee agrees that if the Business Subsidy Goal of Project construction is not met by December 31, 2028, and as determined in the reasonable discretion of DEDA, DEDA shall have cause of action to recover the reasonable and necessary cleanup costs, or any other remedy available to it.

H. **Additional Enforcement.** In the event that Subgrantee shall fail for any reason whatsoever to meet the reporting requirements of Paragraph E of this Section fully and completely and in a timely manner as required, said failure shall be deemed to be a material breach of the terms and conditions of this Agreement and, in addition to the rights and remedies available to DEDA pursuant to Paragraph G, DEDA shall be entitled to withhold any payment due from DEDA under this Agreement and to withhold the performance of any obligation owed by DEDA under this Agreement until Subgrantee’s reporting obligations pursuant to this Section have been fully complied with. Further, DEDA shall be entitled to reimbursement for any reasonable costs, including the value of staff time and attorneys’ fees and costs, incurred by DEDA to secure Subgrantee’s compliance with the reporting requirements.

I. **Other Financial Assistance.** In addition to the award provided under this Agreement, the Subgrantee has received or expects to receive as part of this Project, or future phases, the following financial assistance from other “grantors” as defined in the Business Subsidy Act: tax increment financing in the amount up to \$40,000,000.00. Additionally, DEDA may perform or have performed related work using state bond funding to repair the seawall in the amount up to \$10,850,000.00 and federal appropriation funding to address blight at the site in the amount up to \$1,000,000.00.

J. **Continued Operations Covenant.** Subgrantee agrees to own and operate the Property and the Project for at least 5 years after the Benefit Date (the “**Continued Operations Covenant**”).

11. **SPECIAL TERMINATION.** It is understood and agreed between the parties that this Agreement and the obligations undertaken by the parties hereunder are dependent upon and conditioned upon the parties entering into a Purchase Agreement for the sale of the Property and a Development Agreement for the development of entire Lot D Project as described in the Application, pursuant to that certain Amended and Restated Development Agreement dated as of July 31, 2024 (DEDA Contract No. 23 860 111(1)) (the “**Pre-Development Agreement**”). Therefore, in the event that the parties do not enter into a binding Purchase Agreement and Development Agreement for the development of the Lot D Project, prior to termination of the Pre-Development Agreement, this Agreement shall be null and void and of no further binding effect on the parties and neither party shall have any further obligations to the other hereunder, including, but not limited to, DEDA having no obligation to reimburse Subgrantee for any Approved Project Costs incurred by Subgrantee in furtherance of the Project, no matter when or in what amount such costs were incurred.

12. **MISCELLANEOUS.**

A. **Assignability.** The Subgrantee may not assign or transfer any interest in this Agreement (whether by assignment or novation) without the prior written consent of the Executive Director; provided, however, that claims for money due or to become due to the Subgrantee from DEDA under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer must be furnished promptly to DEDA.

B. **Antitrust.** The Subgrantee hereby assigns to the State of Minnesota any and all claims for overcharges for goods and/or services provided in connection with this contract resulting from antitrust violations which arise under the antitrust laws of the United States and the antitrust laws of the State of Minnesota.

C. **Governing Law and Venue.** This Agreement will be governed by, and construed 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; provided, however, that if the litigation requires DEED as a party, the parties consent to venue and jurisdiction in accordance with the Cleanup Grant Agreement.

D. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which is deemed an original, but all of which taken together constitute one and the same agreement.

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

F. **Entire Agreement.** This Agreement, including Exhibits A and B, constitutes the entire Agreement between DEDA and Subgrantee and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereto.

(Remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the date above shown.

**DULUTH ECONOMIC
DEVELOPMENT AUTHORITY**

**INLAND DEVELOPMENT
PARTNERS, LLC, a Minnesota limited
liability company**

By: _____
Its President

By: _____
Its: _____

Date: _____

Date: _____

By: _____
Its Secretary

Date: _____

EXHIBIT A

Legal Description of the Property

The Property referred to herein below is situated in the County of St. Louis, State of MN, and is described as follows:

PARCEL 1

Lots 5 through 13 inclusive, Block 13 BAY FRONT DIVISION OF DULUTH, FIRST RE-ARRANGEMENT

Those parts of Lot 14 Block 13 and of Lots 2, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28 and 30, Block 14, all in BAY FRONT DIVISION OF DULUTH, FIRST RE-ARRANGEMENT, lying NE'ly of the following described line: Beginning at a point on the NW'ly line of said Lot 14 Block 13 said point being 0.7 feet SW'ly of the N'ly corner of said Lot 14 Block 13 thence SE'ly a distance of 861.78 feet to a point on the SE'ly line of said Lot 2 Block 14, said point being 70.01 feet SW'ly from the E'ly corner of said Lot 2 Block 14.

EXCEPT minerals and mineral rights.

PARCEL 2

That part of Slip Number 4, shown on the plat of BAY FRONT DIVISION OF DULUTH, FIRST RE-ARRANGEMENT, lying NW'ly of a line drawn from the most E'ly corner of Lot 2, Block 14, to the most SW'ly corner of Lot 3, Block 12, Bay Front Division of Duluth, First Re-arrangement.

PARCEL 3

Lots 1 through 4 inclusive, Block 13 and Lots 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, Block 12, BAY FRONT DIVISION OF DULUTH, FIRST RE-ARRANGEMENT; Lots 9 through 16 inclusive Block 10, and Lots 2, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, Block 11, BAY FRONT DIVISION OF DULUTH.

PARCEL 4

That part of vacated Ninth Avenue West lying SE'ly of the SE'ly line of Railroad Street, lying NE'ly of the NE'ly lines of Blocks 12 and 13, BAY FRONT DIVISION OF DULUTH, FIRST RE-ARRANGEMENT, lying NW'ly of the extension across it of the SE'ly line of Lot 11, Block 12, Bay Front Division of Duluth, First Re-arrangement, lying SW'ly of the SW'ly lines of Blocks 10 and 11, Bay Front Division of Duluth, and that part of vacated Ninth Avenue West lying SE'ly of the extension across it of the NW'ly line of Lot 9, Block 12, Bay Front Division of Duluth, First Re-arrangement and lying NE'ly of the center line of Ninth Avenue West.

PARCEL 5

That part of Blocks 12 and 13, BAY FRONT DIVISION OF DULUTH, FIRST RE-ARRANGEMENT, lying SE'ly of the SE'ly line of Railroad Street, S'ly of Lots 1, 2 and 3, Block 13, Bayfront Division of Duluth, First Re-arrangement, SW'ly of the SW'ly line of vacated Ninth Avenue West and N'ly of Lots 31 and 33, Block 12, and of Lots 4 and 5, Block 13, Bay front Division of Duluth, First Re-arrangement, St. Louis County, Minnesota.

AND

Lot 1 Block 12 Bayfront Division of Duluth, First Rearrangement
Lot 3 Block 12 Bayfront Division of Duluth, First Rearrangement
Lot 5 Block 12 Bayfront Division of Duluth, First Rearrangement
Lot 7 Block 12 Bayfront Division of Duluth, First Rearrangement
Lot 9 Block 12 Bayfront Division of Duluth, First Rearrangement
Lot 5 Block 10 Bay Front Division of Duluth
Lot 6 Block 10 Bay Front Division of Duluth
Lot 7 Block 10 Bay Front Division of Duluth
Lot 8 Block 10 Bay Front Division of Duluth, St. Louis County, Minnesota.

PIDs: 010-0200-01490, 010-0210-00010, 010-0210-00220, 010-0210-00340

Exhibit B
Cleanup Grant Agreement

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Lot D Project

This Grant Contract Agreement is between the State of Minnesota, acting through its Department of Employment and Economic Development ("State") and the Duluth Economic Development Authority, 411 West First Street, Duluth, MN 55802 ("Grantee").

Recitals

1. Under Minn. Stat. § 116J.554 the State is empowered to enter into this Grant Contract Agreement.
2. The State is in need of programs that reduce the potential threat of harmful contaminants to public health and the environment, create jobs, increase local property tax, and provide other public benefits by redeveloping polluted sites.
3. Pursuant to Minn. Stat. § 16B.98, 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. December 19, 2025, or the date the State obtains all required signatures, whichever is later.

Per Minnesota Statutes § 16B.98 Subd. 7, no payments will be made to the Grantee until this Grant Contract Agreement is fully executed.

1.2 Expiration Date. December 31, 2028, 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: Reporting Requirements; Monitoring and Corrective Action; Liability; State Audits; Government Data Practices and Intellectual Property Rights; Publicity and Endorsement; Governing Law, Jurisdiction and Venue; Data Disclosure; Conflict of Interest; State and Federal Environmental Standards; and Minnesota Business Subsidy Law.

2 Specifications, Duties, and Scope of Work

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) Comply with required grants management policies and procedures set forth through Minn. Stat. § 16B.97, Subd. 4 (a)(1).

(b) Administer these grant funds in accordance with Minn. Stat. §§ 116J.551 through 116J.559 and the application submitted on November 1, 2025, for funding for the Lot D 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.

- (c) It is expected that the site will be cleaned up and redeveloped as proposed in the grant application and upon which funding was based. Any material changes in the cleanup plans and/or development plans for the site must be presented to the State and approved. Promptly notify the State of any proposed material change in the scope of the project as submitted in the grant application, eligible approved Cleanup Costs as defined Section 4.1 of this Grant Contract Agreement, or the project’s timeline, which must be approved by the State, prior to implementation.
- (d) It is also expected that the project will begin as described in the application. To validate that the project has started and eligible work has commenced, a Payment Request, as outlined in Section 4.6, must be submitted to the State on or before December 31, 2026, or such a later date requested by the Grantee and approved by the State in writing. If a Payment Request is not submitted, the State’s obligation to fund the Grant may be terminated as described in Section 15.1(b). Invoices must be for approved eligible Cleanup Costs and does not include investigation costs incurred prior to the grant award.
- (e) Provide evidence to the State prior to the closeout of the grant that the cleanup has been completed and approved by the Minnesota Pollution Control Agency.
- (f) Adhere to all other requirements of this Grant Contract Agreement.

3 Time

The Grantee must comply with all the time requirements described in this Grant Contract Agreement. In the performance of this Grant Contract Agreement, time is of the essence and failure to meet a deadline date may be a basis for a determination by the State’s Authorized Representative that the Grantee has not complied with the terms of the Grant Contract Agreement. The Grantee is required to perform all the duties cited within clause two “Specifications, Duties, and Scope of Work” within the grant period. The State is not obligated to extend the grant period.

4 Consideration and Terms of Payment

The consideration for all services performed by the Grantee pursuant to this Grant Contract Agreement shall be paid by the State as follows:

4.1 Eligible Costs. The following table represents the total approved Cleanup Costs. The Grantee may not use these funds for administrative costs associated with managing this grant or the project this grant is funding. Pursuant to Minn. Stat. § 116J.552, Subd. 2, costs of implementing the response action plan (RAP) incurred before the grant award date may be eligible at the discretion of the State, if the costs were completed after the RAP was approved by the Minnesota Pollution Control Agency and the RAP was approved within 180 days of the application deadline. Costs incurred for the development of the RAP incurred prior to grant award may be considered match eligible at the discretion of the State. Any reimbursement made for services provided prior to the effective date will be governed by the terms of this Grant Contract Agreement.

Grant Eligible Activities	Amount
Contaminated Soil Excavation, Transportation, and Disposal	\$1,279,260.00
Clean Soil Backfill	\$1,417,500.00
Environmental Oversight and Reporting	\$149,000.00
Total	\$2,845,760.00

4.2 Total Obligation. The total obligation of the State for all compensation and reimbursements to the Grantee under this Grant Contract Agreement will not exceed \$2,134,320.00.

In accordance with Minn. Stat. § 116J.554, Subd. 1, the grant may pay for up to 75% of the eligible costs for a qualifying site. This requires a local match of at least 25%. For the purpose of this project, based on the budget above, the local match portion is at least \$711,440.00. Of the total match requirement, 12% of the cleanup costs as defined by Minn. Stat. § 116J.552, Subd. 2 must come from the municipality's general fund, a property tax levy for that purpose, or other unrestricted money available to the municipality. The rest of the local match may be paid with tax increments, regional, state, or federal money available for the redevelopment of brownfields or any other money available to the municipality.

4.3 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 re-use of the income.

4.4 Administrative Costs. Grantee administrative costs must be necessary and reasonable and will not exceed \$0.00.

4.5 Travel Expenses. Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Grantee because of this Grant Contract Agreement will not exceed \$0.00. The Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.

The Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current Commissioner's Plan promulgated by the Commissioner of Minnesota Management and Budget.

4.6 Invoices. The State will disburse funds to the Grantee pursuant to this Grant Contract Agreement, based upon payment requests submitted by the Grantee and reviewed and approved by the State. Payment requests must be accompanied by supporting invoices for the activities defined in Section 4.1 of this Grant Contract Agreement. The amount of grant funds requested by the Grantee cannot exceed 75% of the total approved Cleanup 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. To ensure that all funds are drawn prior to the expiration date of the grant, the final payment request must be received at least 30 days prior to the grant-term expiration date.

4.7 Unexpended Funds. Any grant funds not reimbursed to the Grantee shall revert to the State.

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 Contracting and Bidding Requirements

The Grantee is required to comply with Minnesota Statutes § 471.345, Uniform Municipal Contracting Law.

6.1 Prevailing wage rates are required to be paid on an economic development project site if that project receives or will be receiving state financial assistance in the form of a grant where a single business receives \$200,000 or

more of the grant proceeds, a loan or the guaranty or purchase of a loan if a single business receives \$500,000 or more of the loan proceeds, or certain tax incentives, per Minn. Stat. § 116J.871. For economic development projects subject to the prevailing wage requirements in Minn. Stat. § 116J.871, Grantee must ensure that Grantee and all contractors and subcontractors comply with applicable prevailing wage requirements including submitting all required certified payroll records, as described in Exhibit A, “Prevailing Wage Certification – Minn. Stat. § 116J.871,” to the following email address: wagedata.deed@state.mn.us.

6.2 The Grantee and any subrecipients must not contract with vendors who are suspended or debarred by the State of Minnesota or the federal government: [Suspended and Debarred Vendors, Minnesota Office of State Procurement](#).

6.3 The Grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

7 Authorized Representatives

7.1 The State’s Authorized Representative is Erin Welle, Project Manager, DEED, 180 East 5th Street, Suite 1200, St. Paul, MN 55101, 651-259-7453, erin.welle@state.mn.us, or their 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.

7.2 The Grantee’s Authorized Representative is Amanda Anderson, Economic Developer, DEDA, 411 West 1st Street, Duluth, MN 55802, 218-730-5323, Amanderson@duluthmn.gov, or their successor. If the Grantee’s Authorized Representative changes at any time during this Grant Contract Agreement, the Grantee must immediately notify the state.

7.3 The Grantee must clearly post on the Grantee’s website the names of, and contact information for, the Grantee’s leadership and the employee or other person who directly manages and oversees this Grant Contract Agreement on behalf of the Grantee.

8 Assignment, Amendments, Waiver, and Contract Complete

8.1 Assignment. The Grantee may neither assign nor transfer any rights or obligations under this Grant Contract Agreement without the prior consent of the State and a fully executed agreement, executed and approved by the authorized parties or their successors.

8.2 Amendments. Any amendment to this Grant Contract Agreement 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.

8.3 Grant Adjustment Notices (GANs). GANs must be approved by the State in writing and may require a written change request by the Grantee. A GAN may be used for non-substantive changes that do not affect grant requirements, including, but not limited to, changing grant status activity, or changing budget amounts within approved grant eligible activities that do not increase the awarded value. All other changes require formal amendment as stated in Section 8.2.

8.4 Waiver. If the State fails to enforce any provision of this Grant Contract Agreement, that failure does not waive the provision or its right to enforce it.

8.5 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.

9 Subcontracting and Subcontract Payment

- 9.1** A subrecipient is a person or entity that has been awarded a portion of the work authorized by this Grant Contract Agreement by Grantee. The Grantee must document any subaward through a formal legal agreement. The Grantee must provide timely notice to the State of any subrecipient(s) prior to the subrecipient(s) performing work under this Grant Contract Agreement.
- 9.2** 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.
- 9.3** Minnesota Statutes § 116L.66, subd. 1, requires a business or private enterprise to list any vacant or new positions with DEED workforce center if it receives \$200,000 or more a year in grants from DEED. If applicable, the business or private enterprise shall list any job vacancy in its personnel complement with MinnesotaWorks.net at <http://www.minnesotaworks.net> as soon as it occurs.
- 9.4** The Grantee must monitor the activities of the subrecipient(s) to ensure the subaward is used for authorized purposes; is in compliance with the terms and conditions of the subaward, Minnesota Statutes § 16B.97, Subd.4 (a) (1) and other relevant statutes and regulations including all applicable OSHA regulations, especially the federal Hazardous Waste Operations and Emergency Response Standards (29 CFR 1910.120 and 29 CFR 1926.65); and that subaward performance goals are achieved.
- 9.5** During this Grant Contract Agreement, if a subrecipient is determined to be performing unsatisfactorily by the State's Authorized Representative, the Grantee will receive written notification that the subrecipient can no longer be used for this Grant Contract Agreement.
- 9.6** No subagreement shall serve to terminate or in any way affect the primary legal responsibility of the Grantee for timely and satisfactory performances of the obligations contemplated by the Grant Contract Agreement.
- 9.7** The Grantee must pay any subrecipient in accordance with Minnesota Statutes § 16A.1245. The Grantee must provide evidence that all contractors and subcontractors performing work covered by this grant are paid for their work that is satisfactorily completed.
- 9.8** The Grantee and any subrecipients must not contract with vendors who are suspended or debarred by the State of Minnesota or the federal government.

10 Liability

Parties agree that, except as otherwise expressly provided herein, each party is responsible for its own acts and the results thereof to the extent authorized by law and will not be responsible for the acts of any others and the results thereof. Liability is governed by applicable law. Without limiting the foregoing, liability of the State and any Grantee that is an office, officer, agency, department, division, or bureau of the State of Minnesota is governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes § 3.376, and other applicable law. Without limiting

the foregoing, if Grantee is a political subdivision of the State of Minnesota, liability of Grantee is governed by the provisions of Minnesota Statutes, Chapter 466 (Tort Liability, Political Subdivisions) or other applicable law.

11 State Audits

Under Minnesota Statutes § 16B.98, Subd. 8, the Grantee's books, records, documents, and accounting procedures and practices relevant to this Grant Contract Agreement are subject to examination by the Commissioner of Administration, the State granting agency, the State Auditor, the Attorney General, and the Legislative Auditor, as appropriate, for a minimum of six years from the expiration or termination 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 Cleanup Costs for each year in which grant disbursements 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.

12 Government Data Practices and Intellectual Property Rights

12.1 Government Data Practices. The Grantee and State must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 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 Minnesota Statutes § 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.

12.2 Intellectual Property Rights. The Grantee represents and warrants that Grantee's intellectual property used in the performance of this Grant Contract Agreement does not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 10, 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 Grant Contract Agreement 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.

13 Workers Compensation

The Grantee certifies that it is in compliance with Minnesota Statutes § 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.

14 Governing Law, Jurisdiction, Venue

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.

15 Termination

15.1 Termination by the State.

(a) Without Cause. The State may terminate this Grant Contract Agreement 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.

(b) With 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. 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.

15.2 Termination by the Commissioner of Administration. The Commissioner of Administration may immediately and unilaterally terminate this Grant Contract Agreement if further performance under the agreement would not serve agency purposes or performance under the Grant Contract Agreement is not in the best interest of the State.

15.3 Termination for Insufficient Funding. The State may immediately terminate this Grant Contract Agreement if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services addressed within this Grant Contract Agreement. Termination must be by written 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 dedicated funds are available.

In the event of temporary lack of funding or appropriation, the State may pause its obligations under this Grant Contract Agreement without terminating it. This pause will be for the duration of the lack of funding or appropriation and shall not be considered a termination of the Grant Contract Agreement. The Grantee will be notified in writing of the temporary pause, and the Grantee's ability to provide services may be temporarily suspended during this period. The State will provide reasonable notice to the Grantee of the lack of funding or appropriation and shall notify the Grantee once funding is restored or appropriated, at which point the provision of services under the Grant Contract Agreement may resume.

The State will not be assessed any penalty if the Grant Contract Agreement is terminated due to insufficient funding. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving notice.

15.4 Termination for Criminal Conviction. As required by Minn. Stat. § 16B.991, subd. 1, the Grant Agreement will immediately be terminated if the recipient is convicted of a criminal offense relating to a state grant agreement.

16 Publicity and Endorsement

16.1 Publicity. Any publicity pertaining to the services resulting from this Grant Contract Agreement shall identify the State as the sponsoring agency. Publicity includes, but is not limited to: websites, social media platforms, notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee or its employees individually or jointly with others or any subcontractors. For DEED logos, please contact the State's Authorized Representative.

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

17 Data Disclosure

Under Minnesota Statutes § 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.

18 Reporting Requirements

The Grantee must submit to the State annual reports on the use of grant funds and the progress of the Project covering July 1st through June 30th of each year. Each annual report must be received by the State no later than July 25th of each year. The annual report 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 reports. In addition, the Grantee shall submit a final annual report. The State will provide annual reporting form.

19 Monitoring and Corrective Action

The Grantee agrees to permit monitoring by the State to determine Grant Contract Agreement performance and compliance with Grant Contract Agreement provisions. The Grantee further agrees to cooperate with the State in performing and completing such monitoring activities and the Grantee agrees to implement and comply with such corrective action as is proposed by the State. The Grantee must provide any financial records, timesheets or other supporting documentation, upon the request of the State.

20 Conflicts 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 (Current Policies tab). 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.

The Grantee must complete a Conflict-of-Interest Disclosure Form.

21 State and Federal Environmental Standards

The Grantee must provide evidence that work performed under this grant contract agreement complies with state and federal environmental standards. An approval from the Minnesota Pollution Control Agency or other appropriate state or federal agency is required upon completion of the cleanup activities.

22 Minnesota Business Subsidy Law

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

Exhibits

The following Exhibits are attached and incorporated into this Grant Contract Agreement. In the event of a conflict between the terms of this Grant Contract Agreement and its Exhibits, or between Exhibits, the order of precedence is first the Grant Contract Agreement, and then in the following order:

Exhibit A: Prevailing Wage Certification – Minn. Stat. § 116J.871.

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State Encumbrance Verification

Individual certifies that funds have been encumbered as required by Minnesota Statutes §§ 16A.15

Print Name: Robin Culbertson

Signature: *Robin Culbertson*

Title: MA 3 Date: 02/02/26

SWIFT Contract No. 282595 PR 99848 PO 3000635125

State Agency

With delegated authority

Print Name: _____

Signature: _____

Title: Deputy Commissioner Date: _____

Grantee

With delegated authority

Print Name: _____

Signature: _____

Title: DEDA President Date: _____

Print Name: _____

Signature: _____

Title: DEDA Secretary Date: _____

**EXHIBIT A
PREVAILING WAGE CERTIFICATION**



To: Minnesota Department of Labor and Industry
Prevailing-wage compliance unit
443 Lafayette Road N.
St. Paul, MN 55155

Re: Prevailing-wage certification – Minnesota Statutes § 116J.871

_____ is a recipient of financial assistance from the _____ for the project identified below.

As required by Minn. Stat. § 116J.871, subd. 2(a), _____ hereby certifies to the commissioner of the Department of Labor and Industry, that laborers and mechanics at the project site during construction, installation, remodeling or repairs for which the financial assistance will be provided, in whole or part, will be paid the prevailing-wage rate as defined in Minn. Stat. § 177.42, subd. 6. Prevailing wages paid to laborers and mechanics at the project site shall comply with the prevailing-wage rates determined for _____ county, Minnesota.

_____ understands that failure to pay prevailing wages is a misdemeanor and that each day of violation is a separate offense under Minn. Stat. § 116J.871, subd. 3.

Project name: _____
(Insert project name)

Project start date: _____
(Insert project start date)

Project site address: _____
(Insert project site address)

Financial assistance contract number: _____
(Insert financial assistance contract number)

By: _____ Signature: _____
(Print name of authorized representative) (Signature of authorized representative)

Its: _____ Date: _____
(Authorized representative's title) (Date signed and certified)

Information for recipients

Recipients must ensure all laborers and mechanics at the project site during construction, installation, remodeling or repairs for which the financial assistance from a state agency or allocating agency will be provided is performed under contracts that specifically include the prevailing-wage rate requirements of the Minnesota Prevailing Wage Act (“MPWA”), Minnesota Statutes sections 177.41-.44 and Minnesota Rules, sections 5200.1000-.1120.

Recipients also must ensure that contractors and their subcontractors will comply with the requirements of the MPWA, including recordkeeping, completion and submission of certified payroll reports, posting and contract requirements and the requirement that laborers and mechanics at the project site during construction, installation, remodeling or repairs for which the financial assistance will be provided are paid the applicable prevailing-wage rate(s) for each classification of work they perform. These requirements and enforcement provisions are set forth at Minn. Stat. § 116J.871, subd. 2(a).

In accordance with the MPWA and because the commissioner, pursuant to Minn. Stat. § 177.30(a)(7), has deemed certain payroll information necessary and appropriate, recipients must also ensure that each employer performing work at the project site during construction, installation, remodeling or repairs for which financial assistance from a state agency is provided will prepare, maintain as required, and provide to the Department of Labor and Industry upon request, certified payroll reports with respect to the wages and benefits paid to employees specifying for each employee: the employee’s name; prevailing-wage job classifications; hours worked each day; total hours; rates of pay; gross amount earned; each deduction for taxes; total deductions; net pay per week; dollars contributed per hour for each benefit, including name and address of administrator; benefit account number; and telephone number for health and welfare, vacation or holiday, apprenticeship training, pension, and other benefit programs.

These same certified payroll records must be submitted to the contracting authority no more than 14 days after the end of each pay period and retained by the employer for a minimum of three years after the final payment is made on the project. Minn. Stat. §§ 177.30 (a)(7), 177.43, subd. 3. A sample certified payroll form is available at dli.mn.gov/sites/default/files/pdf/pw_certified_payroll_form.pdf. The state agency or allocating agency awarding the financial assistance is considered the contracting authority. Minn. Stat. § 116J.871, subd. 2(b).

Recipients of financial assistance from a state agency or allocating agency should contact the Department of Labor and Industry for applicable prevailing-wage rates and guidance on how to comply with prevailing wage-requirements in section 116J.871 and the MPWA:

Division of Labor Standards

Karen Bugar, State Program Administrative Director

443 Lafayette Road N, St. Paul, MN 55155

651-284-5091 or dli.prevwage@state.mn.us

Email a completed copy of this form to dli.prevwage@state.mn.us or mail a copy of this form to the Department of Labor and Industry at the address on page 1 of this form. A copy should also be submitted to the state agency or allocating agency awarding the financial assistance.