

# Exhibit A

[\_\_\_\_\_, 2020]

Mr. Noah Schuchman  
Chief Administrative Officer  
City of Duluth  
411 West First Street, Room 402  
Duluth, Minnesota 55802

**Re: Letter of Intent for Development Agreement**

Dear Mr. Schuchman:

This letter of intent (this **“Letter”**) sets forth the terms on which United States Steel Corporation, a Delaware corporation (**“USS”**), and the City of Duluth, a political subdivision of the State of Minnesota (the **“City”**), would attempt to negotiate a mutually-acceptable development agreement (the **“Development Agreement”**) regarding USS’ development of land within the Lake Superior and Mississippi Railroad right of way running from the north shore of Mud Lake to the northeastern extent of the USS sediment cleanup area identified as Parcel IDs 010-2746-01600, 010-2730-00150, and 010-2746-00620 in **Exhibit A** attached hereto and incorporated herein (the **“Property”**), which is owned by the City and runs through and within USS’ former Duluth Works in Duluth, St. Louis County, MN, and adjacent property owned by USS. USS’ development of the Property as hereinafter described (the **“Project”**) will be part of the Spirit Lake Great Lakes Legacy Act project which will involve environmental remediation of the Duluth Works site. The City and USS are each referred to herein as a **“Party”** and together, the **“Parties.”**

**1. USS Obligations.** Pursuant to the Development Agreement, USS would:

(A) Fully fund design, construct or restore to its current condition in the case of rail infrastructure, including wetlands mitigation and, environmental remediation as required and all other costs of work associated therewith the construction of 0.2 miles of railroad track only and of 1.4 miles of railroad track and trail next to the rail on the Property in conformance with the following specifications:

- (i) Rail only: The construction or reconstruction in conformance with the specifications set forth in Subparagraph iii. below of approximately 0.2 miles of railroad trackage on that northernmost portion of the Property that lies within the sediment cleanup area.
- (ii) Rail and Trail: The construction or reconstruction in conformance with the specifications set forth in Subparagraphs iii. and iv. below of approximately 1.4-miles of railroad trackage and recreational trail in conjunctions therewith on that portion of the City-owned riverfront within the sediment cleanup area from the southern end of the sediment cleanup area on the shore of Mud Lake to the boundary of the Property.
- (iii) When complete, the portions of the rail line where Project work actually occurs, including but not limited to the rail, ties, ballast and subgrade in those areas will meet relevant American Railway Engineering and Maintenance of Way Association (AREMA)

recommended practice and the federal regulatory standards contained in the FRA Regulation 49 CFR Part 213 for Class 1 Track, 10 MPH excursion passenger rail service. Project work affecting the railroad occurs where construction access roads are constructed crossing the track and where up to two structures are constructed to convey the passage of water for Unnamed Creek and Wire Mill Pond discharges. Structures constructed to support the railroad and convey the current excursion passenger rail service over drainage or waterways will be designed for Cooper's E-40 loading and 10 MPH excursion passenger rail service speed in accordance with relevant AREMA recommended practice.

- (iv) The trail will be ten feet wide, surfaced with crushed stone, constructed to MN DNR standards and compliant with ADA accessibility standards as described in *State of Minnesota, Department of Natural Resources, 2007. "Trail Planning, Design, and Development Guidelines." Trails & Waterways Division, 500 Lafayette Road, St. Paul, MN 55155-4052. 306 pages...* Except as approved by the City's Director of its Department of Property, Parks, and Libraries (the "**Director**"), the edge of the trail closest to the railroad track will be located 15 feet from the centerline of the railroad track. On a case-by-case basis, the Director, in the exercise of his or her discretion, may approve reducing the distance to no less than 8.5 feet from the centerline of the railroad track when and only to the extent that he or she determines that such a reduction is reasonably justified by engineering or cost considerations and conforms to safety standards

(B) Fully fund, design, construct including wetlands mitigation and, environmental remediation as required and all other costs of work associated therewith, the construction of a neighborhood trail connector extending from the main trail in the rail right of way to the paved terminus of Falcon Street. The connector will be ten feet wide, constructed to MN DNR standards and compliant with ADA accessibility standards as described in *State of Minnesota, Department of Natural Resources, 2007. "Trail Planning, Design, and Development Guidelines." Trails & Waterways Division, 500 Lafayette Road, St. Paul, MN 55155-4052. 306 pages.* The connector will be surfaced with crushed stone per MN DNR standards from the main trail in the rail right-of-way to the paved terminus of Falcon Street.

(C) Fully fund, design and construct, including wetlands mitigation and, environmental remediation as required and all other costs of work associated therewith the construction of specifically identified elements of the new Slag Point Park as generally depicted in **Exhibit C** attached hereto and incorporated herein, provided that USS will not be obligated to, but may, in USS' sole discretion, construct the road and parking lot shown on Exhibit C in the future in association with redevelopment of USS' neighboring property. As shown in Exhibit C, to the extent that it is compatible with the final remedy at the Property, the park shall include a natural surface multi-use loop trail, a sand-surfaced area located on the shore of the shallow sheltered bay near the intersection of the peninsula and the mainland extending into the water graded to allow cost-effective addition of an ADA compliant canoe/kayak launch after the road and parking lot are constructed, natural looking contours from the shoreline to the height of the peninsula, and plantings of vegetation with shallow root structures consistent with the integrity of the CDF, Any portions of the trail constructed will be six feet wide, surfaced with crushed stone, constructed to MN DNR standards and compliant with ADA accessibility standards as described in *State of Minnesota, Department of Natural Resources, 2007. "Trail Planning, Design, and Development Guidelines." Trails & Waterways Division, 500 Lafayette Road, St. Paul, MN 55155-4052. 306 pages.* The surface of the peninsula projecting out into the St. Louis River as generally shown on Exhibit C, will support a recreational use standard as defined by MPCA regulations.

(D) Convey to the City the property as shown in **Exhibit B**, which consists of 3 pages (as to be more accurately described by future survey) from the boundary of the City-owned rail right-of-way to the top of the bluff line subject to the provision that USS will retain exclusive responsibility for any contaminants that may be present above a recreational use standard as defined by MPCA regulations as long as the property remains undeveloped green space.

(E) In association with the work described in 1(A), 1(B), and 1(C), engage appropriate City staff as technical advisors throughout each phase of the Project including design, bidding, and construction administration. Final Project designs shall be subject to the Director's approval prior to construction, which approval shall not be reasonably withheld, conditioned, or delayed.

(F) Provide supporting information for a public process to develop an incremental master plan envisioning the long-term use and improvement of USS' neighboring property.

(G) Provide a \$105,000 payment to the City of Duluth to be used exclusively to design, fabricate, and install wayfinding and interpretive signage on the City-owned riverfront within the cleanup area, including the new Slag Point Park described in 1(C), per the St. Louis River Corridor interpretive plan the City is developing in collaboration with the Fond du Lac Band of Lake Superior Chippewa.

**2. City Obligations.** As a key stakeholder in the Project, the City desires to see the Project completed expeditiously and understands that USS will expend significant resources to complete items 1(A-F). Accordingly, the Development Agreement would provide that the City would:

(A) Publicly support the Project and its participants.

(B) Take ownership of the new Slag Point Park along with maintenance of its surface and any constructed amenities, subject to the following:

(i) USS shall retain responsibility for the existence of and any required remediation of any contamination located on said property and for the maintenance of and operation of the Confined Disposal Facility ("CDF") to be constructed thereon by USS;

(ii) Grant long term access to USS for continued maintenance of the CDF that USS intends to construct in Slag Point Park;

(iii) Not engage in any work or activities on the Slag Point Park property which would violate the restrictions/requirements of a final, to-be-determined EPA-mandated Operations and Maintenance Plan for the CDF; and

(iv) Cooperate with USS in USS's efforts and undertakings to provide reasonable security related to the integrity of the CDF located beneath Slag Point Park and to limit trespassers to USS' neighboring property due to increased recreational activities.

(E) Agree that the Property described in item 1(D) will constitute green space in any future redevelopment of USS' neighboring property by USS or its successors or assigns.

(F) Cooperate with future activity to redevelop USS' neighboring property and agree to actively engage in discussions concerning redevelopment incentives such as TIF formation, infrastructure funding, etc.

(G) Provide necessary City approval of a secondary site access road on the western side of the Property with a "connection" to Precision Ave subject to USS' receipt of all necessary approvals from other regulatory agencies, to the provisions of the City's Uniform Development Code and to the City Engineer's roadway design and construction standards

(H) Assist USS with researching available funding for Project infrastructure improvements (storm water, trails, railroad bridges, etc.) for the Property. If any sources are identified and USS prepares a complete grant application the City will sign onto the application as the Public sponsor, provided that USS agrees to fund any costs required of a sponsor in order to be eligible for such funding and provided further that the City shall have the right to submit applications for other City projects in competition with such applications.

(I) To the extent permissible by applicable law, the City's formally adopted Comprehensive Plan and the provisions of its Uniform Development Code, the City will consider all requests from USS to grant relief, exceptions, exemptions, variances, etc. from City ordinances requiring permits for construction of the Project.

**3. Termination.** This Letter may be terminated by either Party at any time, by providing written notice of such termination to the other party.

**4. Costs.** Each party would be responsible for its own legal or other fees associated with negotiating and finalizing the Development Agreement.

**5. Governing Law.** This Letter shall be governed by and construed in accordance with the substantive and procedural laws of the jurisdiction in which the Property is situated, without application of its conflicts of law provisions.

**6. Effect of this Letter.** This Letter: is intended only as the Parties' expression of interest regarding the Possible Transaction; is not intended to, and does not, contractually bind the Parties; does not constitute an offer or commitment by either Party to submit a definitive proposal or to negotiate in good faith to the completion of a binding Development Agreement; the Parties shall not be contractually bound unless and until they enter into a formal, written Development Agreement, which must be in form and content satisfactory to each Party and to each Party's legal counsel, in its sole discretion, and which must be approved by each Party's executive management / City Council; and no past or future action, course of conduct, or failure to act relating to the Possible Transaction, or relating to the negotiation of the terms of the Possible Transaction or any Development Agreement, will give rise to or serve as the basis for any obligation or other liability on the part of either Party.

The proposal presented by this Letter shall terminate on the date that is thirty (30) days following the date of this Letter, unless sooner accepted by the City.

If the foregoing proposal is acceptable to the City, please sign the enclosed copy of this Letter and return it to the undersigned, upon USS' receipt of which, USS will provide a draft of its form Development Agreement for the City's consideration.



Mr. Noah Schuchman  
[\_\_\_\_\_, 20[\_\_\_\_]  
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Very truly yours,

United States Steel Corporation,  
a Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Mr. Noah Schuchman  
[\_\_\_\_\_, \_\_\_\_], 20[\_\_\_\_]  
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ACCEPTED, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_:

City of Duluth,  
a political subdivision of the State of Minnesota

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

# Letter of Intent for Development Agreement

## Exhibit A



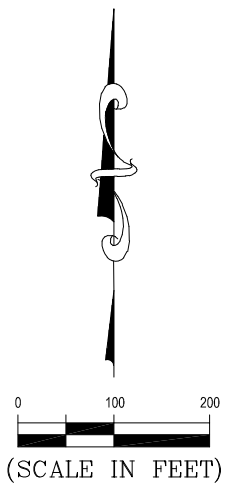


# ***EXHIBIT B***

*U.S. STEEL*



AREA= 0.744 ACRES  
NOTE: CONTOURS SHOWN  
ARE BASED ON LiDAR FLIGHT.



(SCALE IN FEET)

Basis of Bearing is Grid North,  
Minnesota State Plane - North Zone (NAD83/96)  
Coordinate System.

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Print Name: Paul A. Vogel

License # 44075

Signature: 

Date: 8/17/2020

DATE PREPARED: 8/17/20

PROJ NO: 180612

FILE: 180612vExhib

SHEET 1 of 1 SHEETS



**PERFORMANCE  
DRIVEN DESIGN.**

LHBcorp.com

21 W. Superior St., Ste. 500 | Duluth, MN 55802 | 218.727.8446



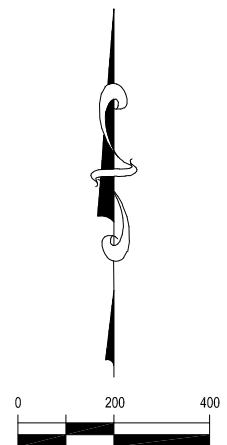
# ***EXHIBIT B***

*U.S. STEEL*



ACRES= 15.041 ACRES

NOTE: CONTOURS SHOWN  
ARE BASED ON LIDAR FLIGHT.



(SCALE IN FEET)

Basis of Bearing is Grid North,  
Minnesota State Plane - North Zone (NAD83/96)  
Coordinate System.

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Print Name: Paul A. Vogel

License # 44075

Signature: 

Date: 8/17/2020

DATE PREPARED: 8/17/20

PROJ NO: 180612

FILE: 180612vExhib

SHEET 1 of 1 SHEETS



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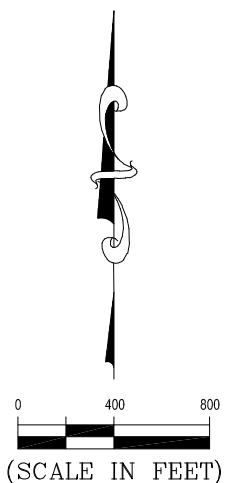
# ***EXHIBIT B***

*U.S. STEEL*



AREA= 43.088 ACRES

NOTE: CONTOURS SHOWN  
ARE BASED ON LiDAR FLIGHT.



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Coordinate System.

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Date: 8/17/2020

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SHEET 1 of 1 SHEETS



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# Exhibit C

