

Council Agenda Item 25-0340R



MEETING DATE: April 28, 2025

SUBJECT/TITLE: 25-0340R, A RESOLUTION ACCEPTING A GRANT FROM THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT IN THE AMOUNT OF \$2,399,086 AND FURTHER AUTHORIZING A SUBRECIPIENT AGREEMENT WITH SOFIDEL AMERICA

SUBMITTED BY: Amanda Anderson, Economic Developer

RECOMMENDATION: Approve.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION:

PREVIOUS COUNCIL ACTION:

October 15, 2024 – City Council passed a resolution (24-0795R) authorizing staff to submit a Contamination Cleanup grant application to the Minnesota Department of Employment and Economic Development for the Duluth Paper Mill Expansion project.

November 25, 2024 – City Council authorized resolution 24-0905R, rescinding resolution 24-0795R so council could adopt the language included in the new resolution. The previous resolution did not include the necessary language required for the Contamination Cleanup grant application which was submitted on November 1, 2024. The minimal required updates were reflected in the new resolution language with changes redlined.

BACKGROUND: Sofidel America acquired the paper mill from ST Paper and is working on an expansion to add a converting facility and automatic warehouse to the Duluth Paper Mill site. This project will add 160 new jobs, bringing the plant up to similar employment levels as a former owner, Verso. The Duluth Paper Mill was originally founded in 1987 and closed in 2020. Sofidel will invest approximately \$180M in this expansion.

BUDGET/FISCAL IMPACT: Council will authorize the acceptance of the grant funds from MN DEED and then will further authorize a subrecipient agreement with Sofidel America for the same amount of grant funds.

OPTIONS: Authorize the contract or forego authorization that would allow Sofidel significant financial support for environmental cleanup at the Duluth Paper Mill expansion site.

NECESSARY ACTION: Authorize the resolution and subrecipient agreement.



ATTACHMENTS: Grant Contract Agreement between the City and DEED for the Sofidel America Expansion Project.