

EXHIBIT 1

Duluth Library/Workforce Development Bonding Project Funding Agreement

Between City of Duluth and Duluth Library Foundation

1. Parties

THIS AGREEMENT, entered into this _____ day of _____, 2023, is by and between the City of Duluth, a municipal corporation of the State of Minnesota, (hereinafter “City), and the Duluth Library Foundation, a Minnesota 501(c)(3) nonprofit corporation founded in 1990 that serves as library support organization on behalf of the Duluth Library through contributions and advocacy (hereinafter “Foundation”).

2. Purpose

- A. The purpose of this Agreement is to facilitate the funding by the City and the Foundation of a pre-design work and an inclusive community engagement process that will give all Duluthians and regional community partners an equitable opportunity to provide input on the conversion of the City’s aged 72,000 square foot Main Library located at 520 W Superior St, Duluth, MN 55802 into a multi-purpose, regional community service center housing:
 - i. A regionally focused, interagency-operated, workforce development center, CareerForce;
 - ii. A new main Duluth Public Library, a primary provider of library services for a region extending 20 miles beyond Duluth, the largest library in a system serving all of northeast Minnesota, and a regional leader in literacy programming for underserved groups; and
 - iii. Regional nonprofit-provided human services such as assistance with taxes and health insurance.

3. Term

- A. Effective Date: Upon execution by both parties.
- B. Expiration Date: December 31, 2024 or earlier upon mutual agreement by both parties.

4. Agreement

- A. Beginning with the pre-design work and the community engagement, the City intends to retain and reinvest in the existing main library building.
- B. The preliminary design will co-locate the main library and the workforce development center in the renovated building.
- C. The design will be grounded in, and driven by, the library and workforce development missions with emphasis on equity and inclusion.
- D. The City must be able to pay for the construction and operation of the facility.
- E. The building footprint may be expanded to reduce the loss of library and workforce square footage to the extent that the City can pay for associated increases in construction and operating costs.

- F. Floorplan design will start from scratch - with a blank piece of paper - rather than starting from a previously produced library floorplan.
- G. The parties agree to cooperate to obtain \$20 million in State of Minnesota bonding support and \$20 million in non-state contribution sourced from the federal Coronavirus Capital Fund, nonprofit fundraising, and redirection of facility operating savings to City debt service.

5. City Responsibilities

- A. City shall submit a preliminary pre-design for the project before July 1, 2023 and a final pre-design before November 1, 2023. The standard pre-design package for projects under consideration for state bonding support includes a reasonably specific description of the purposes of the building and the services to be housed there, conceptual architectural designs, independent project cost estimates, a project financing plan, and other preliminary project details.
- B. The City's proposed process must produce these specific deliverables and a consensus community vision of the project that is compelling, practicable, and inclusive.
- C. The City's process for producing this consensus shall begin with community engagement to revisit and update the Duluth Public Library strategic plan, originally intended to span the period 2016-to-2020. The purpose of updating the strategic plan is to establish the vision, values, and strategies that should drive library building design. The strategic plan process will assume, and the updated strategic plan will include, the City's commitment to renovate the Main Library to co-house the Main Library and CareerForce.
- D. The City shall establish an updated strategic plan and building pre-design that embody the project's commitment to equity and inclusion, the planning process will employ a variety of inclusive planning practices. Practices may include deep partnership with organizations serving communities of color and low-income households, as well as provision of food and child care in association with community engagement sessions.
- E. The City will hire Library Strategies Consulting, 1080 Montreal Ave, Suite 2, Saint Paul, MN 55116 to support the City' strategic plan update.
- F. The City shall create Requests for Proposals (RFP) for two scopes of work to support the building pre-design process.
 - i. One RFP will call for assistance with building pre-design development with services including needs assessments, schematic designs, and project cost estimates. Integrated with the building pre-design scope of work.
 - ii. Second RFP will call for assistance with associated inclusive community engagement processes and tactics that will give all Duluthians an equitable opportunity to provide input on, and respond to, the building pre-design.

- G. The City of Duluth will be the owner and operator of the building and retain full authority for all significant building design, construction, financing, and operating decisions.
- H. The Mayor and CAO will set the project direction and make final project design and financing decisions (subject to City Council approval where applicable).
- I. The Workforce Development Director and Property, Parks, and Libraries Director will serve together as principal City representatives on the project. Major project decisions and milestones will be subject to approval from both.
- J. The Library Manager will be the lead provider of information and expertise regarding library operations and the library components of the building and take lead responsibility for all communications with Library personnel.
- K. The Property and Facilities Management Manager will be the City lead on all aspects of building design and construction including preparation of RFPs, hiring and management of consultants and contractors, compliance with purchasing requirements, etc.

6. Foundation Responsibilities

- A. Foundation will co-lead the design and conduct of an equitable community-based project planning process. The Foundation will play a particularly prominent role in inclusively engaging the community in the project planning process. For the project as a whole, the Foundation will be the City's lead partner on the project with a meaningful voice in all significant project-related decision-making. The Foundation may also singularly conduct a campaign to raise private contributions for the project.
- B. The Foundation shall participate in the pre-design planning evaluation and review subject to Paragraph 5(G) and other City requirements under this Agreement.

7. Payment

- A. Under this Agreement, the Foundation shall compensate City a maximum of one-hundred and fifty-thousand dollars (\$150,000.00) payable into City Fund No. _____ no later than June 1, 2023. The Foundation may make multiple payments towards the total payment amount. If the City's final pre-design work and community engagement project is less than three-hundred thousand dollars (\$300,000.00), the City shall reimburse the Foundation on a pro-rata basis of its fifty percent (50%) payment under this Section 7.

8. Authorized Representatives

- A. The City's Authorized Representative is:
Jim Filby-Williams, Director, Property, Parks, & Libraries.
- B. The Foundation's Authorized Representative is: Erin Kreeger, Executive Director Duluth Library Foundation.

9. Liability

- A. As Between the Parties. Each party hereto agrees that it will be solely liable for any liability arising out of any acts or omissions of itself or its officers, agents, servants, employees or subcontractors in the performance of its respective obligations under this Agreement.
- B. Limitation of Liability. Nothing herein shall be deemed to create any liability on behalf of either party not otherwise existing as to such party under the provisions of Minnesota Statutes Chapter 466 or to extend the amount of liability of either party to amounts in excess of that specified in said Chapter.
- C. Third Party Liability. Nothing herein shall be deemed to create any liability to any third party not otherwise existing under applicable law.

10. Records Retention

- A. The parties shall keep their books, records, documents, and accounting procedures and practices relevant to this Agreement for a minimum of six years from the expiration or termination of this Agreement.

11. Required Disclosures

- A. The parties must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13 as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the parties under this Agreement. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data governed by the Minnesota Government Practices Act, Minn. Stat. Ch. 13, by either the parties subject to the Foundation not being liable for any disclosures by the City of data controlled and possessed by the City. If Foundation receives a request to release the data referred to in this clause, the Foundation must in a reasonable time period notify and consult with the City's Authorized Representative as to how the Foundation should respond to the request. The Foundation's response to the request shall comply with applicable law.
- B. The parties shall comply with applicable Minnesota Campaign Finance and Public Disclosure requirements under Minn. Ch. 10A and other applicable laws, regulations and advisory opinions.

12. Termination of Agreement.

- A. This AGREEMENT may be terminated by either party upon breach of any of the terms and conditions of this AGREEMENT by either of the parties and the failure to rectify or correct any such breach within ninety (90) days of the transmission of written notice of the breach.

13. Civil Rights Assurances

- A. City and Foundation, and their officers, agents, servants and employees as part of the consideration under this AGREEMENT, do hereby covenant and agree that:
 - i. No person on the grounds of race, color, creed, religion, national origin, ancestry, age, sex, marital status, status with respect to

public assistance, sexual orientation and/or disability shall be excluded from any participation in, denied any benefits of or otherwise subjected to discrimination with regard to the work to be done pursuant to this AGREEMENT; and

- ii. That all activities to be conducted pursuant to this AGREEMENT shall be conducted in accordance with the Minnesota Human Rights Act of 1974, as amended (Chapter 363), Title 7 of the U.S. Code and any regulations and executive orders which may be affected with regard thereto.
- B. City and Foundation are committed to fostering, cultivating and preserving a culture of diversity, equity and inclusion. Our human capital is the most valuable asset we have. We embrace and encourage our differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our people unique.

14. Rules and Regulations

- A. Both parties agree to observe and comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota and St. Louis County and the City and their respective agencies which are applicable to their activities under this Agreement.

15. Applicable Law and Venue

- A. This AGREEMENT together with all of its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.
- B. The courts of the district of St. Louis County, Minnesota shall be the exclusive jurisdiction to hear any matter arising out of this AGREEMENT.

16. Assignment, Amendments, Waiver, and Contract Complete.

- A. Assignment. Foundation may neither assign nor transfer any rights or obligations under this Agreement without the prior consent of the City and a fully executed assignment agreement, executed and approved by the authorized parties or their successors.
- B. Amendments. Any amendment to this Agreement must be in writing and will not be effective until it has been executed and approved by the authorized parties.
- C. Waiver. If the City fails to enforce any provision of this Agreement, that failure does not waive the provision or its right to enforce it.
- D. Contract Complete. This Agreement contains all negotiations and agreements between the City and Foundation. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party.

CITY OF DULUTH

By: _____
Its Mayor

Attest:

By: _____
City Clerk

Countersigned:

City Auditor

Approved as to form:

City Attorney

DULUTH LIBRARY FOUNDATION

By: _____
Erin Kreeger
Executive Director

By: _____
David Moeller
Board President

