

Amendment #3 for Grant Contract Agreement #DRED-22-0001-O-FY23

Grant Contract Agreement Start Date:	6/24/2019	Original Grant Contract Agreement Amount:	\$67,600,000
Original Grant Contract Agreement Expiration Date:	6/24/2024	Previous Amendment(s) Total:	\$0
Current Grant Contract Agreement Expiration Date:	6/24/2024	This Amendment:	\$0
Requested Grant Contract Agreement Expiration Date:	6/24/2026	Total Grant Contract Agreement Amount:	\$67,600,000

This amendment is by and between the State of Minnesota, acting through the Minnesota Department of Employment and Economic Development (“State”) and the City of Duluth, City Hall, Room 418, 411 West First Street, Duluth, MN 55802 (“Grantee”).

Recitals

1. The State has a grant contract agreement with the Grantee identified as the Master Grant Agreement Construction Grant for the Duluth Regional Exchange District Project Dated 6/24/2019 to provide (1) repurposing vacant or underutilized private land, or unutilized property interests, such as air rights, for development and redevelopment and to incent significant private investment; (2) redeveloping vacant or underutilized private land to increase its tax-generating and job-creating potential or to provide housing or meeting community needs; and (3) development by the anchoring institutions in the community, such as health care organizations and institutions of higher education, to create opportunities to improve the economy of the City and Greater Minnesota regions and attract and retain workforce.
2. The city is requesting to extend the grant contract agreement Expiration Date from June 24, 2024, to June 24, 2026.
3. The State and the Grantee are willing to amend the Original Grant Contract Agreement as stated below.

Grant Contract Amendment

In this Amendment, changes to pre-existing Contract Language will use ~~strike through~~ for deletions and underlining for insertions.

REVISION 1. Article II Grant, Section 2.09 “**Modification and/or Early Termination of Grant**” is amended as follows:

Section 2.09 **Modification and/or Early Termination of Grant.** Any Amendment to this Agreement shall acknowledge the effective date of the Construction Contract Documents that have been entered into by and between the Grant Recipient, or its Designee, and the Contractor.

Except as otherwise provided in this section or in Section 2.11 below, if all of the Grant amounts identified in an executed Amendment have not been disbursed on or before the date that is ~~five (5)~~ seven (7) years from the effective date of such Amendment to this Agreement, then the State Entity’s obligation to continue to fund the Grant under such Amendment shall terminate, and, in such event, (a) if none of the Grant has been disbursed by such date then the State Entity’s obligation to fund any portion of the Grant shall terminate and this Agreement shall also terminate and no longer be of any force or effect, or (b) if some but not all of the Grant have been disbursed under such Amendment by such date then the State Entity shall have no further obligation to provide any additional funding under the applicable Amendment and this Agreement shall remain in full force and effect but shall be modified and amended to reflect the amount of the Grant that was actually disbursed as of such date. Provided, however, nothing to the contrary herein withstanding, if the State Entity has not disbursed all of the Grant amounts identified in an executed Amendment to this Agreement on or before the date that is ~~five (5)~~ seven (7) years from the effective date

of such Amendment, the Grant Recipient may request in writing that the State Entity grant an extension of an additional one (1) year to the Grant Recipient in which to disburse the Grant. The State Entity may grant such an extension in the exercise of its discretion.

This Agreement shall also terminate and no longer be of any force or effect as to the portions of Real Property upon (a) which a termination occurs of the Grant Recipient’s leasehold or easement interest in such portions of Real Property in accordance with the terms of such lease or easement, or (b) the sale of the interest held by Grant Recipient in such portions of the Real Property and, if applicable, the Facility in accordance with the provisions contained in Section 3.02 and transmittal of all or a portion of the proceeds of such sale to the Commissioner of Management and Budget in compliance with the provisions contained in Section 3.03. Upon such termination the State Entity shall execute and deliver to the Grant Recipient such documents as are required to release the applicable portion of Real Property and, if applicable, the applicable Facility, from the effect of the Declaration and if applicable the Restrictive Covenant.

In the event that the legislation that authorized the Grant is amended to increase or reduce the amount of the Grant or in any other way, then this Agreement shall be deemed to have been automatically modified in accordance with such amendment and the amount of the Grant shall also be automatically modified in accordance with such amendment.

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. §16A.15

Signed: Robin Culbertson

Date: 08/02/23

SWIFT Contract/PO No(s): 219068 PR 79396 PO 3000486407

2. GRANTEE

The Grantee certifies that the appropriate person(s) has executed the grant contract on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: Mayor

Date: _____

ATTEST:

By: _____

Title: City Clerk

Date: _____

3. STATE OF MINNESOTA: DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

By: _____
(WITH DELEGATED AUTHORITY)

Title: _____

Date: _____

Approved as to form:

By: _____

Title: City Attorney

Date: _____

Approved:

By: _____

Title: City Auditor

Date: _____

Distribution:

- Agency
- Grantee
- State’s Authorized Representative