

RESOLUTION 21D-22

RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH PORTLAND LAND CO., LLC AND CORRESPONDING FINANCING FOR THE REDEVELOPMENT OF THE 627 E 4TH STREET RESIDENTIAL REDEVELOPMENT PROJECT

WHEREAS, Portland Land Co., LLC (“Developer”), proposes to redevelop property located at 627 East Fourth Street in Duluth, Minnesota into a multi-family residential facility with apartment units (the “Project”);

WHEREAS, DEDA has determined that it is reasonable and necessary to provide certain financial assistance to Developer in order to facilitate Developer’s plans for the Project and to that end, DEDA and Developer have negotiated a Development Agreement for the Project; and


WHEREAS, DEDA has committed to provided existing redevelopment district pooled funds in the amount of up to One Hundred Twenty-six Thousand Dollars (\$126,000).

NOW, THEREFORE, BE IT RESOLVED:

1. DEDA finds that the Development Agreement is in the best interests of the City and the welfare of its residents, and in accordance with the public purposes and provisions of the applicable State and local laws and requirements under which the development will be undertaken.
2. DEDA hereby determines that the Project will enhance the economic diversity of the City and the City’s tax base, enhance the quality of life of the City’s residents by investing in neglected neighborhoods or business areas and stimulating the redevelopment of underutilized, blighted or obsolete land uses including demolition of commercial areas in the City and substandard structures, expand the City’s tax base and realize a reasonable rate of return on the public investment; encourage the development of commercial areas in the City that result in higher quality development and private investment, and achieve development on a site which would not be developed without assistance.
3. DEDA hereby authorizes the proper DEDA officials to enter into a Development Agreement with Developer substantially in the form of that attached hereto (DEDA Contract No. 21-860-____), together with any related documents necessary in connection therewith.
4. DEDA staff, officials and consultants are authorized to implement the terms of the Development Agreement as provided therein and carry out DEDA’s obligations under the Development Agreement.

Approved by the Duluth Economic Development Authority this 23rd day of June 2021.

ATTEST:

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Executive Director

STATEMENT OF PURPOSE:

This resolution authorizes a Development Agreement with Portland Land Co., LLC and corresponding financing in an amount not to exceed \$126,000 from existing redevelopment district pooled funds for the residential development on property located at 627 E 4th Street. The Development Agreement provides for the repair and restoration of the façade and structure of the building, reflecting its original condition and footprint, and the reconstruction of the existing residential units, resulting in not less than 16 apartment units, 100% of which will be set at a rate affordable to those earning an income at or below 80% of the area median income. The project includes at-grade parking stalls, together with related utilities, landscaping, and other amenities at a total development cost of approximately \$1,083,000. DEDA will provide up to \$126,000 in funds from existing redevelopment district pooled funds.