

EXHIBIT 1

Amendment #5 for Grant Contract Agreement # DRED-22-0001-O-FY23

Grant Contract Agreement Start Date:	06/24/2019	Original Grant Contract Agreement Amount:	\$67,600,000.00
Original Grant Contract Agreement Expiration Date:	06/24/2024	Previous Amendment(s) Total:	\$14,000,000.00
Current Grant Contract Agreement Expiration Date:	12/31/2028	This Amendment:	\$4,101,022.51
Requested Grant Contract Agreement Expiration Date:	12/31/2028	Total Grant Contract Agreement Amount:	\$85,701,022.51

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

Recitals

1. The State Entity has a grant contract agreement with the Grant Recipient identified as the Master Grant Agreement Construction Grant for the Duluth Regional Exchange District Project Dated 6/24/2019 (“Original Grant Agreement”) 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 State Entity and Grant Recipient amended the Original Grant Agreement by that certain "Amendment #1 for Grant Contract Agreement #DRED-22-0001-O-FY23 executed by the State Entity and Grant Recipient on September 29, 2022 ("Amendment 1") that applied the Grant amounts to projects 1, 2, 3, 5, and 6 described in Amendment 1.
3. The State Entity and Grant Recipient amended the Original Grant Agreement by that certain "Amendment #2 for Grant Contract Agreement #DRED-22-0001-O-FY23 executed by the State Entity and Grant Recipient on June 21, 2023 ("Amendment 2") that extended the deadline to obtain ownership of Project 2 described in Amendment 1.
4. The State Entity and Grant Recipient amended the Original Grant Agreement by that certain "Amendment #3 for Grant Contract Agreement #DRED-22-0001-O-FY23 executed by the State Entity and Grant Recipient on September 7, 2023 ("Amendment 3") that extended the deadline to disburse all of the Grant identified in executed Amendments to the Original Grant Agreement.
5. The State Entity and Grant Recipient amended the Original Grant Agreement by that certain "Amendment #4 for Grant Contract Agreement #DRED-22-0001-O-FY23 executed by the State Entity and Grant Recipient on February 28, 2024 ("Amendment 4") that applied the Grant amounts to project 7 described in Amendment 4.
6. The Commissioner of Minnesota Management and Budget (“MMB”) sold State Entity of Minnesota State General Fund Appropriation Bonds, Taxable Series 2023A (Duluth Regional Exchange District), dated November 8, 2023 (the “Series 2023 Bonds”) to provide \$30,120,000 in state appropriation support payments for the purposes of financing Projects authorized under the Act.
7. The State Entity and Grant Recipient desire to enter into this Amendment to facilitate the use of \$4,101,022.51 of proceeds of the Series 2023 Bonds for the purposes described in Section 1 of this Amendment.

8. The Grant Recipient intends to apply the Grant amounts provided by this Amendment to the Project identified in subparagraph 7 of Recital C of the Original Grant Agreement authorized for state appropriation support payments under the Act.
9. In accordance with Section 6, subd. 3 of the Act, as codified by Minn. Stat. §469.54, subd. 3, no Advance for any parking structure for a medical business entity will be processed by the State Entity until the State Entity has certified that the medical business entity that would benefit from the parking structure has made qualified expenditures as described in Section 5.29.B of the Original Grant Agreement.
10. The State Entity certified on August 11, 2023, that Medical Entity East had made at least \$50,000,000 in qualified expenditures under Minn. Stat. §469.54 and as such the Grant funds provided by this Amendment may be expended on the parking ramp identified in Recital C, item 7 of the Original Grant Agreement.
11. The State Entity and the Grant Recipient are willing to amend the Original Grant Contract Agreement as stated below.

Grant Contract Amendment

1. The Grant Recipient reasonably intends to apply the Grant amounts provided in this Amendment to the following project:

Project 8. Site improvements made upon private property and within the public realm, including retaining walls, public sidewalks, public stairs, and other related infrastructure, necessary to support Medical Entity West hospital construction, not to exceed \$4,101,022.51.

2. “Real Property” for purposes of the Original Grant Agreement as amended by Amendment 1 and this Amendment means the real property located within the Regional Exchange District in the County of St. Louis, State of Minnesota, legally described in **Annex 1** to this Amendment. Annex 1 of this Amendment shall amend and replace Annex 1 of Amendment 4 in its entirety.

(The intent of this provision is to add Project 8 to the definition of Real Property in the Original Grant Agreement).

3. The Useful Life of the Real Property and, if applicable, Facilities subject to this Amendment is shown in **Annex 2** to this Amendment for the Project identified in Section 1.

4. The Grant Recipient represents to the State Entity and the Commissioner of MMB that **Annex 3** is intended to be a source and use statement for purposes of Section 5.24 of the Original Grant Agreement and shows the total cost of the Projects or Project phases being funded as part of this Amendment and all of the funds that are available for the completion of the Projects or Project Phases identified in **Annex 3**. The information contained in **Annex 3** correctly and accurately delineates the information required by Section 5.24 of the Original Grant Agreement. Use of Grant Proceeds will be used for one or more of the eligible purposes identified in Section 2.02 of the Original Grant Agreement.

5. The Grant Recipient represents to the State Entity and the Commissioner of MMB that **Annex 4** correctly and accurately delineates the projected schedule for the completion of the Projects subject to this Amendment. Commencing by March 1 of the year following the year in which the Project subject to this Amendment is completed, the Grant Recipient shall provide information to the State Entity required by Section 5.29.C. of the Original Grant Agreement.

6. The Grantee shall execute and record a Declaration of Restrictive Covenant as provided for in Section 2.04 of the Master Grant Agreement for Project 8 covered by this Amendment.

7. Unless specifically amended, modified or changed by this Amendment, the Original Grant Agreement, as amended by all previous amendments, shall remain in full force and effect and unchanged. All initially capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Original Grant Agreement.

8. The Recitals above are hereby incorporated into this Amendment.

1. STATE ENCUMBRANCE VERIFICATION

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

Signed: Robin Culbertson

Date: 07/26/24

SWIFT Contract/PO No(s): 219485 PR 87976 PO 3-568912

2. GRANT RECIPIENT

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

CITY OF DULUTH

By: _____
Mayor

Attest: _____
City Clerk

Dated: _____

Countersigned:

City Auditor

Approved as to form:

City Attorney

Distribution:

Agency
Grantee State's
Authorized
Representative

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

By: _____
(WITH DELEGATED AUTHORITY)

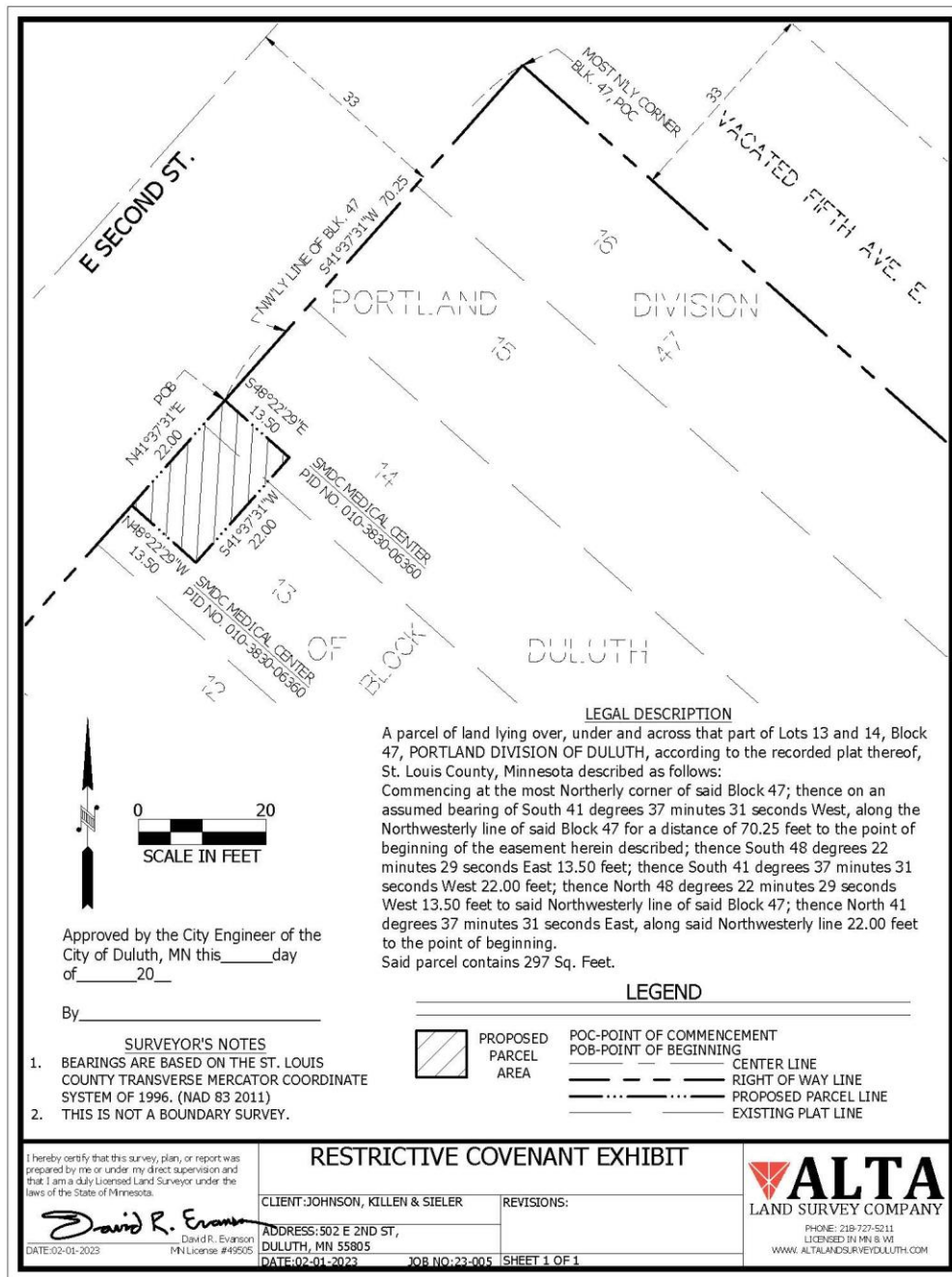
Title: _____

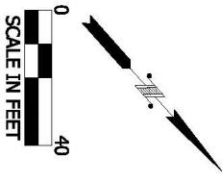
Date: _____

Annex 1 to Grant Agreement Amendment

LEGAL DESCRIPTION OR GENERAL DESCRIPTION OF RESTRICTED PROPERTY

PROJECT 8: East 2nd Street Bus Shelter Parcel; 1st Alley Parcel; 4th Avenue E Wall Parcel; and E Superior Street Bus Shelter Parcel in that order





Approved by the City Engineer of the
City of Duluth, MN this _____ day
of _____ 20__

By _____

- SURVEYOR'S NOTES
1. BEARINGS ARE BASED ON THE ST. LOUIS COUNTY TRANSVERSE MERCATOR COORDINATE SYSTEM OF 1996. (NAD 83 2011)
 2. THIS IS NOT A BOUNDARY SURVEY.

LEGEND

PROPOSED PARCEL AREA

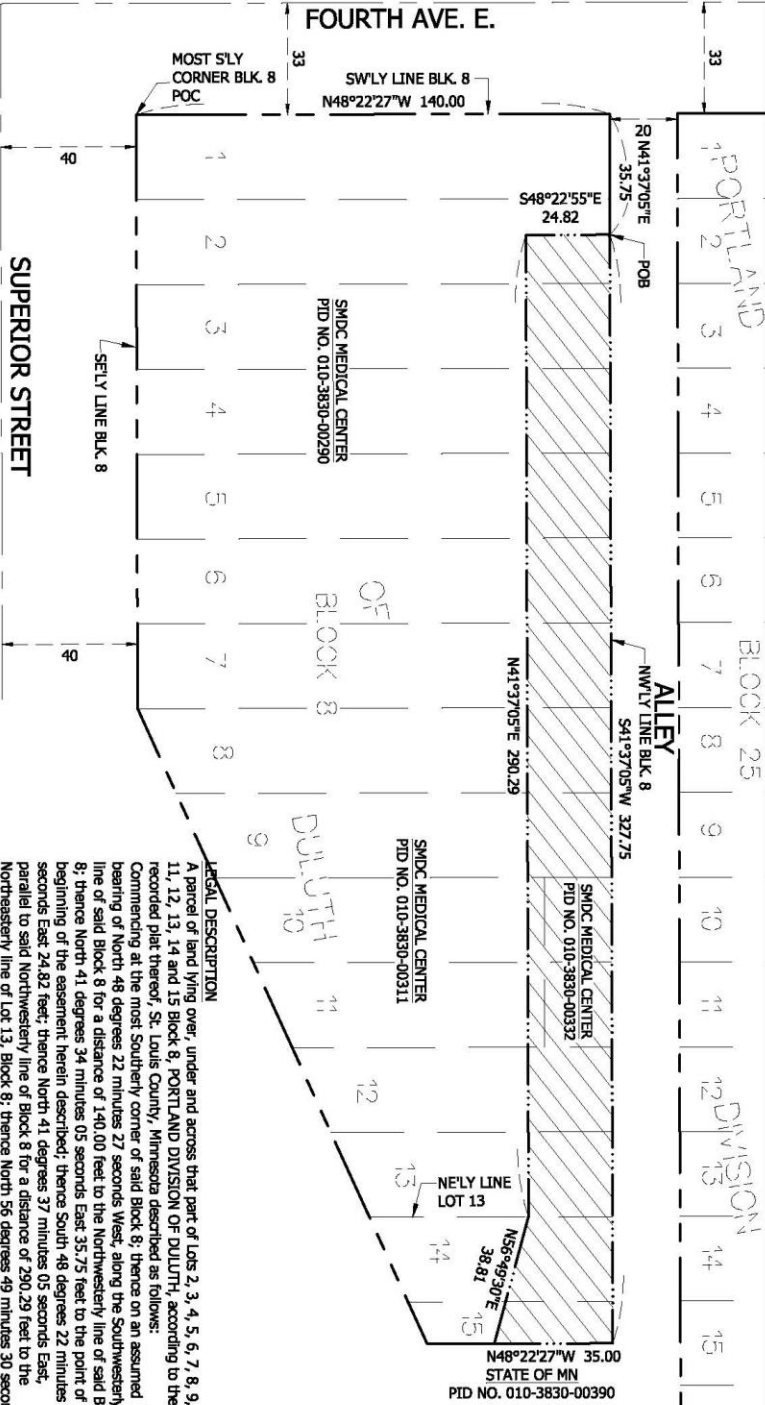
POB-POINT OF BEGINNING

POC-POINT OF COMMENCEMENT

CENTER LINE

PROPOSED PARCEL LINE

EXISTING PLAT LINE



I hereby certify that this survey, plan, 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.

David R. Evans
David R. Evans
MN License #9895

DATE: 03-13-2023

RESTRICTIVE CONVEYANCE EXHIBIT

CLIENT: JOHNSON, KILLEN & SIELER

ADDRESS: 502 E 2ND ST,
DULUTH, MN 55805

DATE: 03-08-2023

JOB NO: 23-005 SHEET 1 OF 1

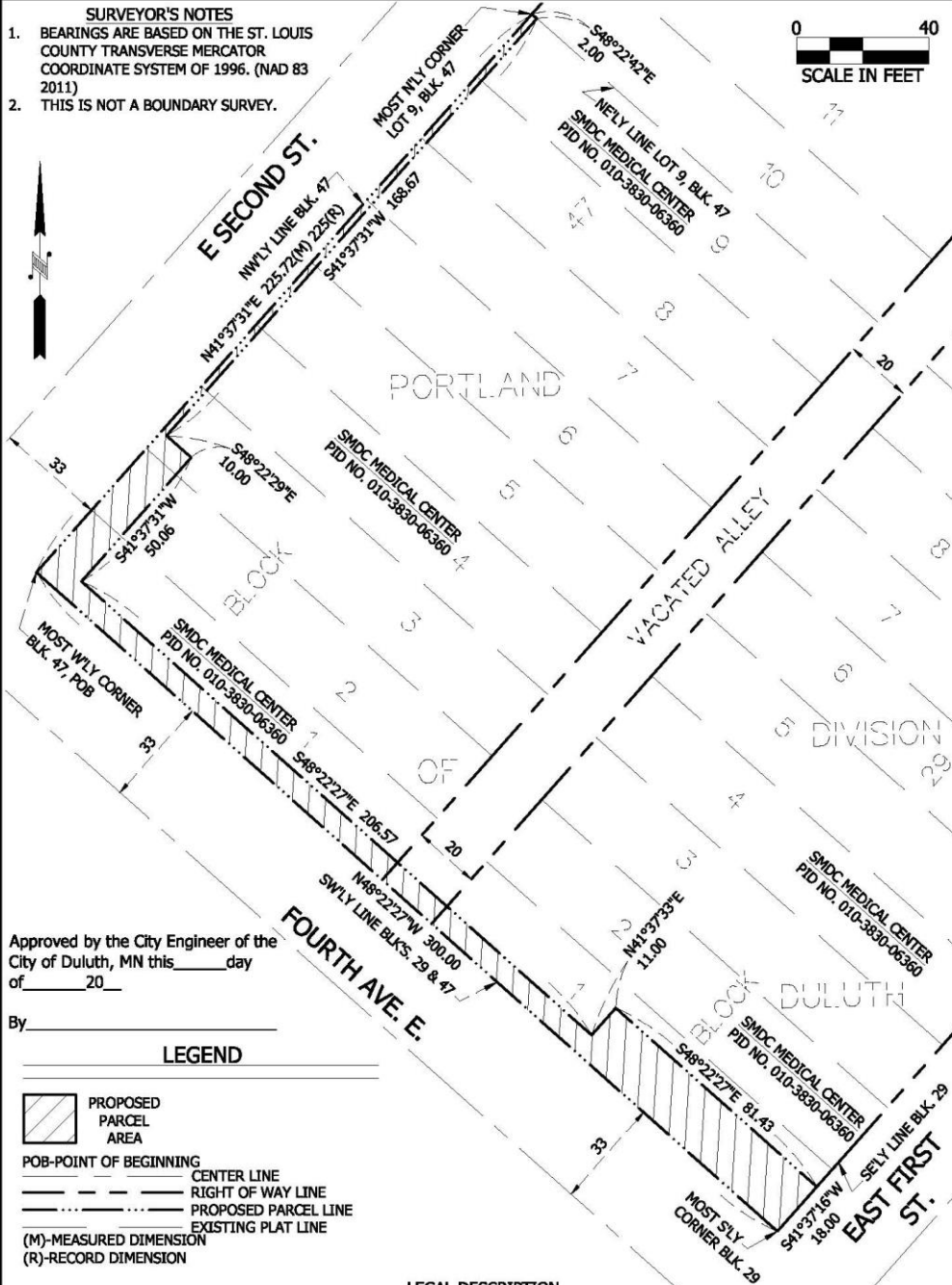
ALTA

LAND SURVEY COMPANY

PHONE: 218-727-8211
FAX: 218-727-8211
WWW.ALTA-SURVEYS.COM

- SURVEYOR'S NOTES**
1. BEARINGS ARE BASED ON THE ST. LOUIS COUNTY TRANSVERSE MERCATOR COORDINATE SYSTEM OF 1996. (NAD 83 2011)
 2. THIS IS NOT A BOUNDARY SURVEY.

0 40
SCALE IN FEET



LEGAL DESCRIPTION

A parcel of land lying over, under and across that part of Lot 1, Block 29, Lots 1, 2, 3, 4, 5, 6, 7, 8 & 9, Block 47 and that part of the vacated alley lying between and adjacent to said Blocks 29 & 47, all in PORTLAND DIVISION OF DULUTH, according to the recorded plat thereof, St. Louis County, Minnesota described as follows:
Beginning at the most Westerly corner of said Block 47; thence on an assumed bearing of North 41 degrees 37 minutes 31 seconds East, along the Northwestern line of said Block 47 for a distance of 225.72 feet to the most Northerly corner of Lot 9, said Block 47; thence South 48 degrees 22 minutes 42 seconds East, along the Northeastly line of said Lot 9 for a distance of 2.00 feet; thence South 41 degrees 37 minutes 31 seconds West 168.67 feet; thence South 48 degrees 22 minutes 29 seconds East 10.00 feet; thence South 41 degrees 37 minutes 31 seconds West 50.06 feet; thence South 48 degrees 22 minutes 27 seconds East 206.57 feet; thence North 41 degrees 37 minutes 33 seconds East 11.00 feet; thence South 48 degrees 22 minutes 27 seconds East 81.43 feet to the Southeastly line of said Block 29; thence South 41 degrees 37 minutes 16 seconds West, along said Southeastly line 18.00 feet to the most Southerly corner of said Block 29; thence North 48 degrees 22 minutes 27 seconds West, along the Southwesterly line of said Blocks 29 and 47 for a distance of 300.00 feet to the point of beginning.
Said parcel contains 3,934 Sq. Feet or 0.09 Acres.

I hereby certify that this survey, plan, 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.

David R. Evans
David R. Evans
NW License #49595
DATE: 02-01-2023

RESTRICTIVE COVENANT EXHIBIT

CLIENT: JOHNSON, KILLEN & STIELER

REVISIONS:

ADDRESS: 502 E 2ND ST,
DULUTH, MN 55805

DATE: 02-01-2023

JOB NO: 23-005 SHEET 1 OF 1

ALTA
LAND SURVEY COMPANY
PHONE: 218-727-5211
LICENSED IN MN & WI
WWW.ALTLANDSURVEYDULUTH.COM

LEGEND



PROPOSED
PARCEL
AREA

POC-POINT OF COMMENCEMENT
POB-POINT OF BEGINNING

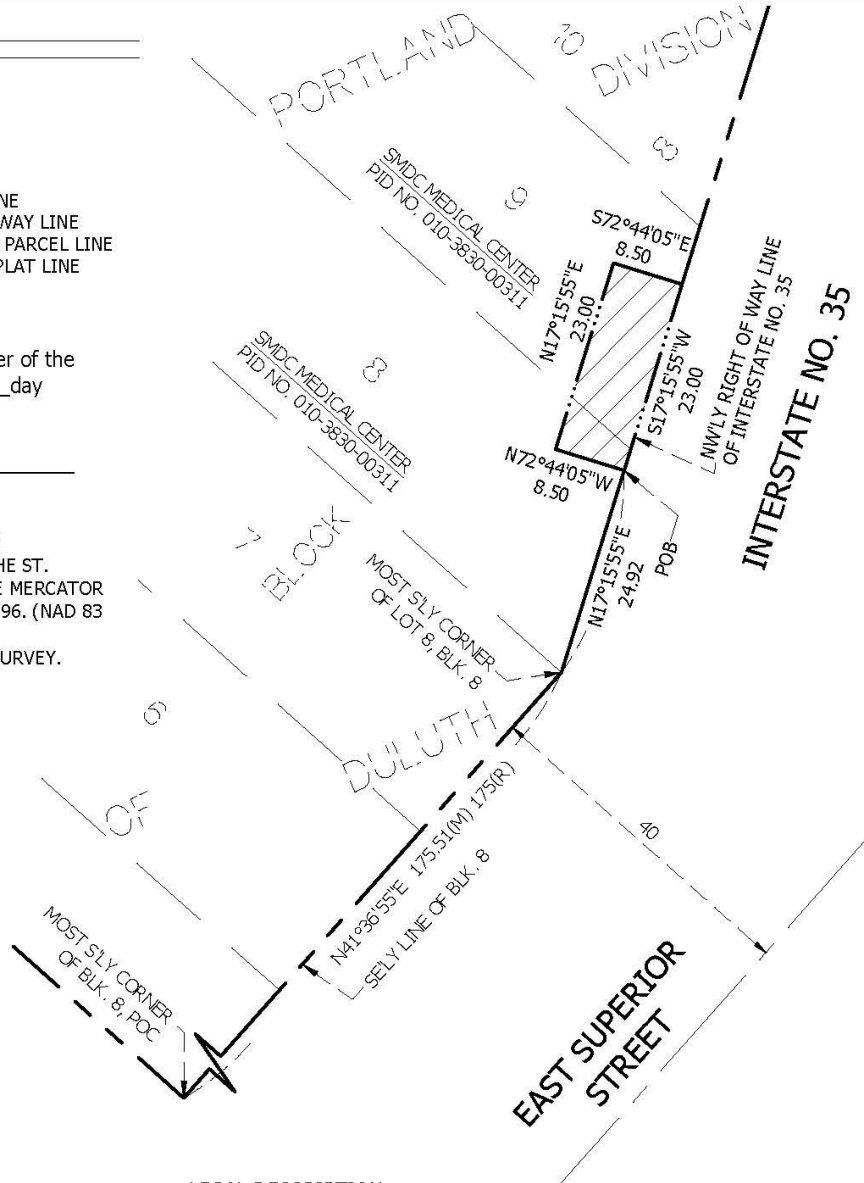
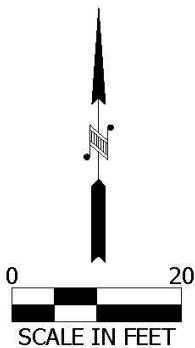
— CENTER LINE
— RIGHT OF WAY LINE
— PROPOSED PARCEL LINE
— EXISTING PLAT LINE

Approved by the City Engineer of the
City of Duluth, MN this _____ day
of _____ 20__

By _____

SURVEYOR'S NOTES

1. BEARINGS ARE BASED ON THE ST. LOUIS COUNTY TRANSVERSE MERCATOR COORDINATE SYSTEM OF 1996. (NAD 83 2011)
2. THIS IS NOT A BOUNDARY SURVEY.



LEGAL DESCRIPTION

A parcel of land lying over, under and across that part of Lots 8 and 9, Block 8, PORTLAND DIVISION OF DULUTH, according to the recorded plat thereof, St. Louis County, Minnesota described as follows:
Commencing at the most Southerly corner of said Block 8; thence on an assumed bearing of North 41 degrees 36 minutes 55 seconds East, along the Southeasterly line of said Block 8 for a distance of 175.51 feet to the most Southerly corner of Lot 8, said Block 8, said point being on the Northwesterly right of way line of Interstate No. 35; thence North 17 degrees 15 minutes 55 seconds East, along the Northwesterly right of way line of Interstate No. 35 for a distance of 24.92 feet to the point of beginning of the easement herein described; thence North 72 degrees 44 minutes 05 seconds West 8.50 feet; thence North 17 degrees 15 minutes 55 seconds East 23.00 feet; thence South 72 degrees 44 minutes 05 seconds East 8.50 feet to said Northwesterly right of way line of Interstate No. 35; thence South 17 degrees 15 minutes 55 seconds West, along said Northwesterly right of way line 23.00 feet to the point of beginning.
Said parcel contains 195 Sq. Feet.

I hereby certify that this survey, plan, 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.

David R. Evanson
David R. Evanson
MIN License #49505

DATE: 02-01-2023

RESTRICTIVE COVENANT EXHIBIT

CLIENT: JOHNSON, KILLEN & SIELER

REVISIONS:

ADDRESS: 502 E 2ND ST,
DULUTH, MN 55805

DATE: 02-01-2023

JOB NO: 23-005

SHEET 1 OF 1

ALTA
LAND SURVEY COMPANY

PHONE: 218-727-5211
LICENSED IN MN & WI
WWW.ALTLANDSURVEYDULUTH.COM

Project 7 Legal Description and Ground Lease

DocuSign Envelope ID: 7EF59535-1660-404E-A4D4-0C60BB05B217

Exhibit A to Declaration
**LEGAL DESCRIPTION OR GENERAL DESCRIPTION
OF RESTRICTED PROPERTY**

All that part of Blocks Eighteen (18) and Nineteen (19), in Portland Division of Duluth, according to the plat thereof, on file and of record in the office of the Register of Deeds, St. Louis County, Minnesota, in Book A of Plats, page 91, included within the following described boundaries, to-wit:

The centerline of East First Street; the Westerly line as extended of Lot Five (5) in said Block 19; the centerline of the alley between said Block 19 and Block 16; and the extended Westerly line of Lot One (1) in said Block 18.

All assuming First Street to run East and West.

Subject to the dedication of public use of avenues, streets, squares and places designated as public grounds on the Plat of Portland Division of Duluth, recorded in the office of the County Recorder, St. Louis County, Minnesota, in Book A of Plats, page 91, filed April 23, 1870, except as the same may have been properly vacated.

City of Duluth Contract #:
24548

EXHIBIT A

Parking Facility Parcel

All that part of Blocks Eighteen (18) and Nineteen (19), in Portland Division of Duluth, according to the plat thereof, on file and of record in the office of the Register of Deeds, St. Louis County, Minnesota, in Book A of Plats, page 91, included within the following described boundaries, to-wit:

The centerline of East First Street; the Westerly line as extended of Lot Five (5) in said Block 19; the centerline of the alley between said Block 19 and Block 16; and the extended Westerly line of Lot One (1) in said Block 18.

All assuming First Street to run East and West.

Subject to the dedication of public use of avenues, streets, squares and places designated as public grounds on the Plat of Portland Division of Duluth, recorded in the office of the County Recorder, St. Louis County, Minnesota, in Book A of Plats, page 91, filed April 23, 1870, except as the same may have been properly vacated.

PROJECT 1

Descriptions subject to correction and re-recording upon availability of as-built survey.

That part of Fourth Ave. E. adjacent to Lot 16, Block 26 and Lot 1, Block 25 in the plat of PORTLAND DIVISION lying between the northeasterly extension of the northwest line of said Lot 16, Block 26 and the northeasterly extension of the southeast line of said Lot 16, Block 26.

St. Louis County, Minnesota

PROJECT 2

Descriptions subject to correction and re-recording upon availability of as-built survey.

Lots 49, 51, 53, and 55, EAST FIRST STREET, DULUTH PROPER FIRST DIVISION

Lots 62 and 64, EAST SECOND STREET, DULUTH PROPER FIRST DIVISION

Lots 1-16, inclusive, Block 28, PORTLAND DIVISION OF DULUTH

Lots 13-16, inclusive, Block 48, PORTLAND DIVISION OF DULUTH

Placeholder for skywalk crossing 4th Ave. East.

St. Louis County, Minnesota

PROJECT 3

Descriptions subject to correction and re-recording upon availability of as-built survey.

That part of Sixth Ave. E. lying adjacent to and between Blocks 30, 31, 45 and 46 in PORTLAND DIVISION OF DULUTH lying southeast of the northeasterly extension of the northwest line of said Block 46 and northwest of the northeasterly extension of southeast line of said Block 30.

St. Louis County, Minnesota

PROJECT 5

Descriptions subject to correction and re-recording upon availability of as-built survey.

That portion of Fourth Ave. E. lying adjacent to and between Blocks 7, 8, 25, 26, 28, 29, 47, and 48 in PORTLAND DIVISION OF DULUTH lying southeast of the northeasterly extension of the northwest line of said Block 48 and northwest of the northeasterly extension of southeast line of said Block 7

AND

That portion of Superior St. in PORTLAND DIVISION OF DULUTH and THE PART OF DULUTH FORMERLY CALLED PORTLAND lying between the following four lines:

- (1) The northeast extension of the southeast line of said Block 7;
- (2) The northwest line of Block 5 in the plat of THE PART OF DULUTH FORMERLY CALLED PORTLAND;
- (3) The southeast extension of the northeast line of said Block 7; and
- (4) The southeast extension of the southwest line of said Block 8

AND

That portion of Second St. in PORTLAND DIVISION OF DULUTH lying between the southeast extension of the southwest line of Block 49 in said PORTLAND DIVISION OF DULUTH and the northwest extension of the southwest line of Block 45 in said PORTLAND DIVISION OF DULUTH.

That portion of First St. in PORTLAND DIVISION OF DULUTH lying between the southeast extension of the southwest line of Block 29 in said PORTLAND DIVISION OF DULUTH and the northwest extension of the southwest line of Block 23 in said PORTLAND DIVISION OF DULUTH.

The alley adjacent to and lying between Block 8, 9, 10, 23, 24 and 25 in PORTLAND DIVISION OF DULUTH lying between the east line of 4th Ave. E. and the northeast extension of the northeast line of said Block 10.

That portion of 7th Ave. E. (Washington Ave. per plat) in PORTLAND DIVISION OF DULUTH lying southeast of the northeast extension of the northwest line of Block 23 in said PORTLAND DIVISION OF DULUTH and northwest of the northeast extension of the northwest line of Block 10 in said PORTLAND DIVISION OF DULUTH.

That alley adjacent to and lying between Blocks 31 and 45 in the plat of PORTLAND DIVISION OF DULUTH lying between the southeasterly extension of the northwest line of said Block 45 and the southeasterly extension of the northeast line of said Block 45.

St. Louis County, Minnesota

PROJECT 6

Descriptions subject to correction and re-recording upon availability of as-built survey.

That portion of East and West Superior Street in the plats of DULUTH PROPER FIRST DIVISION, PORTLAND DIVISION OF DULUTH and THE PART OF DULUTH FORMERLY CALLED PORTLAND lying between the southeasterly extension of the northeast line of Lot 17, W. SUPERIOR ST. in said DULUTH PROPER FIRST DIVISION and the southeast extension of the southwest line of Lot 1, Block 8 in said PORTLAND DIVISION

AND

That portion of Fourth Ave. E. lying adjacent to and between Blocks 7, 8, 25, 26, 28, 29, 47, and 48 in PORTLAND DIVISION OF DULUTH lying southeast of the northeasterly extension of the northwest line of said Block 48 and northwest of the northeasterly extension of southeast line of said Block 7

AND

That portion of First Avenue West in the plat of CENTRAL DIVISION OF DULUTH lying southeast of the northeast extension of northwest line of Lot 18, Block 5 in said CENTRAL DIVISION OF DULUTH and northwest of the northeast extension of the northwest line of Lot 16, Block 11 in said CENTRAL DIVISION OF DULUTH

AND

Those portions of Lots 1-11, Block 12 in the plat of CENTRAL DIVISION OF DULUTH lying within fifty feet (50') of the northwest line of said Block 12.

AND

That portion of Lake Avenue in the plat of CENTRAL DIVISION OF DULUTH lying southeast of the northeast extension of Lot 11, Block 12 in said CENTRAL DIVISION OF DULUTH and northwest of the following described line: Beginning at the most easterly corner of Block 11, said CENTRAL DIVISION OF DULUTH; thence run northeasterly to a point on the southwesterly line of Lot 2, Block 13, said CENTRAL DIVISION OF DULUTH, distant 60 feet southeasterly of the most westerly corner thereof and there terminating.

AND

That part of Lot 1, Block 13, CENTRAL DIVISION OF DULUTH lying northwest of the following described line: Beginning at the most easterly corner of Block 11, said CENTRAL DIVISION OF DULUTH; thence run northeasterly to a point on the southwesterly line of Lot 2, Block 13, said CENTRAL DIVISION OF DULUTH, distant 60 feet southeasterly of the most westerly corner thereof and there terminating.

AND

Lots 16, 18, 20, Block 2, INDUSTRIAL DIVISION OF DULUTH
St. Louis County, Minnesota

Annex 2 to Grant Agreement Amendment
USEFUL LIFE OF REAL PROPERTY AND, IF APPLICABLE, FACILITIES

Project No.	Description	Useful Life
Project 8	Site improvements made upon private property and within the public realm, including retaining walls and bus shelter	30 years

Annex 3 to Grant Agreement Amendment
PROJECT 8 – PRIVATE PROPERTY PUBLIC REALM
SITE IMPROVEMENTS - SOURCES & USES

Source of Funds

Use of Funds

<u>Identify Source of Funds</u>	<u>Amount</u>	<u>Identify Items</u>	<u>Amount</u>
State Funds			
Grant	\$4,101,022.51	Planning, acquisition, predesign, design, construction, site preparation, demolition costs, and furnishing and equipping costs for site improvements made upon private property and within the public realm, including retaining walls, public sidewalks, public stairs, and other related infrastructure, necessary to support Medical Entity West, as more fully described in Development Agreement(s) between the City and St. Mary's Duluth Clinic Health System d/b/a Essentia Health East, to be placed on file with the City and State Entity.	
Other State Funds			
Subtotal	\$N/A		
Matching Funds			
Subtotal	\$N/A	Subtotal	\$4,101,022.51
Other Grant Recipient Funds		Items Paid for with Non-Grant Funds	
Subtotal	\$N/A	Subtotal	\$N/A
Loans			
Subtotal	\$N/A		
Other Funds			
Subtotal	\$N/A		
Prepaid Project Expenses			
Subtotal	\$N/A		
TOTAL FUNDS	\$4,101,022.51	TOTAL PROJECT COSTS	\$4,101,022.51

Annex 4 to Grant Agreement Amendment

PROJECT 8 COMPLETION SCHEDULE

Project No.	Description	Completion Date
Project 8	Site improvements made upon private property and within the public realm, including retaining walls and bus shelter	9/3/2024