

RESOLUTION 19D-45

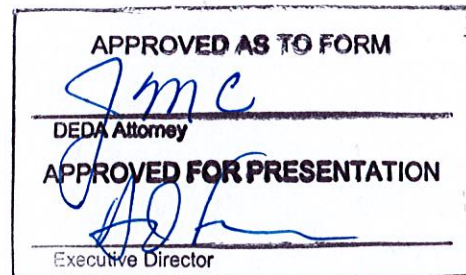
RESOLUTION AUTHORIZING A SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH NORTHSTAR DEVELOPMENT INTERESTS, LLC RELATED TO THE VOYAGEUR LAKEWALK INN REDEVELOPMENT

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to enter into a Second Amendment to the Development Agreement, substantially in the form of that attached hereto (DEDA Contract No. 19 860 927²) with Northstar Development Interests, LLC ("Developer") related to the Voyageur Lakewalk Inn Redevelopment, extending the time for commencement of construction until April 30, 2019.

Approved by the Duluth Economic Development Authority this 18th day of December, 2019.

ATTEST:

Executive Director



STATEMENT OF PURPOSE: The purpose of this resolution is to approve a Second Amendment to the Development Agreement with Developer to extend the time within which Developer must commence construction of the Voyageur Lakewalk Inn Redevelopment project. The project, located at 319, 321, 323 and 333 East Superior Street, will be developed into an approximately fifteen-story multi-family residential and mixed-use development on the site in downtown Duluth.

The project was originally anticipated to begin construction in August of 2019 and DEDA approved an extension of that requirement in September of 2019: several pre-development items, including final selection of a lender, finalizing bids from general contractors, and negotiating a contract with Duluth Energy Systems to connect to the new hot water line in Superior St. resulted in a delay in construction commencement. Since the First Amendment, the Developer has secured a general contractor, finalized

negotiations with Duluth Energy Systems and secured a primary lender. The last item required to render the project ready to close is for the Developer to secure a lender for the TIF note; conversations are underway with multiple lending partners and the Developer believes they will finalize terms by the end of January, 2020. Thus, this Second Amendment extends the deadline for construction to commence to April 30, 2020, allowing ample time to wrap up this final element of pre-construction.