

Blue Limit LLC
620 South 9th Street
Minneapolis, MN 55404

Keith Hamre
City of Duluth
411 West 1st Street
Duluth, MN 55802

April 30th, 2018

Dear Director Hamre,

My name is Grant Carlson, and I own the Historic Saint Louis County Jail. For eight years, in partnership with the City of Duluth Planning Department, I have looked at various ways to repurpose this building. I am excited to announce that we are in the process of putting the pieces together to redevelop the building as 31 units of workforce housing.

We have followed the Imagine Duluth 2035 process closely, and know that one of the goals of the plan is to increase density in downtown. In looking at the 2013 Maxfield Study, we are confident that not only will this project fill a need for workforce housing in Duluth, but it will also fill a demand for studio and one-bedroom units that are affordable. The unit breakdown includes 10 studio apartments, 20 one-bedroom units, and one two-bedroom unit. We would like to name the project "The Bunham" after famous American architect, Daniel Burnham, who designed the Duluth civic complex.

The jail is located in the F-5 district. Form districts have no set parking requirements, however parking is very important for investors and lenders to see on all projects. With this in mind, we plan to demolish the first floor annex of the building in order to provide surface parking for tenants. This part of the building was built onto the jail in the 1970's and will not affect the historic nature of the building. The project also includes parking on the north side of the building which would create 20 parking spaces. The development team is working with the city and St. Louis County to determine if any additional off-street parking could be made available for residents. This conversation is ongoing.

A preliminary budget of \$10.3 million includes potential sources of capital from low-income housing tax credits, state and federal historic tax credits, and legacy grant funds will all be leveraged by private equity. The current building shell has been preserved thanks in part by a first phase of work completed on the building envelope in 2012 from a Legacy Grant. Due to many design challenges and antiquated building conditions, there will be significant construction and redevelopment costs associated with the project.

The City of Duluth has commenced use of its EPA Assessment Grant to determine any presence of hazardous materials within the building. A hazardous material survey has been completed.

It is worth mentioning that the last project in Duluth that included both historic tax credits and low income housing tax credits was "Fire Hall Flats". This project has been considered to be a huge asset for the community since its completion in 2013. I believe "The Burnham" will also be considered a huge asset after its completion.

Construction of "The Burnham" is anticipated to begin in the first half of 2019 and completed by the end of 2020.

Thank you for your consideration and support of our 4% low-income housing tax credit project.

Sincerely,



Grant Carlson

CC: David Montgomery, Chief Administrator Officer