

RESOLUTION 24D-48

RESOLUTION APPROVING FUNDING FOR THE DULUTH PRODUCTION INCENTIVE PROGRAM TO INCENTIVIZE VISUAL MEDIA PRODUCTION IN DULUTH AND AUTHORIZING AN AGREEMENT WITH UPPER MIDWEST FILM OFFICE FOR PROGRAM ADMINISTRATIVE SERVICES

RESOLVED, by the Duluth Economic Development Authority ("DEDA"), that the proper DEDA officials are hereby authorized to fund the Duluth Production Incentive Program for the year 2025, to incentivize projects which will support the development of television, film and digital media in Duluth per the Program Guidelines, a copy of which is included in attached agreement hereto as Exhibit A, to govern the program; and

FURTHER RESOLVED, that \$180,000 from Fund 860-860-8640-5434 is hereby appropriate to fund the program; and

FURTHER RESOLVED, that the proper DEDA officials are hereby authorized to enter into an agreement with Upper Midwest Film Office substantially in the form of that attached hereto (Exhibit A), to administer the program in the amount of \$20,000, payable from the Fund 860-860-8640-5434.

Approved by the Duluth Economic Development Authority this 20th day of November, 2024.

ATTEST:

Executive Director

STATEMENT OF PURPOSE: This resolution authorizes an agreement with the Upper Midwest Film Office ("UMFO") to facilitate projects which will encourage the development of television, film and digital media productions in the City of Duluth..

UMFO will facilitate a program which will provide a financial incentive to projects which will use local talent and local businesses to serve the needs of production entities creating such visual arts productions. The program will reimburse funds spent for needed supplies and services secured from local resources, thereby reducing the costs of production and encouraging the development and use of local talent and resources. \$180,000 will go toward financial incentives to projects, \$20,000 will go toward the administration of the program by UMFO.

**AGREEMENT FOR PROFESSIONAL SERVICES
BY AND BETWEEN
UPPER MIDWEST FILM OFFICE
AND
THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY**

THIS AGREEMENT made this ____ day of _____, 2024 by and between the **Duluth Economic Development Authority**, an economic development authority established by Minnesota Statutes § 469.091, (“DEDA”) and the, and **The Upper Midwest Film Office**, located at 1910 Middle Lane, Duluth, MN 55811, hereinafter referred to as Consultant for the purpose of rendering services to the City.

WHEREAS, DEDA has requested consulting services for the Duluth Production Incentive Program , (the “Project”); and

WHEREAS, Consultant has represented itself as qualified and willing to perform the services required by DEDA; and

WHEREAS, Consultant submitted a proposal to provide services for the Project (the “Proposal”), a copy of which is attached hereto as Exhibit A; and

WHEREAS, DEDA desires to utilize Consultant’s professional services for the Project;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the parties hereto agree as follows:

I. Services

Consultant will provide services related to the Project as described in Consultant’s Proposal (the “Services”). Consultant agrees that it will provide its services at the direction of the Executive Director of the Duluth Economic Development Authority (“Executive Director”). In the event of a conflict between the Proposal and this Agreement, the terms and conditions of this Agreement shall be deemed controlling.

II. Fees

It is agreed between the parties that Consultant’s maximum fee for the Project and Services shall not exceed the sum of twenty thousand dollars and 00/100th dollars (\$20,000) inclusive of all travel and other expenses associated with the Project, payable from Fund 860-860-8640-5434. All invoices for services rendered shall be submitted monthly to the attention of the Executive Director. Payment of expenses is subject to the DEDA’s receipt of reasonable substantiation/back-up supporting such expenses.

III. General Terms and Conditions

1. Amendments

Any alterations, variations, modifications or waivers of terms of this Agreement

shall be binding upon DEDA and Consultant only upon being reduced to writing and signed by a duly authorized representative of each party.

2. Assignment

Consultant represents that it will utilize only its own personnel in the performance of the services set forth herein; and further agrees that it will neither assign, transfer or subcontract any rights or obligations under this Agreement without prior written consent of DEDA. The Primary Consultant(s) assigned to this project will be Shari Marshik (the "Primary Consultant"). The Primary Consultant shall be responsible for the delivery of professional services required by this Agreement and, except as expressly agreed in writing by DEDA in its sole discretion, DEDA is not obligated to accept the services of any other employee or agent of Consultant in substitution of the Primary Consultant. The foregoing sentence shall not preclude other employees of Consultant from providing support to the Primary Consultant in connection with Consultant's obligations hereunder.

3. Data and Confidentiality, Records and Inspection

- a. Subject to Minnesota Statutes Chapter 13, DEDA agrees that it will make available all pertinent information, data and records under its control for Consultant to use in the performance of this Agreement, or assist Consultant wherever possible to obtain such records, data and information.
- b. All reports, data, information, documentation and material given to or prepared by Consultant pursuant to this Agreement will be confidential and will not be released by Consultant without prior authorization from DEDA.
- c. Consultant agrees that all work created by Consultant for DEDA is a "work made for hire" and that DEDA shall own all right, title, and interest in and to the work, including the entire copyright in the work ("DEDA Property"). Consultant further agrees that to the extent the work is not a "work made for hire" Consultant will assign to DEDA ownership of all right, title and interest in and to the work, including ownership of the entire copyright in the work. Consultant agrees to execute, at no cost to DEDA, all documents necessary for DEDA to perfect its ownership of the entire copyright in the work. Consultant represents and warrants that the work created or prepared by Consultant will be original and will not infringe upon the rights of any third party, and Consultant further represents that the work will not have been previously assigned, licensed or otherwise encumbered.
- d. Records shall be maintained by Consultant in accordance with requirements prescribed by the DEDA and with respect to all matters covered by this

Agreement. Such records shall be maintained for a period of six (6) years after receipt of final payment under this Agreement.

- e. Consultant will ensure that all costs shall be supported by properly executed payrolls, time records, invoices, contracts, vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.
- f. Consultant shall be responsible for furnishing to DEDA records, data and information as DEDA may require pertaining to matters covered by this Agreement.
- g. Consultant shall ensure that at any time during normal business hours and as often as DEDA may deem necessary, there shall be made available to DEDA for examination, all of its records with respect to all matters covered by this Agreement. Consultant will also permit the DEDA to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

4. Consultant Representation and Warranties

Consultant represents and warrants that:

- a. Consultant and all personnel to be provided by it hereunder has sufficient training and experience to perform the duties set forth herein and are in good standing with all applicable licensing requirements.
- b. Consultant and all personnel provided by it hereunder shall perform their respective duties in a professional and diligent manner in the best interests of DEDA and in accordance with the then current generally accepted standards of the profession for the provisions of services of this type.
- c. Consultant has complied or will comply with all legal requirements applicable to it with respect to this Agreement. Consultant will observe all applicable laws, regulations, ordinances and orders of the United States, State of Minnesota and agencies and political subdivisions thereof.
- d. The execution and delivery of this Agreement and the consummation of the transactions herein contemplated do not and will not conflict with, or constitute a breach of or a default under, any agreement to which the Consultant is a party or by which it is bound, or result in the creation or imposition of any lien, charge

or encumbrance of any nature upon any of the property or assets of the Consultant contrary to the terms of any instrument or agreement.

- e. There is no litigation pending or to the best of the Consultant's knowledge threatened against the Consultant affecting its ability to carry out the terms of this Agreement or to carry out the terms and conditions of any other matter materially affecting the ability of the Consultant to perform its obligations hereunder.
- f. The Consultant will not, without the prior written consent of DEDA, enter into any agreement or other commitment the performance of which would constitute a breach of any of the terms, conditions, provisions, representations, warranties and/or covenants contained in this Agreement.

5. Agreement Period

The term of this Agreement shall commence on the Effective Date and performance shall be completed by August, 1 2026, unless terminated earlier as provided for herein. Either party may, by giving written notice, specifying the effective date thereof, terminate this Agreement in whole or in part without cause. In the event of termination, all property and finished or unfinished documents and other writings prepared by Consultant under this Agreement shall become the property of DEDA and Consultant shall promptly deliver the same to the DEDA. Consultant shall be entitled to compensation for services properly performed by it to the date of termination of this Agreement. In the event of termination due to breach by Consultant, DEDA shall retain all other remedies available to it, and DEDA shall be relieved from payment of any fees in respect of the services of Consultant which gave rise to such breach.

6. Independent Contractor

- a. It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of copartners between the parties hereto or as constituting Consultant as an agent, representative or employee of DEDA or the City of Duluth for any purpose or in any manner whatsoever. The parties do not intend to create any third party beneficiary of this Agreement. Consultant and its employees shall not be considered employees of DEDA or the City of Duluth, and any and all claims that may or might arise under the Worker's Compensation Act of the State of Minnesota on behalf of Consultant's employees while so engaged, and any and all claims whatsoever on behalf of Consultant's employees arising out of employment shall in no way be the responsibility of DEDA or the City of Duluth. Except

for compensation provided in Section II of this Agreement, Consultant's employees shall not be entitled to any compensation or rights or benefits of any kind whatsoever from DEDA or the City of Duluth, including without limitation, tenure rights, medical and hospital care, sick and vacation leave, Worker's Compensation, Unemployment Insurance, disability or severance pay and P.E.R.A. Further, DEDA and the City of Duluth shall in no way be responsible to defend, indemnify or save harmless Consultant from liability or judgments arising out of intentional or negligent acts or omissions of Consultant or its employees while performing the work specified by this Agreement.

- b. The parties do not intend by this Agreement to create a joint venture or joint enterprise, and expressly waive any right to claim such status in any dispute arising out of this Agreement.
- c. Consultant expressly waives any right to claim any immunity provided for in Minnesota Statutes Chapter 466 or pursuant to the official immunity doctrine.

7. Indemnity

To the extent allowed by law, Consultant shall defend, indemnify and hold DEDA and the City of Duluth and their employees, officers, and agents harmless from and against any and all cost or expenses, claims or liabilities, including but not limited to, reasonable attorneys' fees and expenses in connection with any claims resulting from the Consultant's a) breach of this agreement or b) its negligence or misconduct or that of its agents or contractors in performing the Services hereunder or c) any claims arising in connection with Consultant's employees or contractors, or d) the use of any materials supplied by the Consultant to DEDA or the City of Duluth unless such material was modified by DEDA or the City of Duluth and such modification is the cause of such claim. This Section shall survive the termination of this Agreement for any reason.

8. Insurance

Consultant shall obtain and maintain for the Term of this Agreement the following minimum amounts of insurance from insurance companies authorized to do business in the State of Minnesota.

- a. Public Liability and Automobile Liability Insurance with limits not less than **\$1,500,000** Single Limit, shall be in a company approved by DEDA; and shall provide for the following: Liability for Premises, Operations, Completed Operations, and Crime, covering employee theft, with limits no less than **\$20,000**. **DEDA City of Duluth shall be named as Additional Insured by endorsement** under the Public Liability and Automobile Liability, or as an

alternate, Consultant may provide Owners-Contractors Protective policy, naming himself and City of Duluth. **Upon execution of this Agreement**, Consultant shall provide Certificate of Insurance evidencing such coverage with 30-days' notice of cancellation, non-renewal or material change provisions included.

- b. Consultant shall also provide evidence of Statutory Minnesota Workers' Compensation Insurance.
- c. A certificate showing continued maintenance of such insurance shall be on file with DEDA during the term of this Agreement.
- d. The DEDA does not represent or guarantee that these types or limits of coverage are adequate to protect the Consultant's interests and liabilities.

9. Notices

Unless otherwise expressly provided herein, any notice or other communication required or given shall be in writing and shall be effective for any purpose if served, with delivery or postage costs prepaid, by nationally recognized commercial overnight delivery service or by registered or certified mail, return receipt requested, to the following addresses:

DEDA: Duluth Economic Development Authority
411 W First Street
City Hall Room 160
Duluth MN 55802
Attn: Executive Director

Consultant: Upper Midwest Film Office
Attn: Shari Marshik
1910 Middle Lane
Duluth, MN, 55811
Attn: Shari Marshik

10. Civil Rights Assurances

Consultant, as part of the consideration under this Agreement, does hereby

covenant and agree that:

- a. No person on the grounds of race, color, creed, religion, national origin, ancestry, age, sex, marital status, status with respect to public assistance, sexual orientation, and/or disability shall be excluded from any participation in, denied any benefits of, or otherwise subjected to discrimination with regard to the work to be done pursuant to this Agreement.
- b. That all activities to be conducted pursuant to this Agreement shall be conducted in accordance with the Minnesota Human Rights Act of 1974, as amended (Chapter 363), Title 7 of the U.S. Code, and any regulations and executive orders which may be affected with regard thereto.

11. Laws, Rules and Regulations

Consultant agrees to observe and comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota and the City with respect to their respective agencies which are applicable to its activities under this Agreement.

12. Applicable Law

This Agreement, together with all of its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

13. Force Majeure

Neither party shall be liable for any failure of or delay in performance of its obligations under his Agreement to the extent such failure or delay is due to circumstances beyond its reasonable control, including, without limitation, acts of God, acts of a public enemy, fires, floods, wars, civil disturbances, sabotage, accidents, insurrections, blockades, embargoes, storms, explosions, labor disputes, acts of any governmental body (whether civil or military, foreign or domestic), failure or delay of third parties or governmental bodies from whom a party is obtaining or must obtain approvals, franchises or permits, or inability to obtain labor, materials, equipment, or transportation. Any such delays shall not be a breach of or failure to perform this Agreement or any part thereof and the date on which the party's obligations hereunder are due to be fulfilled shall be extended for a period equal to the time lost as a result of such delays.

14. Severability

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provision shall continue in full force and effect and shall be binding upon the parties to this Agreement.

15. Entire Agreement

It is understood and agreed that the entire agreement of the parties including all exhibits is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

16. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in “portable document format” (“.pdf”), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the date of attestation shown below.

Duluth Economic Development Authority

UPPER MIDWEST FILM OFFICE

By:

By:

Its President

Company Representative

And By:

Its:

Its Secretary

Title of Representative

Date



Exhibit A

Administration of Production Incentive Program:

Provide overall program administration that includes, but is not limited to budgeting, budget monitoring, reporting, marketing, application review, project monitoring, expenditure review, payment processing, general communication, enforcing the Film Production Incentive Program Guidelines, and other general program management services, as needed.

Marketing, Promotion, Outreach, and Education:

Provide program marketing in print and/or digital formats and venues common to the film industry; promote the program availability to industry stakeholders and groups; provide outreach services and respond to inquiries; and provide education of program requirements and expectations.

Application Review and Evaluation:

Conduct application review for application completeness and program compliance; review required application materials and supporting documentation for accuracy; conduct application evaluation by using evaluation and scoring criteria; obtain internal organizational approvals and provide the city with a recommendation on each application, funding amount, and any special circumstances that may arise.

Application Approval:

Package each application and send to the City. When necessary meet with and make a recommendation to the City regarding each application; and set aside program funds for approved project in budget.

Certification:

Provide denial or "Certification" letter to production company based upon City approval; and provide the City with copies of final determination letters.

Production:

Assist, monitor, and provide support services to the approved production company before, during, and after production to ensure the production's success, including but not limited to: scouting services, production assistance, collaboration services, and general support services, where applicable and reasonable.

Rebate:

Collect any required electronic documentation and review to ensure requests are for eligible expenditures that have been fully paid. Confirm all expenditures were made in Duluth. Review submitted Rebate Expenditures Report (RER) for program compliance and approval. Collect all final required documentation before rebate can be submitted for City review. Package rebate request, application and supporting documentation to the City for review and payment.



If approved, the City will issue a rebate funds to the Contractor via check or electronic transfer. The Contractor will deposit the rebate funds (or electronic transfer) into the Contractor's account and subsequently transfer funds in equal amount to the Rebate funds from Contractor to the respective production company via wire transfer, electronic funds transfer, or other method of electronic payment or by check, such form of payment being at the discretion of the Contractor. The Contractor shall provide proof that the payment has been made to the production company and the production company has received the payment.

Monthly and Yearly Updates:

Provide monthly electronic updates on the Film Production Incentive Program on inquiries, applications, funded projects, and general details of each project. Provide a detailed final year-end report on the City's Film Production Incentive Program that includes details on each funded project, performance measures, and overview of the program, and the overall economic impact of the use of program funds.

RESPONSIBILITIES OF THE CITY

- To provide oversight and contract performance
- To promptly review and process rebate payments to the Contractor (UMFO).
- To be available for meetings and consultations related to the Film Production Incentive Program.

COMPENSATION

As agreed, 10% (\$20,000) of the total funds will be paid to UMFO as an administrative fee on the following schedule: 25% (\$5,000) upon execution of contract and the remainder \$1,666.67 to be paid monthly thereafter until December 31, 2025.