

**CERTIFIED RESOLUTION OF THE DULUTH ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF DULUTH, MINNESOTA**

RESOLUTION 21D-26

ADOPTED July 28, 2021

**RESOLUTION APPROVING A DEVELOPMENT AGREEMENT
WITH SATURDAY ZENITH, LLC FOR THE
DEVELOPMENT OF THE ZENITH HISTORIC OLD CENTRAL
HIGH SCHOOL PROJECT**

WHEREAS, Saturday Zenith, LLC (“Developer”), proposes to redevelop property located between Lake Avenue and First Avenue East and between Second Street and Third 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 approved the establishment of Tax Increment Financing District No. 34, a Redevelopment District (the “TIF District”) pursuant to Minnesota Statutes §§469.174 to 469.1794, as amended; and

WHEREAS, pursuant the terms of the Development Agreement, DEDA proposes to provide certain tax increment financing assistance to Developer consisting of a pay-as-you-go tax increment revenue note (the “TIF Assistance”) payable from the TIF District; and

WHEREAS, the TIF Assistance constitutes a business subsidy within the meaning of Resolution 18-0515R of the City of Duluth (the “Business Subsidy Resolution”), and the Development Agreement constitutes a “business subsidy agreement” under the Business Subsidy Resolution; and

WHEREAS, pursuant to Minnesota Statutes §§116J.993 through 116J.995 (the “Business Subsidy Act”), after a public hearing, if the creation or retention of jobs is determined not to be a goal, the wage and job goals may be set at zero; and

WHEREAS, DEDA on this same date held a duly noticed public hearing on the granting of a business subsidy to Developer pursuant to the Development Agreement and on setting the wage and job goals at zero in accordance with the Business Subsidy Act; and

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, expand the City's tax base and realize a reasonable rate of return on the public investment; encourage the development of housing and commercial areas in the City that result in higher quality development and private investment; and achieve redevelopment on a site which would not be redeveloped without assistance. DEDA hereby determines that the creation or retention of jobs is not a goal of the Project for purposes of the Business Subsidy Act. Therefore, the wage and job goals may be and hereby are set at zero in the Development Agreement in accordance with the Business Subsidy Act.
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 and directed to implement the terms of the Development Agreement as provided therein and carry out DEDA's obligations under the Development Agreement.

Vote: Approved (5-0)

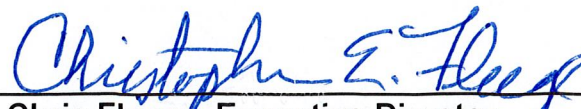
Yeas - Filipovich, McEntyre, Medved, McShane, Randorf
Absent – Cartier, Just

I, Chris Fleege, Executive Director of the Duluth Economic Development Authority, do hereby certify that I have compared the foregoing Resolution passed by the Board of Commissioners of the Duluth Economic Development Authority on the 28th day of July, 2021, with the original in my custody as Executive Director of said Authority, and that the same is a true and correct transcript therefrom.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Duluth Economic Development Authority, this 4th day of August 2021.

DULUTH ECONOMIC DEVELOPMENT AUTHORITY

By


Chris Fleege, Executive Director