



City of Duluth
411 West First Street
Duluth, Minnesota 55802

218-730-5000
info@duluthmn.gov

July 23, 2021

**Re: Memorandum of Understanding
CITY OF DULUTH and NEW BURNHAM LLC
Minnesota Historical Society Legacy Grant**

The City of Duluth has repeatedly expressed its interest in and support of the redevelopment of the historic former Saint Louis County Jail located at 521 West 2nd Street into your proposed 33 unit, mixed-income apartment project (the “Burnham”). This property has a rich history: completed in 1924, the property served as the County Jail within the Civic Center Historic District until 1995 when the County relocated the jail function to a new facility. Since 1995, much effort has been expended, including multiple reuse studies and applications to various funding sources, to restore and reuse this building. In 2010, the City halted a County demolition order to save the historic site and afford the private sector an opportunity to give it new purpose. Grant Carlson, current owner, purchased the property in 2010 and has diligently sought opportunities to bring new life and purpose to the building; the site’s location and structure, as well as the residual impacts of the 2008 recession, however, have rendered those efforts unsuccessful. In 2020, Carlson brought in two new development partners who created a new development entity, New Burnham LLC (the “Developer”), to champion the Burnham project (the “Project”).

The City finds that the Project conforms with the City’s Comprehensive Land Use Plan goals and embodies several principals within that document, including saving and restoring historic structures, providing new housing units, and investing in core neighborhoods. The City’s desire to redevelop this property is clearly evidenced by our previous Minnesota Historical and Cultural Heritage Grant applications for roof repairs and window replacement, the support of current City Council and of the Duluth Economic Development Authority (DEDA) to provide tax increment financing to the Project, the



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Duluth Heritage Preservation Commission's support for the Project, the Minnesota DEED Redevelopment Grant application made by DEDA, and the countless City and DEDA staff hours spent working to save this building.

The Developer is once again requesting the City's assistance to apply for a Minnesota Historical Society (MNHS) Legacy Grant to restore the windows and replace the non-historic block-glass windows with more appropriate, energy efficient windows that mimic those original to the building. The City has reviewed and considered this request and agrees to work with the Developer to submit a cooperative application for this purpose. This MOU") memorializes this collaboration and each party's respective roles and obligations.

Regarding future reporting for the Project, the City will be responsible for collecting, collating, and submitting information as it pertains to grant requirements and project activities. This includes both progress and financial reporting should grant funds be awarded. The Developer will be responsible for obtaining costs, labor reports, and invoices from the General Contractor and window subcontractor. Additionally, the Developer will ensure all rehabilitation work is completed according to the Secretary of the Interior's Standards for Rehabilitation. Final work will be reviewed and approved by the Minnesota State Historic Preservation Office (SHPO) and National Park Service (NPS) via the Part 3 "Certification of Completed Work" for the historic tax credit certification process. Expenditures for the project will be made in accordance with the approved Project budget specified in future grant agreements.

Regarding the financing, the window restoration work includes a significant owner cash match from the Developer as well as in-kind City staff time. Awarded grant funds will be used strictly for the Project defined in the application and will be closely monitored by City Planning and Finance to ensure funds are used in compliance with applicable laws and grant terms.

The Developer has control over the site and will provide City staff access to the property upon request.



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Nothing in this MOU shall be construed to require the City to provide any assistant outside the scope of the joint application for the Legacy Grant referenced above: nor is the City responsible for providing or seeking additional financing should MNHS choose not to award the application.

Communications may be sent to the City via e-mail to Theresa Bajda, tbajda@duluthmn.gov and to the Developer via e-mail to Meghan Elliott, elliott@newhistory.com.

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Signatures to this Memorandum of Understanding 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 Memorandum of Understanding, shall have the same effect as physical delivery of the paper document bearing the original signature.

CITY OF DULUTH

Emily Larson
Mayor

Attest:

Chelsea Helmer
City Clerk

ACKNOWLEDGED AND AGREED:

On behalf of New Burnham LLC, I hereby agree and agree to the terms of this Memorandum of Understanding.

New Burnham LLC

BY _____

TITLE _____

DATE _____