



August 19, 2020

Mr. Noah Schuchman
Chief Administrative Officer
City of Duluth
411 West First Street, Room 402
Duluth, Minnesota 55802

Re: Letter of Intent for Development Agreement

Dear Mr. Schuchman:

This letter of intent (this **"Letter"**) sets forth the terms on which United States Steel Corporation, a Delaware corporation (**"USS"**), and the City of Duluth, a political subdivision of the State of Minnesota (the **"City"**), would attempt to negotiate a mutually-acceptable development agreement (the **"Development Agreement"**) regarding USS' development of land within the Lake Superior and Mississippi Railroad right of way running from the north shore of Mud Lake to the northeastern extent of the USS sediment cleanup area identified as Parcel IDs 010-2746-01600, 010-2730-00150, and 010-2746-00620 in **Exhibit A** attached hereto and incorporated herein (the **"Property"**), which is owned by the City and runs through and within USS' former Duluth Works in Duluth, St. Louis County, MN, and adjacent property owned by USS. USS' development of the Property as hereinafter described (the **"Project"**) will be part of the Spirit Lake Great Lakes Legacy Act project which will involve environmental remediation of the Duluth Works site. The City and USS are each referred to herein as a **"Party"** and together, the **"Parties."**

1. USS Obligations. Pursuant to the Development Agreement, USS would:

(A) Fully fund design, construct or restore to its current condition in the case of rail infrastructure, including wetlands mitigation and, environmental remediation as required and all other costs of work associated therewith the construction of 0.2 miles of railroad track only and of 1.4 miles of railroad track and trail next to the rail on the Property in conformance with the following specifications:

- (i) Rail only: The construction or reconstruction in conformance with the specifications set forth in Subparagraph iii. below of approximately 0.2 miles of railroad trackage on that northernmost portion of the Property that lies within the sediment cleanup area.
- (ii) Rail and Trail: The construction or reconstruction in conformance with the specifications set forth in Subparagraphs iii. and iv. below of approximately 1.4-miles of railroad trackage and recreational trail in conjunctions therewith on that portion of the City-owned riverfront within the sediment cleanup area from the southern end of the sediment cleanup area on the shore of Mud Lake to the boundary of the Property.
- (iii) When complete, the portions of the rail line where Project work actually occurs, including but not limited to the rail, ties, ballast and subgrade in those areas will meet relevant American Railway Engineering and Maintenance of Way Association (AREMA)

(D) Convey to the City the property as shown in **Exhibit B**, which consists of 3 pages (as to be more accurately described by future survey) from the boundary of the City-owned rail right-of-way to the top of the bluff line subject to the provision that USS will retain exclusive responsibility for any contaminants that may be present above a recreational use standard as defined by MPCA regulations as long as the property remains undeveloped green space.

(E) In association with the work described in 1(A), 1(B), and 1(C), engage appropriate City staff as technical advisors throughout each phase of the Project including design, bidding, and construction administration. Final Project designs shall be subject to the Director's approval prior to construction, which approval shall not be reasonably withheld, conditioned, or delayed.

(F) Provide supporting information for a public process to develop an incremental master plan envisioning the long-term use and improvement of USS' neighboring property.

(G) Provide a \$105,000 payment to the City of Duluth to be used exclusively to design, fabricate, and install wayfinding and interpretive signage on the City-owned riverfront within the cleanup area, including the new Slag Point Park described in 1(C), per the St. Louis River Corridor interpretive plan the City is developing in collaboration with the Fond du Lac Band of Lake Superior Chippewa.

2. City Obligations. As a key stakeholder in the Project, the City desires to see the Project completed expeditiously and understands that USS will expend significant resources to complete items 1(A-F). Accordingly, the Development Agreement would provide that the City would:

(A) Publicly support the Project and its participants.

(B) Take ownership of the new Slag Point Park along with maintenance of its surface and any constructed amenities, subject to the following:

(i) USS shall retain responsibility for the existence of and any required remediation of any contamination located on said property and for the maintenance of and operation of the Confined Disposal Facility ("CDF") to be constructed thereon by USS;

(ii) Grant long term access to USS for continued maintenance of the CDF that USS intends to construct in Slag Point Park;

(iii) Not engage in any work or activities on the Slag Point Park property which would violate the restrictions/requirements of a final, to-be-determined EPA-mandated Operations and Maintenance Plan for the CDF; and

(iv) Cooperate with USS in USS's efforts and undertakings to provide reasonable security related to the integrity of the CDF located beneath Slag Point Park and to limit trespassers to USS' neighboring property due to increased recreational activities.

(E) Agree that the Property described in item 1(D) will constitute green space in any future redevelopment of USS' neighboring property by USS or its successors or assigns.

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Very truly yours,

United States Steel Corporation,
a Delaware corporation

By: 

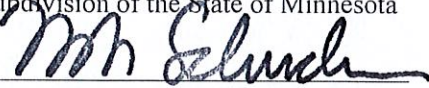
Name: Mark R. Rupnow

Title: Sr. Director Environmental Remediation

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ACCEPTED, this 31 day of August, 2020

City of Duluth,
a political subdivision of the State of Minnesota

By: 

Name: Noah Schuchman

Title: Chief Admin officer