



Legislation Text

File #: 21-1005R, **Version:** 1

RESOLUTION APPROVING AMERICAN RESCUE PLAN ACT AGREEMENT WITH THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY AND NEW BURNHAM LLC FOR THE DEVELOPMENT OF THE BURNHAM APARTMENTS PROJECT

CITY PROPOSAL:

Resolved, that, pursuant to the provisions of Minnesota Statutes §116J.994, Subdivision 3, and Resolution 10-0229, the City Council of the City of Duluth does hereby approve the American Rescue Plan Act Agreement (“Agreement”) between the City of Duluth (“City”), the Duluth Economic Development Authority (“DEDA”) and New Burnham LLC (“Developer”), substantially in the form of that attached as Exhibit A, related to the Burnham Apartments multi-family residential development located at 521 West 2nd Street in Duluth, Minnesota.

STATEMENT OF PURPOSE: The purpose of this resolution is to obtain the City Council’s approval of an American Rescue Plan Act Agreement between the City of Duluth, DEDA and New Burnham LLC for the development of the Burnham Apartments (former St. Louis County Jail) project located at 521 West 2nd Street in downtown Duluth. DEDA and the City of Duluth approved Tax Increment Financing and the existing Development Agreement with the Developer in 2021 for redevelopment of the jail building into no less than 31 apartment units, 10% of which will be affordable at 60% of the area median income. The City and Developer have applied for several grants to assist the project; while the project received an award from the MN DEED Redevelopment Grant Program, the amount was less than requested. Due to an increase in total development costs and the need for additional affordable housing in downtown Duluth, the Agreement stipulates that the City will allocate \$380,000 in ARPA funding to support the project; in exchange for this additional assistance, in the Developer agrees to make an additional Ten (10) units of housing available rent to persons having an income at or below 70% of the area median income.

The existing Development Agreement between DEDA and the Developer shall be deemed to be part of this Agreement except to the extent that any of the terms or conditions of this Agreement are explicitly contrary to the terms or conditions hereof in which case this Agreement shall be deemed to be controlling as to such terms and conditions. The term of this Agreement will run from the effective date until Ten (10) years from and after date of the issuance of Certification of Completion.