



Legislation Text

File #: 22D-37, **Version:** 1

RESOLUTION AUTHORIZING A FOURTH AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH LSC FLATS, LLC RELATED TO CONSTRUCTION OF STUDENT HOUSING NEAR LAKE SUPERIOR COLLEGE, EXTENDING THE CLOSING AND CONSTRUCTION DATE THEREUNDER

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to enter into a Fourth Amendment, substantially in the form of that attached hereto as Exhibit A (DEDA Contract No. 19 860 929(4)), to the Development Agreement with LSC Flats, LLC related to construction of student housing near Lake Superior College, extending the closing date thereunder to September 30, 2022 and the construction completion date of December 31, 2024.

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize a fourth amendment to the Development Agreement with LSC Flats, LLC ("Developer") that will extend the Closing Date deadline to September 30, 2022 and the construction completion date to December 31, 2024. The other deadlines in the Agreement will remain the same. The First and Second Amendments were authorized to extend the deadlines due to continued negative impacts and market uncertainty from COVID-19 pandemic. The Third Amendment was requested to accommodate Minnesota State's process. Specifically, they required that an Access and Maintenance Easement Agreement was negotiated and approved prior to selling the property to DEDA, which would then immediately close with the Developer.

The Developer would like to proceed and is asking for an extension while determining the assessment of utility construction. The Developer is combatting rising construction and infrastructure costs and is confident that with this final extension in timeline they will be able to finalize utility infrastructure to the site prior to the September 30, 2022 deadline requested in this resolution.