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Title: RESOLUTION AUTHORIZING APPLICATION TO AND, IF OFFERED, ACCEPTANCE OF A \$400,000 MINNESOTA HISTORICAL SOCIETY LEGACY GRANT TO SUPPORT BUILDING STABILIZATION AND REDEVELOPMENT OF THE HISTORIC SAINT LOUIS COUNTY JAIL.

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Date	Ver.	Action By	Action	Result
5/14/2018	1	City Council	adopted	Pass

RESOLUTION AUTHORIZING APPLICATION TO AND, IF OFFERED, ACCEPTANCE OF A \$400,000 MINNESOTA HISTORICAL SOCIETY LEGACY GRANT TO SUPPORT BUILDING STABILIZATION AND REDEVELOPMENT OF THE HISTORIC SAINT LOUIS COUNTY JAIL.

CITY PROPOSAL:

BE IT RESOLVED, that the city of Duluth act as project sponsor for an application to the Minnesota Historical Society (“MHS”) Legacy Grant program for a request of \$400,000 for building restoration and redevelopment associated with window replacement (the “Project”) at the Historic Saint Louis County Jail located at 521 W. 2nd St. (the “Building”), and that the community planning manager is hereby authorized to apply to MHS for funding of the Project on behalf of the city of Duluth.

BE IT FURTHER RESOLVED, that the city of Duluth has the legal authority to apply for financial assistance and the financial capability to manage the grant, and that all matching funding, if required, shall be provided by the building owner as part of the Project and the Building’s overall functional rehabilitation and redevelopment.

BE IT FURTHER RESOLVED, that if the city of Duluth is awarded a grant by MHS, the city of Duluth agrees to accept the award, and enter into an agreement with MHS for the Project.

BE IT FURTHER RESOLVED, that if the city of Duluth elects to enter into an agreement with the building owner to provide a sub-grantee award to allow for private reinvestment in the Building or for the building owner to complete the Project, such an agreement shall be subject to future city council review.

BE IT FURTHER RESOLVED, that upon approval of its application by the state, the city of Duluth may enter into an agreement with the state of Minnesota for the Project, substantially in the form of the attached Exhibit A, and that the city of Duluth certifies that it will comply with all applicable laws, environmental requirements, and regulations as stated in the grant agreement.

NOW, THEREFORE, BE IT RESOLVED, that the city council of the city of Duluth names the fiscal agent for

the city of Duluth for this project as:

Wayne Parson
Chief Financial Officer
City of Duluth
411 West First Street
Duluth, MN 55802

STATEMENT OF PURPOSE: This resolution authorizes the city of Duluth to submit an application to MHS for a \$400,000 Legacy Grant application for improvements at the historic former Saint Louis County Jail at 521 W. 2nd Street in Duluth. This resolution also authorizes that upon approval, the city of Duluth may enter into an agreement with the state of Minnesota for the Project. Grant funding for the Project will allow the building owner to remove existing glass block windows, and replace with new windows (89 windows total). Per MHS guidelines, the city of Duluth must to serve as the applicant through its Certified Local Government agreement with MHS. A future sub-grantee award with the building owner for use of these grant funds would be needed to allow for these funds to be incorporated into the overall building rehabilitation project. No grant funds from MHS will be expended on the Project (windows) until the entire redevelopment project, as a whole, is ready to proceed.

The Historic Saint Louis County jail has been vacant since 1995 and requires substantial renovation to allow for reuse. The building owner, Blue Limit LLC, is seeking additional project funding, including an application for Low Income Housing Tax Credits, Historic Tax Credits, and owner equity, to fund rehabilitation and redevelopment for 31 units of affordable housing on the site. Total project cost would be approximately \$10.3 million. The city of Duluth assisted in applying for Legacy Grant funds for the structure in 2010, and was awarded \$225,000 to rehabilitate the roof and parts of the interior of the building.

The heritage preservation commission reviewed the draft application and the building owner's proposal at its March meeting, and recommends city council approval.