



Legislation Details (With Text)

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Title: RESOLUTION SUPPORTING THE APPLICATION OF ST PAPER 1 LLC TO DEED FOR A JOB CREATION FUND GRANT/REBATE OF UP TO \$1.5 MILLION. (REPLACEMENT)

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Date	Ver.	Action By	Action	Result
4/26/2021	1	City Council	adopted	

RESOLUTION SUPPORTING THE APPLICATION OF ST PAPER 1 LLC TO DEED FOR A JOB CREATION FUND GRANT/REBATE OF UP TO \$1.5 MILLION. (REPLACEMENT)

CITY PROPOSAL:

WHEREAS, that the City of Duluth (City) desires to assist ST Paper 1, LLC, which is proposing to acquire and renovate the Verso facility located at 100 N Central Avenue; and
WHEREAS, that the City understands that ST Paper 1, LLC, through and with the support of the City, intends to submit to the Minnesota Department of Employment and Economic Development (DEED) an application for an award and/or rebate from the Job Creation Fund Program; and,

RESOLVED, that THE City Council of the City of Duluth, hereby finds that:

- the project is in the public interest because it will encourage the growth of commerce and industry, prevent the movement of current or future operations to locations outside Minnesota, result in increased employment in Minnesota, and preserve or enhance the state and local tax base; and,
- that the proposed project would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future; and,
- that the proposed project conforms to the general plan for the development or redevelopment of the City as a whole; and
- Finding that the proposed project will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment or development of the project by private enterprise.

FURTHER RESOLVED, that the City of Duluth hereby supports the application of ST Paper 1, LLC to DEED for a grant/rebate in the amount of up to \$1.5 Million from the State's Job Creation Fund for the acquisition and redevelopment of the "Verso paper mill facility at 100 West Central Avenue in Duluth, Minnesota.

STATEMENT OF PURPOSE: This resolution expresses the City of Duluth's support for ST Paper 1, LLC, which is currently in negotiations with Verso to acquire the facility at 100 N Central Avenue, as it applies for Job Creation Fund (JCF) assistance from the Minnesota Department of Employment and Economic Development (DEED) in the amount of up to \$1.5 Million. The Verso Duluth Paper Mill was originally founded in 1987 and closed in 2020. ST Paper 1, LLC proposes to purchase the facility and convert it into a tissue manufacturing plant. The project is anticipated to cost in excess of \$25 million dollars and will result in 80 new jobs for the region. A portion of this funding would come from the JCF.