



## Legislation Details (With Text)

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**File created:** 4/30/2021 **In control:** Planning and Economic Development  
**On agenda:** 5/10/2021 **Final action:** 5/10/2021  
**Title:** RESOLUTION SUPPORTING THE APPLICATION OF ST PAPER 1 LLC TO DEED FOR A MINNESOTA INVESTMENT FUND GRANT/REBATE OF UP TO \$3 MILLION.

**Sponsors:**

**Indexes:**

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**Attachments:**

Date	Ver.	Action By	Action	Result
5/10/2021	1	City Council	adopted	

RESOLUTION SUPPORTING THE APPLICATION OF ST PAPER 1 LLC TO DEED FOR A MINNESOTA INVESTMENT FUND GRANT/REBATE OF UP TO \$3 MILLION.

### CITY PROPOSAL:

BE IT RESOLVED, that the City of Duluth (City) act as the legal sponsor for the project contained in the Minnesota Investment Fund Application in the amount of up to \$3,000,000 to be submitted on or about May 10<sup>th</sup> 2021, and that the Mayor and Chief Administrative Officer of the City are hereby authorized to apply to the Minnesota Department of Employment and Economic Development (DEED) for funding of this project on behalf of the City.

FURTHER RESOLVED, that the City has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure professional administration of the grant.

FURTHER RESOLVED, that the City has not violated any federal, state, or local laws pertaining to fraud, bribery, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

FURTHER RESOLVED, that upon approval of its application by the state, the City may enter into a Grant Contract with the State of Minnesota for the above-referenced project and that the City certifies that it will comply with all applicable laws and regulations as stated in the Grant Contract.

FURTHER RESOLVED, that the City has obtained credit reports, credit information and completed searches of tax liens, judgments, court actions and filings with state, federal and other regulatory agencies on ST Paper 1, LLC. Upon review by the City, no adverse findings or concerns regarding, but not limited to, tax liens, judgments, court actions, and filings with state, federal and other regulatory agencies were identified. Failure to disclose any such adverse information could result in revocation or other legal action.

FURTHER RESOLVED, that the proper City officials are hereby authorized to execute the Grant Contract and amendments thereto, as are necessary to implement the project on behalf of the City; and

FURTHER RESOLVED, that the City conditionally commits up to \$242,000, payable from Funder 235-1010-54344 (Grants and Award Fund), as the City's local share commitment to the project subject to an

acceptable forgivable loan agreement therefor approved by subsequent resolutions of the council.

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 Minnesota Investment Fund (MIF) assistance from the Minnesota Department of Employment and Economic Development (DEED) in the amount of up to \$3,000,000. The 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 \$40 million dollars and will result in 80 new jobs for the region. A portion of this funding would come from the MIF.