



Legislation Details (With Text)

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Title: RESOLUTION APPROVING AMERICAN RESCUE PLAN ACT AGREEMENT WITH THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY AND MERGE LLC FOR THE DEVELOPMENT OF THE URBANE DULUTH PROJECT.

Sponsors:

Indexes:

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Attachments: 1. Exhibit A_ARPA Agreement Esmond

Date	Ver.	Action By	Action	Result
1/10/2022	1	City Council	adopted	

RESOLUTION APPROVING AMERICAN RESCUE PLAN ACT AGREEMENT WITH THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY AND MERGE LLC FOR THE DEVELOPMENT OF THE URBANE DULUTH 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 Merge LLC ("Developer"), substantially in the form of that attached as Exhibit A, related to the Urbane Duluth multi-family mixed use development located at the northwest corner of Superior Street and 20th Avenue West 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 Merge LLC for the development of the Urbane Duluth project located at the northwest corner of Superior Street and 20th Avenue West in the Lincoln Park neighborhood of 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 property into no less than 40 apartment units, the average rent set at a rate affordable to those earning an income at or below 80% of the area median income, as well as commercial space along Superior Street and 20th Avenue West. Due to the need for additional affordable housing in Duluth, the Agreement stipulates that the City will allocate \$784,240 in ARPA funding to support the project; in exchange for this additional assistance, the Developer agrees to offer all of the units of housing for rent to persons having an income at or below 70% of the area median income for 10 years. After that time, the units will be available for 80% of the area median income until the termination of the TIF district.

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.