City of Duluth

411 West First Street
Duluth, Minnesota 55802

Legislation Details (With Text)

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Date	Ver.	Action By	Action	Result

RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH PORTLAND LAND CO., LLC

WHEREAS, on June 21, 2022 the Duluth Economic Development Authority (“DEDA”) entered into a Development Agreement bearing DEDA Contract No. 21 860 113 (“the Development Agreement”) with Portland Land Co., LLC (“Developer”) for redevelopment of property located at 627 E 4th Street in Duluth, Minnesota into a multi-family residential apartment (the “Project”); and

WHEREAS, due to unforeseen delays, the parties desire to approve a First Amendment to extend certain timelines and amend the project scope contained therein.

NOW, THEREFORE, BE IT RESOLVED, that the proper DEDA officials hereby amend Paragraph F of Article I, Paragraph B of Article II and Paragraph A of Article IV, and approves a First Amendment to the Development Agreement substantially in the form attached hereto as Exhibit A.

STATEMENT OF PURPOSE: This resolution approves a first amendment to the Development Agreement with Portland Land Co, LLC for redevelopment of property located at 627 E 4th Street. The first amendment will extend the construction completion date to September 1, 2024 to account for unforeseen construction delays and rising costs. In addition, this first amendment accounts for an increase in the total construction and project costs and allows for an increase in project scope from sixteen (16) residential units to twenty-one (21) residential units. As stipulated in the original agreement, not less than sixteen (16) units will be reserved as long-term residential units for households earning 80% or less of area median income. The Developer is confident demolition of the blighted front annex and renovation will commence in 2023.

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