



Legislation Text

File #: 22-0926R, **Version:** 1

RESOLUTION RESCINDING RESOLUTION 21-0831R AND AUTHORIZING A FUNDING AGREEMENT WITH THE DULUTH 1200 FUND, INC., GRANTING \$1,500,000 FOR THE PURPOSE OF PROVIDING LOANS AND GRANTS IN ACCORDANCE WITH ITS BYLAWS FOCUSED ON CHILDCARE, DOWNTOWN RECOVERY, AND BIPOC BUSINESS AND JOB CREATION.

CITY PROPOSAL:

RESOLVED, that resolution 21-0831R is rescinded and the proper city officials are authorized to enter an agreement, substantially in the form of attached Exhibit A, with the Duluth 1200 Fund, Inc., ("1200 Fund") granting \$1,500,000 to 1200 Fund to recapitalize the 1200 Fund with the purpose of providing loans and grants in accordance with its bylaws, with the intent of expanding such programs to expand childcare availability in Duluth, to enhance downtown recovery through establishment of programs supporting such reinvestment, and to support BIPOC job and business creation throughout the city of Duluth, payable from fund no. 110-700-1450-5447.

STATEMENT OF PURPOSE: This resolution authorizes city officials to utilize city funds to recapitalize the Duluth 1200 Fund following its use of its funds to create the 2020 Fast Grants program, which provided funding for Covid-19 response in early 2020 to 135 business in the city.

This resolution further rescinds Resolution 21-0831R. That resolution provided funding to the 1200 Fund based on an out-of-date approach to providing funding from the city through American Rescue Plan Act funding. However, the intent of providing child care support through the 1200 Fund remains the same in this resolution as at that time.

The proposed funding under the agreement in the attached Exhibit A will be used for the following purposes:

1. Recapitalization of the Duluth 1200 Fund
2. Programs providing for loans and grants established under the Duluth 1200 Fund bylaws
3. Programs to support expansion of childcare spaces throughout the city of Duluth, with a focus on childcare programs supporting Duluth's low and moderate income populations
4. Programs to support business expansion and recovery in Duluth's downtown area
5. Programs to aid BIPOC owned businesses for startup or expansion purposes

Reporting on the use of funds will be provided from the Duluth 1200 Fund to the city as outlined in Exhibit A.