

**AGREEMENT FOR PROFESSIONAL SERVICES
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
AND
EHLERS AND ASSOCIATES, INC.**

THIS AGREEMENT, entered into as of _____, 2026 (the "Effective Date"), by and between the Duluth Economic Development Authority, an economic authority created and existing under Minnesota Statutes (1989) Chapter 469 ("DEDA") and EHLERS AND ASSOCIATES, a Minnesota corporation ("Consultant"), for the purpose of rendering professional consulting services to DEDA.

WHEREAS, DEDA is responsible for the economic development and redevelopment effort in the City of Duluth, which undertaking requires substantial financial expertise and analysis, including but not limited to tax increment financing alternatives and impacts; and

WHEREAS, DEDA is in need of expert consulting services to assist it evaluating the use of Tax Increment Financing ("TIF") for specific sites, the creation and management of TIF districts, and general support for evaluation of DEDA financial support to potential development projects that may not proceed without business subsidy; and

WHEREAS, Consultant has represented itself as qualified and willing to perform the services required by DEDA; and

WHEREAS, DEDA desires to utilize Consultant's professional services in furtherance of these objectives.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the parties hereby agree as follows:

I. Services

Consultant will provide professional consulting services to assist DEDA in evaluating the use of TIF for specific sites, the creation and management of TIF districts, and general assistance in the evaluation of DEDA financial support to potential development projects in the City of Duluth (the "City") that may not proceed without business subsidy. Consultant agrees that it will provide its services at the direction of the Executive Director of DEDA (the "Director").

II. Fees

It is agreed between the parties that Consultant shall be paid at the rates and fees recited in the attached Exhibit A. Consultant shall be entitled to reimbursement for out-of-pocket costs related to messenger and overnight delivery fees incurred at the direction of the Director in the performance of its services under this Agreement. All other out-of-pocket costs are expressly included in Consultant's hourly rate or fee charge. Consultant's estimated annual fee is One Hundred Thousand and 00/100 Dollars (\$100,000.00). The

maximum fee for the entire term of this Agreement shall not exceed the sum total of Three Hundred Thousand and 00/100 Dollars (\$300,000.00), which shall be payable from Fund 860-860-8640-5319. Any invoices for services rendered shall be submitted no more frequently monthly to the Director and shall be accompanied by such documentation as the Director requests.

III. Agreement Period

The term of this Agreement shall commence on the Effective Date and performance shall continue until December 31, 2028, unless terminated earlier as provided for herein.

IV. General Terms and Conditions

A. Amendments

Any alterations, variations, modifications or waivers of terms of this Agreement shall be binding upon the DEDA and the Consultant only upon being reduced to writing and signed by a duly authorized representative of each party.

B. Assignment

Consultant represents that it will utilize only its own personnel in the performance of services set forth herein, and further agrees that it will neither assign, transfer or subcontract any rights or obligations under this Agreement without the prior written consent of DEDA. The Primary Consultant assigned to this Project will be Jason Aarsvold (the "Primary Consultant"). The Primary Consultant shall be responsible for the delivery of professional services required by this Agreement and, except as expressly agreed in writing by DEDA, in its sole discretion, DEDA is not obligated to accept the services of any other employee or agent of Consultant in substitution of the Primary Consultant. The foregoing sentence does not preclude other employees of Consultant from providing support to the Primary Consultant in connection with Consultant's obligations hereunder.

C. Data and Confidentiality, Records and Inspection

1. DEDA agrees that it will make available all pertinent, non-privileged information, data and records under its control for Consultant to use in the performance of this Agreement, or assist Consultant wherever possible to obtain such records, data and information.
2. All reports, data, information, documentation and material given to or prepared by Consultant pursuant to this Agreement will be confidential and will not be released by Consultant without prior written authorization from DEDA.
3. Consultant agrees that all work created by Consultant for DEDA is a "work made for hire" and that DEDA shall own all right, title and interest in and to the work, including the entire copyright in the work ("DEDA Property"). Consultant further agrees that to

the extent work is not a “work made for hire”, Consultant will assign to DEDA ownership of all right, title and interest in and to the work, including ownership of the entire copyright in the work. Consultant agrees to execute, at no cost to DEDA, any and all documents necessary for DEDA to perfect its ownership of the entire copyright in the work. Consultant represents and warrants that the work created or prepared by Consultant will be original and will not infringe upon the rights of any third party, and further represents that the work will not have been previously assigned, licensed or otherwise encumbered.

4. Records shall be maintained by Consultant in accordance with requirements prescribed by DEDA and with respect to all matters covered by this Agreement. Such records shall be maintained for a period of six (6) years after receipt of final payment under this Agreement.
5. Consultant will ensure that all costs shall be supported by properly executed payrolls, time records, invoices, contracts, vouchers or other official documentation, evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.
6. Consultant shall be responsible for furnishing to DEDA such records, data and information as DEDA may require pertaining to matters covered by this Agreement.
7. Consultant shall ensure that at any time during normal business hours and as often as DEDA may deem necessary, there shall be made available to DEDA for examination, all of its records with respect to all matters covered by this Agreement. Consultant will also permit DEDA to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

D. Consultant Representation and Warranties

Consultant represents and warrants that:

1. Consultant and all personnel to be provided by it hereunder has sufficient training and experience to perform the duties set forth herein and are in good standing with all applicable licensing requirements.
2. Consultant and all personnel provided by it hereunder shall perform their respective duties in a professional and diligent manner in the best interests of DEDA and in accordance with the then current generally accepted standards of the profession for the provisions of services of this type.
3. Consultant has complied or will comply with all legal requirements applicable to it with respect to this Agreement. Consultant will observe all applicable laws,

regulations, ordinances and orders of the United States, State of Minnesota and agencies and political subdivisions thereof.

4. The execution and delivery of this Agreement and the consummation of the transactions herein contemplated do not and will not conflict with, or constitute a breach of or a default under, any agreement to which the Consultant is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Consultant contrary to the terms of any instrument or agreement.
5. There is no litigation pending or to the best of the Consultant's knowledge threatened against the Consultant affecting its ability to carry out the terms of this Agreement or to carry out the terms and conditions of any other matter materially affecting the ability of the Consultant to perform its obligations hereunder.
6. The Consultant will not, without the prior written consent of DEDA, enter into any agreement or other commitment the performance of which would constitute a breach of any of the terms, conditions, provisions, representations, warranties and/or covenants contained in this Agreement.

E. Termination of Services

Either party may, by giving written notice to the other party specifying the effective date thereof, terminate this Agreement in whole or in part, with or without cause. In the event of termination, all property and finished or unfinished documents, materials and other data prepared by Consultant under this Agreement shall become the property of DEDA and promptly delivered by Consultant to DEDA at the address provided in Section IV. Consultant shall be entitled to compensation for the performance of any unreimbursed services properly performed by it prior to the date of termination. In the event of termination due to breach by Consultant, DEDA shall retain all other remedies available to it, and DEDA shall be relieved from payment of any fees in respect of the services of Consultant which gave rise to such breach.

F. Independent Contractor

1. It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of copartners between the parties hereto or as constituting Consultant as an agent, representative or employee of DEDA for any purpose or in any manner whatsoever. The parties do not intend to create any third-party beneficiary of this Agreement. Consultant and its employees shall not be considered employees of DEDA, and any and all claims that may or might arise under the Worker's Compensation Act of the State of Minnesota on behalf of Consultant's employees while so engaged, and any and all claims whatsoever on behalf of Consultant's employees arising out of employment shall in no way be the responsibility DEDA. Except for compensation provided in Section II of this

Agreement, Consultant's employees shall not be entitled to any compensation or rights or benefits of any kind whatsoever from DEDA, including without limitation, tenure rights, medical and hospital care, sick and vacation leave, Worker's Compensation, Unemployment Insurance, disability or severance pay and P.E.R.A. Further, DEDA shall in no way be responsible to defend, indemnify or save harmless Consultant from liability or judgments arising out of intentional or negligent acts or omissions of Consultant or its employees while performing the work specified by this Agreement.

2. The parties do not intend by this Agreement to create a joint venture or joint enterprise, and expressly waive any right to claim such status in any dispute arising out of this Agreement.

G. Indemnity

To the fullest extent permitted by law, Consultant shall defend, indemnify, and hold DEDA and City and its employees, officers and agents harmless from and against any and all costs or expenses, claims or liabilities, including but not limited to, reasonable attorney's fees and expenses, whether asserted by itself or any third party, including claims arising from the acts, omissions, negligence, or misconduct of Consultant or that of its agents, employees, or contractors. The obligations shall include, but not be limited to, the obligations to defend, indemnify, and hold harmless DEDA and the City in all matters where claims of liability against DEDA or the City are alleged to be or could be found to arise out of acts or omissions of Consultant or are passive, derivative, or vicarious of the negligent or intentional acts or omissions of Consultant arise out of or relate to the services in this Agreement or Consultant's negligent, intentional, or wrongful acts or omissions, including breach of any duty in this agreement, of Consultant. The obligations to defend, indemnify, and hold harmless shall be triggered upon the assertion of a claim for damages against DEDA or City. This Section shall survive the termination of this Agreement for any reason. Consultant shall not have the obligation to indemnify DEDA or the City for its intentional, willful or wanton acts. **The Consultant understands this provision may affect its rights and may shift liability**

H. Insurance

1. Consultant shall obtain and maintain for the Term of this Agreement the following minimum amounts of insurance from insurance companies authorized to do business in the State of Minnesota.
 - a. Workers' compensation insurance in accordance with the laws of the State of Minnesota.
 - b. Commercial General Liability and Automobile Liability Insurance with limits not less than \$1,500,000 Single Limit, shall be in a company approved by the Duluth Economic Development Authority; and shall provide for the following: Liability for

Premises, Operations, Completed Operations, Independent Contractors, and Contractual Liability. Umbrella coverage with a “form following” provisions may make up the difference between the commercial general and auto liability coverage amounts and the required minimum amount stated above.

- c. Professional Liability Insurance in an amount not less than \$1,500,000 Single Limit; provided further that in the event the professional malpractice insurance is in the form of “claims made,” insurance, Consultant hereby commits to provide at least 60 days’ notice prior to any change to the Professional Liability Insurance policy or coverage; and in the event of any change, Consultant agrees to provide DEDA with either evidence of new insurance coverage conforming to the provisions of this paragraph which will provide unbroken protection to DEDA, or in the alternative, to purchase at its cost, extended coverage under the old policy for the period the state of repose runs; the protection to be provided by said “claims made” insurance shall remain in place until the running of the statute of repose for claims related to this Agreement.

- d. **Duluth Economic Development Authority and the City of Duluth shall be named as an Additional Insured** under the Commercial General Liability and Automobile Liability. Consultant shall also provide evidence of Statutory Minnesota Workers’ Compensation Insurance. Consultant to provide Certificate of Insurance evidencing such coverage with notice to DEDA of cancellation in accordance with the provisions of the underlying insurance policy included. The Duluth Economic Development Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Consultant's interests and liabilities.

- 2. Certificates showing Consultant is carrying the above-described insurance in the specified amounts shall be furnished to DEDA prior to the execution of this Agreement and a certificate showing continued maintenance of such insurance shall be on file with DEDA during the term of this Agreement.

I. Laws, Rules and Regulations

Consultant agrees to observe and comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota and DEDA with respect to their respective agencies which are applicable to its activities under this Agreement.

J. Applicable Law

This Agreement, together with all of its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

K. Force Majeure

Neither party shall be liable for any failure of or delay in performance of its obligations under this Agreement to the extent such failure or delay is due to circumstances beyond its reasonable control, including, without limitation, acts of God, acts of a public enemy, fires, floods, wars, civil disturbances, sabotage, accidents, insurrections, blockades, embargoes, storms, explosions, labor disputes, acts of any governmental body (whether civil or military, foreign or domestic), failure or delay of third parties or governmental bodies from whom a party is obtaining or must obtain approvals, franchises or permits, or inability to obtain labor, materials, equipment, or transportation. Any such delays shall not be a breach of or failure to perform this Agreement or any part thereof and the date on which the party's obligations hereunder are due to be fulfilled shall be extended for a period equal to the time lost as a result of such delays.

L. Waiver

Any waiver by either party of any provisions of this Agreement shall not imply a subsequent waiver of that or any other provision.

M. Severability

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provision shall continue in full force and effect and shall be binding upon the parties to this Agreement.

N. Entire Agreement

It is understood and agreed that the entire agreement of the parties including all exhibits is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

O. Counterparts

This Agreement may be executed in two or more counterparts, each of which each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

P. Notices

Notices shall be sufficient if sent by regular United States mail, postage prepaid, addressed to DEDA as follows:

DEDA:

Duluth Economic Development Authority
411 W First Street

City Hall, Room 160
Duluth, MN 55802
Attn: Executive Director

Consultant:

Ehlers and Associates
3001 Broadway Street NE
Suite 320
Minneapolis, MN 55413
Attn: Jason Aarsvold, Senior Municipal Advisor

Or to such other persons and addresses as the parties may designate to each other in writing from time to time.

[Remainder of page intentionally left blank. Signature page to follow.]

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the date last set forth above.

**DULUTH ECONOMIC DEVELOPMENT
AUTHORITY**

By: _____
_____ Its President

By: _____
_____ Its President

Dated: _____

EHLERS AND ASSOCIATES INC.

By: _____

Name: _____

Its: _____

Dated: _____

Exhibit A

March 4, 2026

PROPOSAL TO PROVIDE ECONOMIC DEVELOPMENT
ADVISOR SERVICES TO:

The City of Duluth, MN; and Duluth Economic Development Authority, MN



Ehlers
3060 Centre Pointe Drive
Roseville, Minnesota 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.

Ms. Ariana Dahlen
City of Duluth
411 West First Street, Room 160
Duluth, MN 55802

RE: Proposal for Economic Development Advisory Services

Dear Ms. Dahlen:

Thank you for the opportunity to provide the above referenced services to your community. We believe our reputation in debt issuance and management, deep experience in financial management and economic development and redevelopment, fully integrated suite of advisory solutions, dedication to proactive client service and team-based project approach provide a compelling relationship option for the City and DEDA to consider.

For over 65 years, Ehlers has helped municipal clients build strong and vibrant communities through financial planning, debt issuance and management, and economic development consulting services. In the last five years alone, our firm has:

- Advised on 2,375 debt issues totaling more than \$15 billion
- Completed 75+ long-term financial plans
- Established over 200 TIF districts
- Completed more than 225 utility rate studies (regulated and non-regulated utilities)

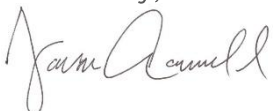
We believe the following factors position us as the advisor most qualified to deliver the services requested:

Client-First Values. Ehlers prides itself on transparent communication, proactive service and an unwavering dedication to helping clients deploy resources in the most efficient and effective way possible. Ultimately, we propose to provide value to the City and DEDA with ongoing dialogue and idea-sharing, insightful analysis, options customized to your situation and a competitive fee structure.

Our Expertise. Ehlers is well-known and highly regarded in the markets we serve for leveraging our knowledge of debt issuance, financial planning, community development and economic development/redevelopment to deliver innovative solutions. Our proposed advisory team of Jason Aarsvold Stacie Kvilvang, and Keith Dahl have over 65 years combined experience working in and for local units of government.

Thank you again for the opportunity to serve your community. We look forward to discussing how Ehlers can best serve the City and DEDA.

Sincerely,



Jason Aarsvold
Sr. Municipal Advisor



Keith Dahl
Sr. Municipal Advisor

Scope of Services

Economic Development Services

At the direction of the City and/or DEDA, Ehlers will provide economic development services including but not limited to the following:

- a. Creation and management of tax increment financing districts.
- b. Creation and management of tax abatement programs.
- c. Annual preparation of tax increment financing payment calculations for PAYGO and/or bond obligations.
- d. Creation and management of other public finance tolls including special service districts, housing improvement areas, special assessments and utility user fees.
- e. Review and evaluation of proposal for public financial assistance for private development.
- f. Assistance with the negotiation and management of development agreements.
- g. Creation of strategies and/or policies for the implementation of development and redevelopment projects including leading efforts for public input.
- h. Preparation of long-range financial projections and analysis of funding alternatives.
- i. Design and facilitation of group decisions making and educational workshops.
- j. Assistance with grants and other federal funding initiatives.
- k. Assistance with special legislative items and provision of regular legislative updates.
- l. Assistance with RFP preparation and evaluation for specific site development.

Performance of Services

Ehlers shall perform independent municipal advisory services upon request of the City and/or DEDA and shall continue until services are completed.

Compensation for Services

For the professional services provided for herein, it is agreed that Ehlers shall be paid according to the terms and at the fees, rates and charges as enumerated in the attached Fee Chart.

Method of Payment

Ehlers shall submit itemized bills for services provided to the City or DEDA on a monthly basis, except for creation of tax increment financing districts. Ehlers billing statement shall also show the types of work done in various categories and the time spent and fees attributable to each of these categories. To the extent possible, Ehlers shall indicate for each employee his or her name, the number of hours worked, the topic and nature of the work performed and the total amount due.

Ehlers shall submit bills for creation of tax increment financing districts in two installments, each billed at completion and in half the total amount. The first half payment will be due after the fiscal implications letter is sent to the County and School District. The second half payment will be due after the City Council holds the public hearing and adopts the TIF Plan.

Schedule of Professional Fees & Expenses

a. Economic Development Advisor Related Fees

The standard billing rate for most economic development advisory services requested by the City and/or DEDA will be billed on an hourly basis according to the following rates for City/DEDA Projects vs. Developer Escrow:

City/DEDA Projects

POSITION	RATE
Senior Municipal Advisor	\$325-\$375/hour
Municipal Advisor	\$295-\$325/hour

Developer Escrow

POSITION	RATE
Senior Municipal Advisor	\$400-\$425/hour
Municipal Advisor	\$400-\$425/hour

b. Tax Increment Financing Related Fees

Establishment of Tax Increment Financing Districts requested by the City or DEDA will be billed at a flat fee according to the following amounts:

TIF District	AMOUNT
Redevelopment	\$12,500-\$15,000
Renovation & Renewal	\$12,500-\$15,000
Housing	\$12,500-\$15,000
Soils	\$10,000-\$12,500
Economic Development	\$10,000-\$12,500

We will not charge extra for travel expenses or other out-of-pocket expenses incurred during for these engagements, unless due to unusual circumstances.