

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
WEDNESDAY, SEPTEMBER 25, 2019 - 5:15 P.M.
COUNCIL CHAMBERS, THIRD FLOOR, CITY HALL
AGENDA**

CALL TO ORDER

PUBLIC TO ADDRESS THE COMMISSION

PUBLIC HEARINGS

1. **RESOLUTION 19D-29:** RESOLUTION AUTHORIZING THE PURCHASE OF CERTAIN PROPERTY FROM THE STATE OF MINNESOTA AND FURTHER AUTHORIZING A DEVELOPMENT AGREEMENT WITH LSC FLATS, LLC PROVIDING FOR THE SALE OF SAID STATE PROPERTY AND CERTAIN PROPERTY OWNED BY THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY ALL RELATED TO CONSTRUCTION OF STUDENT HOUSING NEAR LAKE SUPERIOR COLLEGE

APPROVAL OF MINUTES: July 10, 2019 Special Meeting Minutes

APPROVAL OF CASH TRANSACTIONS – July 1, 2019-July 31, 2019 and August 1, 2019- August 31, 2019

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

2. **RESOLUTION 19D-29:** RESOLUTION AUTHORIZING THE PURCHASE OF CERTAIN PROPERTY FROM THE STATE OF MINNESOTA AND FURTHER AUTHORIZING A DEVELOPMENT AGREEMENT WITH LSC FLATS, LLC PROVIDING FOR THE SALE OF SAID STATE PROPERTY AND CERTAIN PROPERTY OWNED BY THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY ALL RELATED TO CONSTRUCTION OF STUDENT HOUSING NEAR LAKE SUPERIOR COLLEGE
3. **RESOLUTION 19D-28:** RESOLUTION AUTHORIZING ACQUISITION OF CERTAIN TAX FORFEITED REAL PROPERTY FROM THE STATE OF MINNESOTA THROUGH ST. LOUIS COUNTY RELATED TO THE REBUILD DULUTH PROGRAM
4. **RESOLUTION 19D-30:** RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH NORTHSTAR DEVELOPMENT INTERESTS, LLC RELATED TO THE VOYAGEUR LAKEWALK INN REDEVELOPMENT

DISCUSSION

5. Shawn Wellnitz (Entrepreneur Fund) presentation
6. DEDA/AAR Workforce Partnership Initiative
7. Don Monaco-Military Hangar Complex

DIRECTOR'S REPORT

8. Update regarding CSS request for tax forfeit land
9. 2020 Proposed Budget
10. Property Matters
11. Decker Dwellings

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Duluth Economic Development Authority

July, 2019 Cash Activity - all DEDA Funds

ACCUMULATED TRANSACTION LISTING, G/L Date Range 07/01/19 - 07/31/2019 (as of 8/21/2019)

G/L Date	Journal Number	Sub Ledg	Name	Net Amount	Description
<u>FUND 860 - OPERATING FUND</u>				Beginning Balance	2,404,931.70
07/01/19	2019-0000529	GL	Cost Allocation - DEDA	(33,333.33)	
07/02/19	2019-00005361	RA	PayGrpOReilly LLC	424.36	Deda Lease Payments
07/08/19	2019-00005407	AP	Beauty Lawn Care Service	(80.00)	Grass Cutting- 5907 Grand Avenue
07/08/19	2019-00005407	AP	Etor Properties LLC	(18,900.00)	Northwest Iron Lot 2018 Final
07/08/19	2019-00005407	AP	Minnesota Power	(13.93)	209 E Superior Street
07/08/19	2019-00005407	AP	Minnesota Power	(41.89)	201-203 E Superior Street
07/08/19	2019-00005407	AP	Minnesota Power	(282.41)	8 N 2nd Avenue East
07/08/19	2019-00005407	AP	Minnesota Power	(13.93)	8 N 2nd Avenue East
07/08/19	2019-00005407	AP	Telephone Associates Inc	(87.00)	Temple Building Alarm
07/08/19	2019-00005407	AP	Arrowhead Regional Dev Commission	(10,000.00)	Bayfront Traffic Circulation Modeling Project - DEDA Portion
07/08/19	2019-00005478	RA	Homegrown Music Festival	292.15	invoice #2019-00000170
07/11/19	2019-00005628	GL	DEDA Reimb GenFund-Demo Work 319 1/2 28th Ave W C23592 18-0776R	(5,000.00)	DEDA's portion of Demo Work at 319 1/2 28th Ave West
07/11/19	2019-00005630	RA	Red Wagon Popcorn	1,057.26	DEDA
07/11/19	2019-00005638	GL	DEDA-Reimb Gen Fund for IT website Development costs per Wayne P	(7,164.50)	DEDA Website Design
07/12/19	2019-00005634	GL	DEDA Reimburse Gen Fund FedEx Inv 6-594-47858 Costs	(11.77)	DEDA FedEx Costs
07/16/19	2019-00005744	RA	Roers Companies	3,000.00	Lake & First Project
07/16/19	2019-00005744	RA	Interstate	56,552.89	parking agreement
07/16/19	2019-00005744	RA	Interstate	720.00	parking agreement
07/17/19	2019-00005783	AP	Wells Fargo Bank	(89.95)	June 2019 P-card Purchases
07/22/19	2019-00005817	AP	Duluth News Tribune	(100.80)	Legal Advertising
07/22/19	2019-00005817	AP	Duluth News Tribune	(15.60)	Hearing Notice
07/22/19	2019-00005817	AP	Duluth News Tribune	(114.80)	News Ad
07/22/19	2019-00005817	AP	Duluth News Tribune	(46.00)	News Ad
07/22/19	2019-00005817	AP	Duluth Public Utilities - Comfort Systems	(46.00)	Gas
07/22/19	2019-00005817	AP	Duluth Public Utilities - Comfort Systems	(46.59)	Gas
07/22/19	2019-00005817	AP	Duluth Public Utilities - Comfort Systems	(46.00)	Gas
07/22/19	2019-00005817	AP	Duluth Public Utilities - Comfort Systems	(871.59)	Water Sewer
07/22/19	2019-00005817	AP	Duluth Public Utilities - Comfort Systems	(110.48)	Storm System
07/22/19	2019-00005817	AP	Duluth Public Utilities - Comfort Systems	(829.35)	Storm System
07/22/19	2019-00005817	AP	Ehlers and Associates Inc	(650.00)	Wildamere Assisted Living
07/22/19	2019-00005817	AP	Nancy R. Aronson-Norr	(35.00)	DEDA Meeting
07/22/19	2019-00005817	AP	Craig S Chilcote	(35.00)	DEDA Meeting
07/22/19	2019-00005817	AP	Zack Filipovich	(35.00)	DEDA Meeting
07/22/19	2019-00005817	AP	Noah Hobbs	(35.00)	DEDA Meeting
07/22/19	2019-00005817	AP	Timothy P McShane	(35.00)	DEDA Meeting
07/22/19	2019-00005817	AP	Barbara Russ	(35.00)	DEDA Meeting
07/22/19	2019-00005817	AP	Charter Communications	(79.97)	Internet
07/29/19	2019-00006074	RA	Titanium Partners	25,000.00	Temple Opera 2nd due diligence deposit
07/31/19	2019-00006225	GL	Investment Earnings for July	4,330.00	Investment Earnings for July
<u>FUND 860 - OPERATING FUND</u>				Ending Balance - 07-31-2019	2,418,122.47
<u>FUND 861 - DEBT SERVICE</u>				Beginning Balance	736,218.18
07/15/19	2019-00005696	GL	receipt 1st half 2019 tax payment	1,397,450.44	First half tax payment from St. Louis County
07/31/19	2019-00006225	GL	Investment Earnings for July	2,735.00	Investment Earnings for July
<u>FUND 861 - DEBT SERVICE</u>				Ending Balance - 07-31-2019	2,136,403.62
<u>FUND 865 - CAPITAL PROJECTS</u>				Beginning Balance	1,821,035.69
07/31/19	2019-00006225	GL	Investment Earnings for July	3,314.00	Investment Earnings for July
<u>FUND 865 - CAPITAL PROJECTS</u>				Ending Balance - 07-31-2019	1,824,349.69

Duluth Economic Development Authority

July, 2019 Cash Activity - all DEDA Funds

ACCUMULATED TRANSACTION LISTING, G/L Date Range 07/01/19 - 07/31/2019 (as of 8/21/2019)

G/L Date	Journal Number	Sub Ledg	Name	Beginning Balance	Net Amount	Description
<u>FUND 866 - MRO FACILITY</u>					859,012.74	
07/01/19	2019-00005081	MB	AAR Aircraft Services, Inc		36,510.76	Building Rent - MRO Facility - July 2019
07/22/19	2019-00005817	AP	Doucettes Party & Tent		(2,567.63)	Tables & Chairs
07/23/19	2019-00005925	RA	AAR Aircraft Services, Inc		36,510.74	Invoice #2019-00000178
07/31/19	2019-00006225	GL	Investment Earnings for July		1,643.00	Investment Earnings for July
<u>FUND 866 - MRO FACILITY</u>				Ending Balance - 07-31-2019	931,109.61	
<u>FUND 867 - STOREFRONT LOANS</u>					113,521.43	
07/05/19	2019-00005441	RA	City of Duluth Single Pt Settlement		656.87	DEDA
07/18/19	2019-00005823	RA	Alerus Financial		1,037.10	Deda Loan ACH
07/22/19	2019-00005890	RA	Women for Building Partnership		215.13	DEDA payment
07/30/19	2019-00006098	RA	Playhouse NorShore Theater		50,000.00	Duluth Playhouse Street front Loan Pymt
07/31/19	2019-00006225	GL	Investment Earnings for July		215.00	Investment Earnings for July
<u>FUND 867 - STOREFRONT LOANS</u>				Ending Balance - 07-31-2019	165,645.53	

Duluth Economic Development Authority

August, 2019 Cash Activity - all DEDA Funds

ACCUMULATED TRANSACTION LISTING, G/L Date Range 08/01/19 - 08/31/2019 (as of 9/16/2019)

G/L Date	Journal Number	Sub Ledg	Name	Net Amount	Description
FUND 860 - OPERATING FUND				Beginning Balance	2,418,122.47
08/01/19	2019-00000529	GL	Cost Allocation - DEDA	(33,333.33)	
08/02/19	2019-00006232	RA	Pay Group O Reilly LLC	424.36	Deda Lease Payment
08/05/19	2019-00006211	AP	Minnesota State Auditor	(1,613.50)	2018 DEDA Audit 4/17/19-6/25/19
08/05/19	2019-00006211	AP	LHB Engineers & Architects	(12,640.00)	19-860-922 Skywalk Route Planning
08/05/19	2019-00006211	AP	Arrowhead Printing Inc	(34.50)	Yard Sign
08/05/19	2019-00006211	AP	Beauty Lawn Care Service	(130.00)	Grass Cutting 5907 Grand Ave
08/05/19	2019-00006211	AP	Minnesota Power	(13.93)	8 N 2nd Avenue E
08/05/19	2019-00006211	AP	Minnesota Power	(63.78)	209 E Superior St
08/05/19	2019-00006211	AP	Minnesota Power	(272.76)	8 N 2nd Avue E
08/05/19	2019-00006211	AP	Minnesota Power	(13.93)	8 N 2nd Avenue E
08/05/19	2019-00006211	AP	Telephone Associates Inc	(88.25)	Temple Bldg Expense
08/05/19	2019-00006264	RA	Dubin Does Duluth I, LLC- Board of Trade	8,112.50	invoice #2019-00000191
08/09/19	2019-00006398	RA	Red Wagon Popcorn	1,601.92	DEDA July Rent
08/16/19	2019-00006592	RA	Interstate	106,060.24	Parking Rev
08/16/19	2019-00006592	GL	Interstate	348.38	Parking Rev
08/19/19	2019-00006550	AP	Stack Brothers Inc	(40,600.00)	C19-860-903 - Boiler Demol-Abatement at Temple Opera House
08/19/19	2019-00006550	AP	Northspan Group Inc	(405.00)	C19-860-909-Red Tape Reduction Task Force Recommendation Imple
08/19/19	2019-00006550	AP	Duluth Public Utilities - Comfort Systems	(46.58)	201 E Superior St 6/22-7/22/19
08/19/19	2019-00006550	AP	Duluth Public Utilities - Comfort Systems	(46.00)	203 E Superior St 6/22-7/22/19
08/19/19	2019-00006550	AP	Duluth Public Utilities - Comfort Systems	(110.48)	8 N 2nd Ave E 6/22-7/22/19
08/19/19	2019-00006550	AP	Duluth Public Utilities - Comfort Systems	(26.59)	8 N 2nd Ave E 6/22-7/22/19
08/19/19	2019-00006550	AP	Duluth Public Utilities - Comfort Systems	(49.85)	8 N 2nd Ave E 6/22-7/22/19
08/19/19	2019-00006550	AP	Duluth Public Utilities - Comfort Systems	(829.35)	335 W Superior St 6/29-7/29/19
08/19/19	2019-00006550	AP	Arrowhead Printing Inc	(550.60)	Superior St Business Banners Signs
08/19/19	2019-00006550	AP	Ehlers and Associates Inc	(245.00)	C19-860-902-Economic development and TIF professional services
08/23/19	2019-00006754	AP	Wells Fargo Bank	(51.68)	July 2019 P-card Purchases
08/26/19	2019-00006824	RA	Cirrus Design Corporation	23,079.00	Rent-Invoice #2019-00000216
08/29/19	2019-00006940	RA	First American Title Insurance Company	323,623.26	Sale of Temple Opera Building DEDA
08/31/19	2019-00007004	GL	Investment Earnings for August	4,348.00	Investment Earnings for August
FUND 860 - OPERATING FUND				Ending Balance - 08-31-2019	2,794,555.02
FUND 861 - DEBT SERVICE				Beginning Balance	2,136,403.62
08/02/19	2019-00006202	GL	ACH Wire for Pier B 1st Half 2019 TIF Pymt to Dougherty Funding	(40,973.00)	First Half TIF Payment 2019
08/05/19	2019-00006211	AP	Glen Place Apartments Ltd	(35,595.45)	First Half TIF Payment 2019
08/05/19	2019-00006211	AP	Garfield Business Park I LLC	(11,212.31)	First Half TIF Payment 2019
08/05/19	2019-00006211	AP	Sherman Associates, Inc.	(120,716.78)	First Half TIF Payment 2019
08/05/19	2019-00006211	AP	NorShor Theatre LLC	(96,573.43)	First Half TIF Payment 2019
08/05/19	2019-00006211	AP	NorShor Theatre LLC	(63,609.33)	First Half TIF Payment 2019
08/05/19	2019-00006211	AP	Central Hillside Development LLP	(13,329.25)	First Half TIF Payment 2019
08/05/19	2019-00006211	AP	A & L Duluth Renaissance LLC	(78,632.87)	First Half TIF Payment 2019
08/05/19	2019-00006211	AP	Summit Management, LLC	(181,777.83)	First Half TIF Payment 2019
08/05/19	2019-00006211	AP	Chester Park View Note LLC	(79,942.00)	First Half TIF Payment 2019
08/05/19	2019-00006211	AP	Scottsdale Capital LLC	(129,674.00)	First Half TIF Payment 2019
08/31/19	2019-00007004	GL	Investment Earnings for August	2,458.00	Investment Earnings for August
FUND 861 - DEBT SERVICE				Ending Balance - 08-31-2019	1,286,825.37
FUND 865 - CAPITAL PROJECTS				Beginning Balance	1,824,349.69
08/31/19	2019-00007004	GL	Investment Earnings for August	3,225.00	Investment Earnings for August
FUND 865 - CAPITAL PROJECTS				Ending Balance - 08-31-2019	1,827,574.69
FUND 866 - MRO FACILITY				Beginning Balance	931,109.61
08/01/19	2019-00005106	MB	AAR Aircraft Services, Inc	0.02	August 2019 - Building Rent/MRO Facility
08/19/19	2019-00006550	AP	TKDA	(420.74)	C19-860-894-Architectural services AAR wall repair and reconstruction
08/19/19	2019-00006550	AP	Jamar Company	(123,181.75)	D19860913
08/31/19	2019-00007004	GL	Investment Earnings for August	1,554.00	Investment Earnings for August
FUND 866 - MRO FACILITY				Ending Balance - 08-31-2019	809,061.14
FUND 867 - STOREFRONT LOANS				Beginning Balance	165,645.53
08/20/19	2019-00006661	RA	Old City Hall, LLP	1,037.10	DEDA Loan Payment thru Alerus Financial
08/26/19	2019-00006824	RA	Women in Construction	658.09	DEDA Loan Payment thru North Shore Bank of Commerce
08/26/19	2019-00006824	RA	Building for Woemn Partnership	215.13	DEDA Loan Payment thru Park State Bank
08/31/19	2019-00007004	GL	Investment Earnings for August	294.00	Investment Earnings for August
FUND 867 - STOREFRONT LOANS				Ending Balance - 08-31-2019	167,849.85

RESOLUTION 19D-28

**RESOLUTION AUTHORIZING ACQUISITION OF CERTAIN
TAX FORFEITED REAL PROPERTY FROM THE STATE OF
MINNESOTA THROUGH ST. LOUIS COUNTY
RELATED TO THE REBUILD DULUTH PROGRAM**

RESOLVED, by the Duluth Economic Development Authority ("DEDA"), that the proper DEDA officials are hereby authorized to acquire by quit claim deed the below-described tax-forfeited properties from the State of Minnesota through St. Louis County as part of the Rebuild Duluth Program for the amount of \$16,783.00 plus \$842.88 for the following fees: 3% State Assurance, Deed Fee, Deed Taxes and Recording Fees, for a total amount of \$17,625.88, payable from Fund 860-860-8640-5510:

Lot 26, the North 10 feet of Lot 27, the South 15 feet of Lot 27, and Lot 28, Block 4, Dickermans Division of Duluth; and

The North 30 feet of the South 75 feet of Lots 1 and 2, Block 14, Nortons Division of Duluth; and

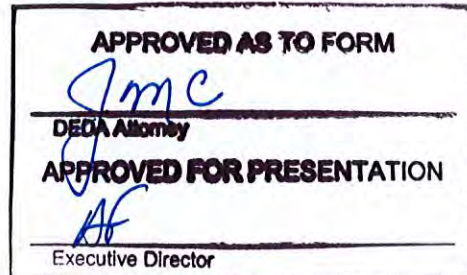
Lot 4, Block 105, West Duluth 2nd Division; and

Lot 5, Block 4, MacFarlanes Grassy Point Addition to Duluth.

Approved by the Duluth Economic Development Authority this 25th day of September, 2019.

ATTEST:

Executive Director



APPROVED AS TO FORM
LSCA ASUMNY
APPROVED FOR PRESENTATION

STATEMENT OF PURPOSE: This resolution authorizes the acquisition of certain tax-forfeited parcels in the Spirit Valley, Hillside and Fairmont neighborhoods of Duluth for purposes assembling lots for the "Rebuild Duluth" program which was announced in Mayor Larson's 2019 State of the City speech. The concept of the program is to offer between 10 and 15 parcels of land free of charge to builders and developers who come forward with viable plans to construct housing on the sites. The intended effect is to create new economic opportunity for the construction industry, expand the tax base of existing neighborhoods, better utilize existing infrastructure, and create new housing in the city. It is anticipated that additional parcels will be acquired from the Housing and Redevelopment Authority of Duluth, Minnesota as well as the City of Duluth.

RESOLUTION 19D-29

RESOLUTION AUTHORIZING THE PURCHASE OF CERTAIN PROPERTY FROM THE STATE OF MINNESOTA AND FURTHER AUTHORIZING A DEVELOPMENT AGREEMENT WITH LSC FLATS, LLC PROVIDING FOR THE SALE OF SAID STATE PROPERTY AND CERTAIN PROPERTY OWNED BY THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY ALL RELATED TO CONSTRUCTION OF STUDENT HOUSING NEAR LAKE SUPERIOR COLLEGE

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to purchase the property described below in St. Louis County, Minnesota, from the State of Minnesota for the sum of \$30,000 plus any fees and costs associated with said acquisition, payable from Fund 860, subject to the agreement of LSC Flats, LLC ("Developer") to purchase this property from DEDA at DEDA's cost therefor:

That part of Lots 10, 11 and 12, Block 2 and Vacated Beltrami Street Adjacent to said Lots all in the Plat of LINCOLN PARK GARDENS 2ND DIVISION TO DULUTH, as of public record, St. Louis County, Minnesota, described as follows; Beginning at the Northeast corner of said Plat; thence on an assumed bearing of South 89 degrees 29 minutes 43 seconds West, along the North line of said Plat, 205.01 feet; thence South 00 degrees 04 minutes 39 seconds East, 104.15 feet; thence South 47 degrees 27 minutes 24 seconds East, 156.28 feet to the Southwest corner of said Lot 12; thence South 82 degrees 39 minutes 40 seconds East, along the South line of said Lot 12 and its Easterly extension thereof, 90.76 feet to the East line of said Plat; thence North 00 degrees 04 minutes 39 seconds West, along last said line 223.22 feet to the point of beginning

(hereinafter the "State Property").

FURTHER RESOLVED, by DEDA that:

1. DEDA does hereby make the following determinations and findings:
 - a) That the sale of the property described below to Developer is in the best interests of the City of Duluth and its people and that the transaction furthers the general plan for economic development in the area.
 - b) That after not less than ten (10) or more than twenty (20) days' published notice, the public hearing was held in Council Chambers on the Third Floor of the City Hall, 411 West First Street, Duluth,

Minnesota, at or shortly after 5:15 p.m. on September 25, 2019, regarding the proposed sale.

- c) That the sale of the property described below to Developer conforms in all respects to the requirements of Minnesota Statutes Section 469.105.

2. That the proper DEDA officials are hereby authorized to execute a Development Agreement, substantially in the form of the copy attached hereto and made a part hereof, with Developer for the sale of the State Property described below in St. Louis County, Minnesota, to Developer at DEDA's cost of acquiring the property from the State of Minnesota in the amount of \$30,000 plus all fees and costs associated with said acquisition, and for the sale of the DEDA Property described below in St. Louis County, Minnesota to Developer in the amount of \$1, said sums to be payable into DEDA Fund 0860:

That part of Lots 10, 11 and 12, Block 2 and Vacated Beltrami Street Adjacent to said Lots all in the Plat of LINCOLN PARK GARDENS 2ND DIVISION TO DULUTH, as of public record, St. Louis County, Minnesota, described as follows; Beginning at the Northeast corner of said Plat; thence on an assumed bearing of South 89 degrees 29 minutes 43 seconds West, along the North line of said Plat, 205.01 feet; thence South 00 degrees 04 minutes 39 seconds East, 104.15 feet; thence South 47 degrees 27 minutes 24 seconds East, 156.28 feet to the Southwest corner of said Lot 12; thence South 82 degrees 39 minutes 40 seconds East, along the South line of said Lot 12 and its Easterly extension thereof, 90.76 feet to the East line of said Plat; thence North 00 degrees 04 minutes 39 seconds West, along last said line 223.22 feet to the point of beginning

(hereinafter the "State Property").

AND

All that part of WILLARD AND PIPER'S DIVISION, in the SW1/4 of SE1/4 Section 29, Township 50 North of Range 14 West, which lies West of the Trinity Road and North of a line 500.00 feet distant from and parallel to the North line of said plat (Line B), and NE of a line drawn between a point on the West line of said SW1/4 of SE1/4, 75.00 feet North of Line B, and a point on Line B 115.00 feet East of the West line of said SW1/4 of SE1/4 (Line A)

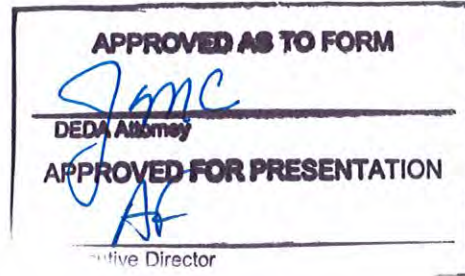
(hereinafter the "DEDA Property").

3. Subject to DEDA's acquisition of the above-described State Property, the proper DEDA officials are hereby further authorized to execute all documents necessary to effectuate the conveyance to Developer of the above-described State Property and DEDA Property.

Approved by the Duluth Economic Development Authority this 25th day of September, 2019.

Attest:

Executive Director



STATEMENT OF PURPOSE:

The purpose of this resolution is to authorize the purchase of the State Property located adjacent to Lake Superior College and to further authorize a Development Agreement which provides for the conveyance of the State Property and adjacent DEDA Property to Developer. Developer proposes to construct at least 100 apartment units of student housing, varying from 2-bedrooms up to 4-bedrooms per unit on the combined site together with related utilities, parking, landscaping and other amenities at a total project cost of not less than \$16,000,000. The State Property is conveyed to the Developer at DEDA's costs therefor, which is \$30,000 plus fees. The DEDA Property was the subject of the DEDA/City land swap pursuant to which DEDA acquired this property for development and conveyed Lot B and adjacent property in Bayfront to the City. The DEDA property is conveyed to the Developer for \$1.

APPROVED AS TO FORM
DECK LAYOUT
APPROVED FOR PRESENTATION

Map of Development Site



**DEVELOPMENT AGREEMENT
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
LSC FLATS, LLC**

THIS AGREEMENT entered into this _____ day of _____, 2019, (the "Effective Date") by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469, hereinafter referred to as "DEDA", and LSC FLATS, LLC, a Minnesota limited liability company, hereinafter referred to as "Developer."

WHEREAS, DEDA is the owner of certain land (the "DEDA Land") located near Lake Superior College in Duluth, Minnesota, which Developer wishes to acquire and develop into student housing described below; and

WHEREAS, the State of Minnesota, by and through its Board of Trustees of the Minnesota State Colleges and Universities, hereinafter referred to as "Minnesota State" owns property (the "Minnesota State Land") adjacent to the DEDA Land which Developer also wishes to acquire and combine with the DEDA Land for purposes of the student housing project; and

WHEREAS, DEDA by virtue of its status as a governmental authority, has the authority to purchase the Minnesota State Land directly from Minnesota State and convey it to Developer; and

WHEREAS, Developer has requested to acquire the DEDA Land and the Minnesota State Land for the purpose of constructing its student housing project; and

WHEREAS, DEDA is desirous of assisting and cooperating with Developer in fostering Developer's development of the Property as herein defined and finds that the conveyance of said Property to Developer is in the best interests of the City and its people and that the transaction furthers DEDA's general plan for development;

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

ARTICLE I

Definitions

For the purposes of this Agreement, the following terms shall have the meanings hereinafter ascribed to them unless a different meaning clearly appears from the context:

- A. Approved by the Executive Director: shall mean the written approval of the Executive Director, or such person or persons to whom the Executive Director may delegate such approval authority in writing, in the exercise of the Executive Director's discretion, provided that such approval shall not be unreasonably withheld, conditioned or delayed.
- B. City shall mean the City of Duluth, Minnesota.
- C. Contingency Date: shall mean the date at the end of the Due Diligence Period.
- D. DEDA Land shall mean that property located in St. Louis County, Minnesota, legally described as follows:

All that part of WILLARD AND PIPER'S DIVISION, in the SW1/4 of SE1/4 Section 29, Township 50 North of Range 14 West, which lies West of the Trinity Road and North of a line 500.00 feet distant from and parallel to the North line of said plat (Line B), and NE of a line drawn between a point on the West line of said SW1/4 of SE1/4, 75.00 feet North of Line B, and a point on Line B 115.00 feet East of the West line of said SW1/4 of SE1/4 (Line A).
- E. Due Diligence Period: shall mean a period of one hundred twenty (120) days from the Effective Date to be available to Developer to perform its due diligence as provided for in Article IV below.
- F. Easement shall mean the easement for ingress, egress and utility purposes granted by Minnesota State to Developer over the Easement Property.
- G. Easement Property shall mean that property located in St. Louis County, Minnesota owned by Minnesota State and legally described as follows:

That part of Lot 16 of AUDITOR'S PLAT OF ENGER DIVISION, as of public record St. Louis County, Minnesota, lying south of the following

described line; Commencing at the Southwest corner of said Auditor's Plat; thence on an assumed bearing of North 00 degrees 04 minutes 39 seconds West, along the West line of said Auditor's Plat, 44.39 feet to the point of beginning of the line herein described; thence North 81 degrees 38 minutes 54 seconds East, 487.40 feet; thence North 88 degrees 50 minutes 38 seconds East, 433.92 feet to the westerly right-of-way of Trinity Road (S.T.H. No.53) and there terminating.

- H. Executive Director shall mean DEDA's Executive Director or the person designated to act on behalf of him/her with regard to this Agreement.
- I. Minnesota State shall mean the State of Minnesota, by and through its Board of Trustees of the Minnesota State Colleges and Universities.
- J. Minnesota State Land shall mean that property located in St. Louis County, Minnesota and legally described as follows:

That part of Lots 10, 11 and 12, Block 2 and Vacated Beltrami Street Adjacent to said Lots all in the Plat of LINCOLN PARK GARDENS 2ND DIVISION TO DULUTH, as of public record, St. Louis County, Minnesota, described as follows; Beginning at the Northeast corner of said Plat; thence on an assumed bearing of South 89 degrees 29 minutes 43 seconds West, along the North line of said Plat, 205.01 feet; thence South 00 degrees 04 minutes 39 seconds East, 104.15 feet; thence South 47 degrees 27 minutes 24 seconds East, 156.28 feet to the Southwest corner of said Lot 12; thence South 82 degrees 39 minutes 40 seconds East, along the South line of said Lot 12 and its Easterly extension thereof, 90.76 feet to the East line of said Plat; thence North 00 degrees 04 minutes 39 seconds West, along last said line 223.22 feet to the point of beginning.
- K. Project shall mean the construction and development of at least 100 apartment units of student housing, varying from 2-bedroom up to 4-bedrooms per unit on the Property together with related utilities, parking, landscaping and other amenities, all at a total Project cost of not less than \$16,000,000 according to the plans approved pursuant to Article VIII below.
- L. Property shall mean the DEDA Property and the Minnesota State Property combined.

- M. Purchase Price shall mean the price to be paid for the purchase of the Minnesota State Land in the amount of \$30,000.
- N. Vice Chancellor shall mean the Vice Chancellor-CFO of Minnesota State or the person delegated to act on their behalf with regard to this Agreement.

ARTICLE II

Conditions Precedent to Construction

Prior to the commencement of construction on the Property, Developer shall present the following to DEDA and the following shall have been Approved by the Executive Director:

- A. Construction Plans
Approved plans, specifications and elevations for the construction of the Project as described above and in Article VIII below.
- B. Construction Contract
A copy of an executed contract between Developer and a general contractor for the construction of the Project, certified by Developer to be a true and correct copy thereof.
- C. Construction Bonds
Copies of executed payment and performance bonds provided by the above contractor in connection with the construction of the Project, which bonds shall be in the penal amount of not less than one hundred (100%) percent of the contract price under the aforesaid construction contract written by a bonding company or bonding companies licensed to do business in the State of Minnesota, certified by Developer to be true and correct copies thereof which name DEDA as an additional beneficiary thereof or provide such other security or financial assurance as may be Approved by the Executive Director.
- D. Construction Finance
Copies of loan commitments and/or other financial commitments in forms acceptable to DEDA obtained by Developer together with

evidence of the extent of Developer's equity participation in the Project, the total of said commitments and said equity participation to be in amount not less than the total anticipated cost of developing the Project.

E. Property Survey

Developer shall cause the property to be surveyed, and the Property boundaries and the locations of buildings, roadways, parking areas, utilities and other improvements to the Property to be properly memorialized in accordance with standard surveying practices.

F. Permitting and Zoning

Evidence satisfactory to the Executive Director that Developer has secured all necessary permits and approvals from the City Planning and Development Division and/or Planning Commission, including but not limited to plan review and a minor subdivision related to the Minnesota State Land, if required.

ARTICLE III

Earnest Money

Within two (2) business days after the Effective Date, Developer shall deposit \$5,000 (the "Earnest Money") with DEDA as a good faith deposit. The Earnest Money will be applied to the Purchase Price if a Closing as defined in Article VII occurs. Except as provided in this Agreement, the Earnest Money will not be refunded to Developer. Notwithstanding anything to the contrary contained in this Agreement, DEDA shall retain \$1,000 of the Earnest Money for its administrative costs.

ARTICLE IV

Developer's Contingencies

The obligation of Developer to close on the purchase of the Property is contingent upon the following which shall be investigated in good faith by Developer during the Due Diligence Period:

- (i.) Title shall have been found acceptable; been made acceptable or been accepted, in accordance with the requirements and terms of Article V.
- (ii.) Satisfactory completion by Developer of a due diligence inquiry which may include, but is not necessarily limited to, analysis of the structural, physical, environmental and financial condition of and the viability of Developer's development plans for the Property. Such investigation shall be at Developer's expense. DEDA shall permit Developer or its agents to physically enter and inspect the DEDA Land at reasonable times, upon reasonable notice. Developer shall repair and restore any and all damage to the DEDA Land caused by or occurring during Developer's testing and return the DEDA Land to substantially the same condition as existed prior to such entry. If Developer is for any reason dissatisfied with the results of such inquiry, Developer may, in its sole and absolute discretion, terminate this Agreement by giving written notice to DEDA on or before noon on the Contingency Date. If written notice of termination is given as provided in this Subparagraph, the Earnest Money shall be returned to Developer except as otherwise provided herein, and neither DEDA nor Developer shall have any further obligation to the other under this Agreement except pursuant to any other provision of this Agreement which is intended to survive termination or cancellation. The Due Diligence Period may be extended with the prior written approval of the Executive Director for one additional period of up to sixty (60) days. To extend the Due Diligence Period, Developer must (i) provide a written request for extension to the Executive Director before the expiration of the initial Due Diligence Period which request shall include the basis for seeking an extension, (ii) increase the Earnest Money deposit by an additional \$5,000 within three (3) business days after providing the notice and (iii) have received the prior written approval of the Executive Director. If the Executive Director approves an extension of the Due Diligence Period, and notwithstanding anything to the contrary contained

in this Agreement, DEDA shall retain an additional \$1,000 of the Earnest Money for its administrative costs.

- (iii.) DEDA shall have materially performed all of DEDA's obligations and covenants to date pursuant to this Agreement.
- (iv.) Developer shall have obtained financing for the Project satisfactory to Developer.
- (v.) All representations made by DEDA pursuant to this Agreement shall be true in all material respects as of the Closing Date.
- (vi.) Developer shall have received all zoning approvals and entitlements required for the Project. Developer shall use its best efforts to receive all such zoning approvals and entitlements during the Due Diligence Period.
- (vii.) Developer acquires the Easement from Minnesota State for ingress, egress and utility purposes over the Easement Property on terms satisfactory to Developer. Developer agrees to use its best efforts to acquire the easement from Minnesota State.

If a Closing does not occur because of the failure of any condition set forth in Article IV, the Earnest Money shall be returned to Developer except as otherwise provided herein, and neither DEDA nor Developer shall have any further obligation to the other under this Agreement except pursuant to any other provision of this Agreement which is intended to survive termination or cancellation. If this Agreement is terminated without the occurrence of a Closing, Developer shall return to DEDA all documents and all copies of all documents provided by DEDA or its agents to Developer. The conditions set forth in this Article IV are for Developer's benefit and may be waived by Developer.

ARTICLE V

Quality of Title

A. Insurable Title – DEDA Land.

DEDA will use its best efforts to provide a title commitment (the "Title Commitment") for an ALTA owner's policy of title insurance ("Title

Policy”), insuring title to the DEDA Land, in the amount of \$52,800, issued by First American Title Insurance Company (Consolidated Title and Abstract Company) (“Title”) within forty-five (45) days of the Effective Date, provided that Developer shall pay all costs of securing said title commitment.

B. Developer's Objections to Title – DEDA Land.

Within twenty (20) days after receiving the Title Commitment, Developer shall make any written objections (the "Objections") to the content of the Title Commitment for the DEDA Land. Any matter disclosed by the Title Commitment and not objected to by Developer shall be a "Permitted Exception." DEDA shall have forty-five (45) days thereafter within which to cure the Objections, during which period the Closing will be postponed as necessary. If DEDA fails to cure the Objections within such forty-five (45) day period, Developer will have the option to (a) terminate this Agreement (without either party being deemed at fault) or (b) waive the Objections and proceed to Closing (and all uncured Objections shall be deemed Permitted Exceptions). Developer may exercise its option to terminate under this Article by delivering written notice to DEDA before the Closing. If Developer fails to deliver notice of termination and closes, Developer shall be deemed to have waived the Objections. Developer agrees that DEDA need not remove liens, mortgages, deeds of trust, trust deeds, security interests or contract interests affecting the Property constituting Objections prior to Closing, provided that (i) Title shall, at Closing, be directed to disburse funds to liquidate the indebtedness secured or evidenced by such liens, mortgages, deeds of trust, security interests or contract interests; and (ii) the Title Policy shall insure over all liens, mortgages, deeds of trust, security interests and contract interests.

ARTICLE VI

Acquisition and Conveyance of Property

A. Warming Blankets

Developer is permitted to install warming blankets over that portion of the DEDA Land comprising the anticipated footprint of the building(s). In the event this Agreement is terminated, the warming blankets and any equipment used for their installation shall be promptly removed by Developer at Developer's cost, and Developer shall repair and restore any and all damage to the DEDA Land caused by the placement of warming blankets.

B. Minnesota State Land

Developer desires to acquire the Minnesota State Land for purposes of constructing the Project. DEDA by virtue of its status as a governmental authority has the authority to purchase the Minnesota State Land directly from Minnesota State at its appraised value and convey it to Developer. DEDA agrees to use its best efforts to acquire the Minnesota State Land. Upon execution of this Agreement, Developer shall provide DEDA a certified check made payable to DEDA in the amount of \$30,000 for the acquisition by DEDA of the Minnesota State Land, payable into Fund 860 (Operating Fund). In addition to the acquisition cost of \$30,000, Developer shall pay to DEDA all DEDA's cost of acquisition therefor, including but not limited to recording fees, deed tax, split fees, administration fees, as well as any other fees required to be paid by DEDA for acquisition of the Minnesota State Land, payable upon invoice into Fund 860 (Operating Fund). Additionally, upon execution of this Agreement and pursuant to DEDA's fee schedule Developer shall pay to DEDA a non-refundable application fee of \$500 or 1% of the appraised value of the Minnesota State Land, whichever is greater, payable into Fund 860 (Operating Fund). Developer shall pay to DEDA all DEDA's cost of conveyance of the Minnesota State Land to Developer, including but not limited to recording fees, deed tax, split fees, as well any other

fees required to be paid by DEDA for conveyance of the Minnesota State Land to Developer, payable upon invoice into Fund 860 (Operating Fund). DEDA's acceptance of the Minnesota State Land shall occur immediately prior to Closing.

C. Property

DEDA agrees to convey to Developer and Developer shall take from DEDA the Property for \$1.00, the payments required at Article VI B., and other good and valuable consideration in the form of Developer's commitments pursuant to this Agreement. Additionally, Developer shall pay to DEDA all DEDA's cost of conveyance of the Property to Developer, including but not limited to recording fees, deed tax, split fees, as well any other fees required to be paid by DEDA for conveyance of the Property to Developer, payable upon invoice into Fund 860 (Operating Fund).

D. Developer Inspection and Risk

The Property is conveyed AS-IS. DEDA makes no representations or warranties of any kind whatsoever regarding the Property, including but not limited to warranties or representations as to the quality of title, or warranties or representation as to the physical condition of the Property or its suitability for any particular purpose or use. Developer agrees that it is experienced in and knowledgeable about the development of real estate and has exclusively relied on its own consultants, advisors, counsel, employees, agents, principals and/or studies, investigations and/or inspections with respect to the Property, its condition, value and potential. The conveyance of the Property to Developer shall constitute Developer acknowledgment that it has independently inspected and investigated the Property. Upon conveyance, Developer shall assume the risk that adverse matters, including but not limited to adverse physical and environmental conditions and the suitability or unsuitability

of the Property for Developer's intended use may not have been revealed by Developer's investigations.

ARTICLE VII

Closing

A. Closing Date

Subject to Minnesota State assuring DEDA that the contemplated Closing Date is acceptable to Minnesota State, the closing on the purchase and sale contemplated by this Agreement (the "Closing") shall occur on the latest of (i) thirty (30) days after the Contingency Date (as it may have been extended) or (ii) on an earlier date agreed to by Developer and DEDA (the "Closing Date"). In the event Minnesota State informs DEDA that the Closing date is not acceptable, the Closing Date shall be extended to accommodate Minnesota State. DEDA's acceptance of the Minnesota State Land shall occur immediately prior to DEDA's conveyance of the Minnesota State Land to Developer. The conveyance of the Easement Property shall also occur on the Closing Date. The Closing will take place at the offices of Title which shall act as closing agent, at such time as the parties shall mutually agree. It is anticipated that a physical closing may not occur and that documents or counterparts of documents may be delivered to and collected by Title. The parties shall deliver to Title an executed copy of this Agreement, which shall constitute instructions. If required by Title, the parties shall execute any printed form escrow instructions used by Title; provided, however, that any provisions of such instructions which conflict with this Agreement shall be governed by this Agreement. DEDA shall deliver possession of the Property immediately after Closing. In the event the Closing does not occur on or before June 1, 2020, then either Developer

or DEDA may cancel this Agreement upon fifteen (15) days' written notice to the other party.

B. DEDA's Closing Documents.

On the Closing Date, DEDA shall execute and/or deliver to Developer the following (collectively, "DEDA's Closing Documents"):

1. DEDA's Affidavit. An owner's affidavit reasonably required by Title as to liens, debts and possession.
2. Quitclaim Deed. A Quitclaim Deed in generally the form of the Minnesota Uniform Conveyancing Blank, subject to the Permitted Encumbrances and including the Deed Conditions described below.
3. Resolution. A certified resolution approving this Agreement and authorizing the execution of DEDA's Closing Documents.
4. Other Documents. All other documents reasonably determined by Title on or before the Closing Date to be necessary to transfer the Property to Developer on the terms stated herein.

C. Developer's Closing Documents.

On the Closing Date, Developer shall execute and/or deliver to DEDA the following (collectively, "Developer's Closing Documents"):

1. Purchase Price. The Purchase Price.
2. Title Documents. Such affidavits of purchaser or other documents as may be reasonably required by Title in order to record the DEDA's Closing Documents and issue the title insurance policy required by this Agreement.

D. Allocation of Costs.

DEDA and Developer agree to the following allocations of costs regarding this Agreement:

1. Title and Closing Fees. DEDA shall pay all expenses to correct any Objections DEDA agrees to address. Developer shall

pay all premiums required for the issuance of the Title Policy. Developer shall pay any reasonable and customary closing fee or charge imposed by Title as the closing agent, if any.

2. Taxes. There will be no real estate taxes and installments of special assessments due and payable as of the date of Closing. General real estate taxes due and payable in all years subsequent to the year of Closing shall be paid by Developer. All deed taxes, and all ad valorem taxes due on the sale of the Real Property, or sales taxes, or similar taxes (including interest and penalties) owing with respect to activities occurring before Closing in connection with the Real Property or becoming due and payable prior to, simultaneously with, or as a result of execution, delivery, or recordation of the Quitclaim Deed, shall be paid by Developer. Developer will also pay all mortgage registry and similar taxes.

3. Recording Costs. DEDA shall pay the cost of recording all documents necessary to address any Objections. Developer shall pay the cost of recording all other documents.

4. Attorneys' Fees. Until a closing occurs, each of the parties shall pay its own attorneys' fees relating to this Agreement and the purchase and sale of the Property.

E. Deed Conditions

The deed conveying the Property shall incorporate, as a covenant running with the Property, the conditions of Minnesota Statutes Sections 469.090 to 469.108 relating to the use of the Property. The deed shall further provide that if Developer does not begin improvements on the Property to carry out its construction obligations with respect to the Project on or before one (1) year after the date of the deed, DEDA may declare a breach of the covenant and seek a judicial decree from the District Court declaring a forfeiture and a cancellation of the deed. In addition to the foregoing provisions, the conveyance of title shall be subject to covenants, conditions, restrictions, declarations, easements

and encumbrances of record; the reservation of minerals and mineral rights by the State of Minnesota; unpaid real estate taxes and assessments; any law, ordinance, or governing regulations including but not limited to building and zoning ordinances restricting, regulating or prohibiting the occupancy, use, enjoyment, improvement or subdivision of the Property, and the terms and provisions of this Agreement.

F. Recording

Developer shall promptly file the deed conveying the Property and the Easement in the Office of the St. Louis County Registrar of Titles and shall pay all costs associated with recording said deed and Easement. Upon recordation of said deed and Easement, Developer shall immediately submit to DEDA a copy of the documents showing the date and document numbers of record, or fully-conformed copies of the filed originals showing the date and document numbers of record.

ARTICLE VIII

Project Plans

A. Plans, Specifications and Elevations

No less than twenty (20) days prior to the commencement of construction of the Project, or such lesser time as Approved by the Executive Director, Developer shall submit working drawings, specifications and elevations therefor together with detailed site, grading, utility and landscaping plans and elevations as the Executive Director reasonably deems necessary, to the Executive Director for approval and copies to the Vice Chancellor. All such plans, specifications and elevations shall be in conformity with this Agreement, with the site plan and with all applicable laws, ordinances, rules, regulations and requirements of the City, State of Minnesota and United States of America Authorities. If the Executive Director rejects such plans, specifications and elevations in whole or in part as not being in compliance with the foregoing requirements,

and upon notification to Developer of said rejection together with the reason or reasons therefore, Developer shall submit new or corrected plans, specifications and elevations meeting said objections within thirty (30) days of said notice to the Executive Director and the Vice Chancellor. The provisions of this paragraph relating to approval, rejection and resubmission of corrected plans, specifications and elevations hereinabove provided for with respect to the originally submitted plans, specifications and elevations shall continue to apply until said plans, specifications and elevations have been Approved by the Executive Director. The Executive Director's acceptance of Developer's plans, specifications and elevations shall not constitute a waiver of building code or ordinance or other developmental duties imposed in the future upon Developer by law. Developer expressly agrees to be solely responsible for all costs, including architectural fees connected with said plans, specification and elevations and any revisions thereto.

B. Changes After Initial Approval

Any changes made to plans by Developer after initial approval of the Executive Director shall be submitted to the Executive Director and, where relevant, to Developer for acceptance in the same manner provided for in Paragraph A above. Any such plan changes shall also be provided to the Vice Chancellor.

ARTICLE IX

Construction

A. Construction

Upon the fulfillment of Developers obligations provided for in Articles II, III, VI, and VIII above, Developer shall promptly commence construction of the Project in conformance with the approved plans and specifications, but in no event later than June 1, 2020. Construction of the Project shall be completed not later

than December 31, 2021 except that an extension of said time for completion upon the request of Developer may be Approved by the Executive Director.

B. Developer to Bear All Costs

Developer specifically agrees to bear all costs related to the development, completion and operation of the Project and any modifications thereto.

C. Progress Reports

Until construction of the Project has been completed, Developer shall make reports in such detail and at such times as may reasonably be requested by DEDA as to the actual progress of Developer with respect to the Project.

D. Certificate of Completion

Upon completion by Developer of the construction of the Project in accordance with this Agreement, DEDA shall furnish to Developer an appropriate certificate so certifying. No such certification shall be issued until all elements of the Project have been completed as verified by the Executive Director. Such certification by DEDA shall constitute a conclusive determination of satisfaction of construction obligations of Developer undertaken pursuant to this Agreement.

E. One Year Deadline.

Within one year of the date of conveyance of the Property from DEDA to Developer, Developer shall have begun work on the Project on the Property. If Developer fails to do so, DEDA may cancel the sale and title to the property shall revert to DEDA. Developer shall not transfer title to the Property within one year of the date of conveyance without the prior consent of DEDA.

ARTICLE X

Developer's Operating Covenant

Developer further covenants and agrees that prior to the issuance of a Certificate

of Completion in its operations and use of the Property it will:

A. Maintenance

At all times cause the Property and Project to be operated and maintained in a neat, orderly condition, to maintain and preserve and keep in good repair, working order and condition said Property and to perform all needed and proper repairs, renewals and replacements. The obligation to maintain the Property shall include but not be limited to snow removal, grass cutting and landscape maintenance, parking lot cleaning, repair and striping and all other exterior maintenance to said Property.

B. Utilities

Pay any and all charges for utilities furnished to the Property including but not limited to hook-up charges and assessments related to all utilities, including but not limited to steam, water, sewer, gas, telephone, cable TV, and electrical power.

C. Licenses and Permits

Preserve Developer's existence and all of its licenses, permits and consents to the extent necessary and desirable to the operation of its business and affairs and to be qualified to do business in each jurisdiction where its ownership of property or the conduct of its business requires such qualifications; provided, however, that nothing herein contained shall be construed to obligate it to retain or preserve any of its licenses, permits or consents which are no longer useable.

D. Obey All Laws

Conduct its affairs and carry on its business and operations in such a manner as to comply with any and all applicable laws of the United States and the several states thereof and duly observe and conform to all valid orders, regulations and requirements of any governmental authority related to the conduct of its business and the ownership of the Property; provided that nothing herein contained shall require

it to comply with, observe and conform to any such law or regulation or requirement so long as the validity thereof shall be contested by Developer in good faith through proper legal action provided that such protest shall in no way affect Developer's title to the Property.

E. Payment of Taxes

Promptly pay or cause to be paid all lawful taxes and governmental charges, including but not limited to real estate taxes and assessments, at any time levied upon or against it or the Property.

F. Assessment Fees and Charges

To pay or cause to be paid when due or payable all special assessments levied upon or with respect to the Property, or any part thereof.

G. Obligations and Claims

Promptly to pay or otherwise satisfy and discharge all of the obligations and indebtedness and all demands and claims against the Property or the Project as and when the same becomes due and payable other than any thereof whose validity, amount or collectability is being contested in good faith by appropriate proceedings.

H. Prevailing Wage

Cause the laborers, mechanics or apprentice-trainees employed in the construction of the Project to be paid the wage rates as provided in the federal Davis Bacon Act, as amended. Payroll for the construction trades must be submitted to the Executive Director on a monthly basis.

ARTICLE XI

Provision Against Liens, Assignments and Transfers

A. Provision Against Liens

Except for encumbrances permitted pursuant to Paragraph B below, Developer shall not create or permit any mortgage, encumbrance or

allow any mechanic's or materialmen's liens to be filed or established or to remain against the Project, the Property or any part thereof which would materially or adversely affect DEDA's interest in this Agreement prior to the issuance of the Certificate of Completion referred to above, provided that if Developer shall first notify DEDA of its intention to do so and post such security as the Executive Director reasonably deems necessary, Developer may, in good faith, contest any such mechanic's or other liens filed or established as long as DEDA does not deem its interest or rights in this Agreement to be subject to foreclosure by reason of such context.

B. Provision Against Assignments, Transfers or Change in Identity of Developer Prior to the Issuance of a Certificate of Completion

The parties hereto acknowledge that DEDA is relying upon the qualifications and identity of Developer to construct, operate and maintain the Project and the Property. Therefore, except for the purposes of obtaining financing as hereinafter described and as otherwise permitted by this Agreement or Approved by the Executive Director, Developer represents and agrees for itself, its successors and assigns that, prior to the issuance of a Certificate of Completion, (i) it has not made or created, and will not make or create or suffer to be made or created, any total or partial sale, assignment, conveyance, lease, trust, lien or power of attorney, (ii) it has not and will not otherwise transfer in any other way all or any portion of the Project, the Property, the Developer, this Agreement or any other contract or agreement entered into in connection with carrying out its obligations hereunder, (iii) except for mortgaging approved by the Executive Director, Developer will not make or create or suffer to be made any such transfer of Developer's rights hereunder. Notwithstanding the foregoing, Developer may (i) grant a mortgage to a lender to secure one or more loans, the proceeds of which are used

entirely to finance the acquisition of the Property and the construction and development of the Project or the payment of Closing and similar costs, (ii) before the Closing, assign the rights, benefits, and obligations of Developer under this Agreement to an entity that is controlled by Developer or by Brian Forcier (any assignment of the rights, benefits, and obligations of Developer before the Closing to an entity that is controlled by Developer or by Brian Forcier must be approved by the Executive Director but such approval shall be granted upon proof that the entity is controlled by Developer or by Brian Forcier), and (iii) after the Closing, convey, subject to this Agreement, the Property to an entity that is controlled by Developer or by Brian Forcier (any conveyance of the Property after the Closing to an entity that is controlled by Developer or by Brian Forcier must be approved by the Executive Director but such approval shall be granted upon proof that the entity is controlled by Developer or by Brian Forcier), (iv) enter into residential leases on such terms as Developer desires, and (v) transfer or permit the transfer of membership interests in Developer and issue additional membership interests in Developer as long as Brian Forcier or an entity that is controlled by Brian Forcier continues to control Developer after the transfer or issuance. If any assignment of Developer's obligations under this Agreement occurs, any such assignee shall explicitly assume the obligations of Developer under this Agreement.

ARTICLE XII

Indemnification

A. By Developer

Developer will to the fullest extent permitted by law, defend, indemnify and save DEDA and the City and their officers, agents, servants, employees and any person who controls DEDA or the City within the meaning of Securities Act of 1933, harmless from and against all liabilities, losses, damages, costs, expenses, including

attorney's fees and expenses, causes of action, suits, claims demands and judgments of any nature arising from:

1. Any injury to or death of any person or damage to property in or upon the Property occurring after the Closing Date or during or as a result of any work done or tests performed on the DEDA Land or warming blankets being installed on the DEDA Land, or growing out of or in connection with the use or non-use, condition or occupancy of the Property or any part thereof occurring after the Closing Date or during or as a result of any work done or tests performed during the Due Diligence Period or the construction or installation of the Project on any portion of the Property. The foregoing indemnification shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefits payable by or for Developer, its customers, suppliers or affiliated organizations under any Workers' Compensation Act, Disability Benefit Acts or any other Employee Benefit Acts.
2. Any violation by Developer of any provision of this Agreement.
3. Any violation of any contract, agreement or restriction related to the Project which shall have existed at the commencement of the term of this Agreement or shall have been approved by Developer; or
4. Any violation of any law, ordinance, court order or regulation affecting the Property or the Project, or the ownership, occupancy or use thereof.

B. Environmental Indemnification

In addition to the generality of the foregoing above, Developer hereby agrees that for itself, its successors and assigns that it will indemnify and save DEDA and the City and their officers, agents, servants and employees and any person who controls DEDA or the City within the meaning of the Securities Act of 1933 harmless from

and against all liabilities, losses, damages, costs, expenses, including reasonable attorney's fees and expenses, causes of action on the Property which constitute a violation of any environmental law or laws with regard to pollutants or hazardous or dangerous substances promulgated by the government of the United States or of the State of Minnesota or of any such duly promulgated rules and regulations of the United States Environmental Protection Agency or the Minnesota Pollution Control Agency or the presence in the Project or on the Property of any element, compound, pollutant, contaminant, or toxic or hazardous substance, material or waste, or any mixture thereof, which otherwise causes injury or death to persons or damage to property and the indemnification granted hereby shall include all costs of clean-up, remediation, together with the costs incurred in proceedings before a court of law or administrative agency including attorney's fees, expenses, the fees and expenses of persons providing technical expertise addressing such problems, including expert witnesses, the costs of preparing and securing approval of Response Action Plans as may be necessary to meet the requirements of the aforesaid agencies and any other costs and expenses of any kind whatsoever arising out of such conditions existing on the Property.

C. Indemnification Procedures

Promptly after receipt by DEDA of notice of the commencement of any action with respect to which Developer is required to indemnify such person or entity under this Article, such indemnitee shall notify Developer in writing of the commencement thereof, and, subject to the provisions as hereinafter stated, Developer shall assume the defense of such action, including the employment of counsel satisfactory to the indemnitee and the payment of expenses. In so far as such action shall relate to any alleged liability of the

indemnitee with respect to which indemnity may be sought against Developer, the indemnitee shall have the right to employ separate counsel in any such action and to participate in the defense thereof, and the fees and expenses of such separate counsel shall be at the expense of Developer.

ARTICLE XIII

Insurance

Developer shall purchase and maintain, or cause to be purchased and maintained, such insurance as will protect Developer, the City and DEDA against risk of loss or damage to the Project and any other property permanently located or exclusively used at the Project site and against claims which may arise or result from the maintenance and use of the Project, including operations conducted in connection with construction of improvements thereupon as follows:

A. Insurance During Construction

Developer, prior to entering on the Property for construction work, shall procure or cause to be procured and maintain or require all contractors to procure and maintain the following insurance at not less than the limits of coverage or liability indicated during the period of construction as follows:

1. Property Insurance

Developer shall provide "All Risk" builder's risk insurance under a completed value form on all work on the Project, including foundations, permanent fixtures and attachments, machinery and equipment included in or installed under the construction contract, debris removal, architects' and engineers' fees, temporary structures, materials, equipment and supplies of all kinds located on the Project, to the full replacement value thereof, except that such policy may provide for a deductible amount not to exceed Fifty Thousand

and No/100ths Dollars (\$50,000.00) per occurrence. Said insurance shall be endorsed to provide consent for occupancy of the Project and shall be maintained in effect until permanent property coverage as provided for hereinafter is in force. Such insurance shall be written in the names of any holder of a mortgage on the Property, Developer, DEDA, any subtenant and contractor, as their interest may appear. Contractor, all subcontractors, and suppliers and Developer shall waive all rights against DEDA for damages caused by fire or insured perils, except such rights as are set forth hereunder to the proceeds of such insurance payable in the event of such loss.

2. Public Liability Insurance

Public Liability Insurance written on an "occurrence" basis under a Comprehensive General Liability Form with "Broad Form" property damage liability coverage, with XCU exclusion removed, in limits of not less than Two Million and No/100ths Dollars (\$2,000,000.00) in aggregate for personal injury, bodily injury and death, and for property damage. If per person limits are specified, they shall be for not less than Two Million and No/100ths Dollars (\$2,000,000.00) per person and be for the same coverages. Contractor shall also require such liability coverage of its subcontractors unless they are insured under contractor's policies. Contractor's and subcontractors' liability coverages shall include:

- a. Contractors public liability--premises and operations;
- b. Independent contractors protective contingent liability;
- c. Personal injury;
- d. Owned, non-owned, and hired vehicles;
- e. Contractual liability covering customary construction contract and subcontract indemnify provisions;
- f. Worker's Compensation coverage in required statutory

limits. Policy shall carry an "all states" endorsement. In addition, employers' liability coverage shall be maintained in limits of One Hundred Thousand and No/100ths Dollars (\$100,000.00) per employee.

3. Alternative Insurance

In the alternative Developer may secure or cause to be secured an Owner-Controlled Insurance Policy or a Contractor-Controlled Insurance Policy providing at least the same or better protection to DEDA, subject to the approval thereof by the Executive Director.

B. Permanent Insurance

Developer shall procure and continuously maintain, except as otherwise provided below, insurance covering all risks of injury to or death of persons or damage to property arising in any way out of or as a result of Developer's ownership of, occupancy of or use of the Property, carried in the names of Developer, any subtenant and DEDA as their respective interests may appear, as follows:

1. Property Insurance

From and after the date of acceptance of the Project and prior to expiration of the buildings' risk coverage specified above, the Project and Property, including all fixtures, equipment and machinery, shall be insured to the full replacement value thereof against all risk of Direct Physical Loss, except that such insurance may provide for a deductible amount not to exceed Fifty Thousand and No/100ths Dollars (\$50,000.00) per occurrence. For the purposes hereof, "all risk" means insurance equivalent in scope to protect against all risks of direct physical loss ordinarily insured against in the region. Developer hereby waives any and all claims or causes of action against DEDA and the City for damages caused by an insured peril hereunder, except such rights hereinafter set forth to an interest in the insurance proceeds payable in the

event of such loss. In time of war in which the United States of America is a belligerent, Developer will procure and maintain continuously in effect such insurance as may be available from the United States of America to the extent of the full replacement value of the Project and insuring against loss thereof or damage thereto from the risks and hazards of war, provided that the cost of such insurance is economically reasonable.

2. Liability Insurance

During the construction period (unless covered under the policies required previously) and permanently thereafter for the balance of the term of this Agreement, Developer shall procure and maintain continuously in force Public Liability Insurance written on an "occurrence" basis under a Comprehensive General Liability Form in limits of not less than Two Million and No/100ths Dollars (\$2,000,000.00) aggregate for personal bodily injury and death, and for property damage. If person limits are specified, they shall be for not less than Two Million and No/100ths Dollars (\$2,000,000.00) per person and be for the same coverages. Insurance shall cover:

- a. Public liability, including premises and operations coverage;
- b. Independent contractors--protective contingent liability;
- c. Personal injury;
- d. Owned, non-owned and hired vehicles;
- e. Contractual liability covering the indemnity obligations set forth herein;
- f. Products--completed operations.

3. Workers' Compensation

Workers' Compensation Coverage in statutory amounts with "all states" endorsement unless qualified as a self-insurer under Minnesota Law, and evidence of such qualification is furnished to DEDA. Employers' liability insurance shall be carried in limits of One Hundred Thousand and No/100ths Dollars (\$100,000.00) per employee.

C. Modification of Insurance Requirements

It is agreed between the parties that, in the event that changes in the insurance industry or the way insurance is written causes the specified coverages to be unavailable or to fail to provide the type of protection afforded by the coverages specified herein at the time that this Agreement is entered into, or in the event that at any time during this Agreement, changes in the value of the coverage herein specified no longer provides the level of protection provided by the limits herein specified at the time this Agreement is entered into, DEDA shall have the right to modify the forms of the insurance provided for in Paragraphs A and B above and the limits set forth with regard thereto, provided that any such modification and policy forms or limits shall be of such a character and in such amounts as are reasonably necessary to provide DEDA with the types and amounts of protection provided for in this Agreement at the time of its execution without increasing the cost of insurance by more than 10%. In the event that DEDA shall desire to so modify said insurance requirements, DEDA shall notify Developer of the proposed modifications not less than sixty (60) days prior to the date set by DEDA for said modifications to go into effect. In the event that Developer believes said modifications to be unjustified under the standards set forth in this Paragraph, Developer shall promptly so notify DEDA and the parties hereto agree to meet as soon as practical thereafter and to negotiate in good faith the character and amounts of any said modifications meeting the standards

hereinbefore set forth.

D. Modification of Insurance Requirements at Developer's Request

Developer may request a modification of the insurance requirements provided for in Paragraph A provided such alternative insurance is Approved by the Executive Director. The Executive Director shall have the discretion to determine whether the modification of insurance requirements requested by Developer provides coverage for DEDA that covers substantially the same losses, damages, and risks covered by the forms of insurance to be provided pursuant to Paragraphs A and B.

E. Requirements for All Insurance

All insurance required in this Article XIII shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in Minnesota. The insurance requirements set forth in this Article may be met by means of primary coverage or excess coverage.

F. Certifications

Developer shall be required to supply to DEDA written certifications of insurance as required by DEDA requiring the insurer to give DEDA thirty (30) days' written notice prior to cancellation or modification of said insurance.

G. Reconstruction Obligation and Uninsured Loss

In the event the Project or any portion thereof is destroyed by fire or other casualty, Developer shall forthwith repair, reconstruct, and restore the improvements to substantially the same scale and condition, quality, and value as existed prior to the event causing such damage or destruction, and to the extent necessary to accomplish such repair, reconstruction, and restoration, Developer shall apply the proceeds of any insurance received by Developer to the payment or reimbursement of the costs thereof. Developer shall, however, complete the repair, reconstruction and restoration

of the improvements whether or not the proceeds of any insurance received by Developer are sufficient to pay for such repair, restoration, and reconstruction.

ARTICLE XIV

Developer Defaults and Remedies

A. General Events of Default

The following shall be deemed to be general events of default by Developer under the terms and conditions of this Agreement to which the remedies set forth in Paragraph 2 below shall be applicable as otherwise set forth in this Agreement.

1. Developer shall fail to observe or perform any of the terms, conditions, covenants or agreements required to be observed or performed by it or any successor or assigns of Developer pursuant to this Agreement and such failure shall continue for a period of forty-five (45) calendar days after DEDA has, pursuant to the provisions of this Agreement, given written notice to Developer of such default or, in the event that such default shall be incapable of cure during said forty-five (45) calendar day period, shall have failed to commence to cure said default within forty-five (45) calendar days of the date of said notice and to diligently pursue the same to completion.
2. Developer shall permit valid liens, not cured or contested within forty-five (45) calendar days, to be placed on the Property or any structure thereon or Developer loses title to the Property or any structure thereon or both with the exception of liens, transfers, or assignments permitted by this Agreement or approved pursuant to the terms of this Agreement.

3. Developer makes an assignment for the benefit of its creditors or admits in writing its inability to pay its debts as they become due; or an adjudication of bankruptcy or insolvency is made as to Developer or its business; or Developer files a petition of bankruptcy or files a petition seeking any reorganization, dissolution, liquidation, or rearrangement, composition, readjustment or similar action under any present or future bankruptcy or insolvency, statute, law or regulation; or Developer files an answer admitting to or not contesting to the material allegations of a petition filed against it in such proceeding or fails to have dismissed or vacated within forty-five (45) calendar days after its filing such a petition or seeks or consents or acquiesces in the appointment of any trustee, receiver or liquidator of a material part of Developer's properties or fails to have dismissed or vacated within forty-five (45) calendar days after the appointment without the consent or acquiescence of Developer of any trustee, receiver or liquidator of any material part of Developer's properties.

B. General Remedies

Except as otherwise set forth in this Agreement, DEDA shall have the following remedies in the event of a default by Developer:

1. If the default occurs after the Closing, seek and be entitled to monetary damages from Developer for any actual damages incurred by DEDA as a result of Developer's default.
2. If the default occurs after the Closing, seek and be entitled to injunctive or declaratory relief as is necessary to prevent Developer's violation of the terms and conditions of this

Agreement or to compel Developer's performance of its obligations hereunder.

3. If the default occurs before the Closing, as its sole and exclusive remedy, DEDA may cancel this Agreement and, if the cancellation occurs after the expiration of the Due Diligence Period, retain the Earnest Money, and DEDA may seek and shall be entitled to actual damages with respect to any cost incurred by DEDA that (i) Developer has agreed to pay or (ii) Developer has agreed to indemnify DEDA against.
4. If Developer does not begin improvements on the Property to carry out its construction obligations with respect to the Project on or before one (1) year after the date of the deed, DEDA may declare a breach of the covenant and seek a judicial decree from the District Court declaring a forfeiture and a cancellation of the deed.
5. If the default occurs after Closing, seek such other legal or equitable relief as a court of competent jurisdiction may determine is available to DEDA.

C. DEDA Defaults and Remedies

1. General Events of Default

The following shall be deemed to be general events of default by DEDA under the terms and conditions of this Agreement to which the remedies set forth in Subparagraph 2 below shall be applicable except as otherwise set forth in this Agreement.

- a. DEDA shall fail to observe or perform any of the terms, conditions, covenants or agreements required to be observed or performed by it pursuant to this Agreement and such failure shall continue for a period of sixty (60) calendar days after Developer has, pursuant to the provisions of this Agreement, given written notice to DEDA

of such default or, in the event that such default shall be incapable of cure during said sixty (60) calendar day period, shall have failed to commence to cure said default within sixty (60) calendar days of the date of said notice and to diligently pursue the same to completion.

2. General Remedies

Except as otherwise set forth in this Agreement, Developer shall have the following remedies in the event of a default by DEDA:

- a. Seek and be entitled to monetary damages from DEDA for any actual damages incurred by Developer as a result of DEDA's default.
- b. Seek and be entitled to injunctive or declaratory relief as is necessary to prevent DEDA's violation of the terms and conditions of this Agreement or to compel DEDA's performance of its obligations hereunder.
- c. Seek such other legal or equitable relief as a court of competent jurisdiction may determine is available to Developer.

C. Non-Waiver

The waiver by either party of any default on the part of the other party or the failure of said party to declare default on the part of the other party of any of its obligations pursuant to this Agreement shall not be deemed to be a waiver of any subsequent event of default on the part of the defaulting party of the same or of any other obligation of the defaulting party hereunder. And, to be effective, any waiver of any default by the defaulting party hereunder shall be in writing by the non-defaulting party.

D. Remedies Cumulative

Except as specifically set forth herein, the remedies provided under this Agreement shall be deemed to be cumulative and non-exclusive and the election of one remedy shall not be deemed to be the waiver of any other remedy with regard to any occasion of default hereunder.

ARTICLE XV

Force Majeure

Under the terms of this Agreement, neither the DEDA nor Developer shall be considered in default or in breach of any of the terms with respect to the performance to their respective obligations under this Agreement in the event of enforced delay in the performance of its obligations due to unforeseeable causes beyond its control and without its fault or negligence, including but not limited to acts of God, acts of a public enemy, acts of the federal government, fire, floods, epidemics, strikes or embargoes, or for delays of subcontractors due to such causes. In the event of any such delay, any time for completion or delivery under this Agreement shall be extended for the period of any such delay upon written notice from the party seeking the extension to the other party.

ARTICLE XVI

Representations by DEDA

DEDA represents that as of the date hereof:

- A. It is a lawfully constituted economic development authority under the laws of the State of Minnesota, it is not a material violation of any provisions of State law and it has full power and authority to enter into this Agreement and perform its obligations hereunder.
- B. There are not actions, suits or proceedings pending, or to the knowledge of DEDA, threatened against DEDA or any property of DEDA in any court or before any Federal, State, municipal or governmental agency which, if decided adversely to DEDA, would have a material adverse effect upon the Project.
- C. DEDA shall do such things as are necessary to cause any information, document, certificate, statement in writing, or report required under this Agreement or otherwise delivered to any third parties under this Agreement to be true, correct and complete in all

material respects.

ARTICLE XVII

Developer's Representations and Warranties

Developer represents that as of the date hereof:

- A. It is a lawfully constituted limited liability company under the laws of the State of Minnesota, it is not in material violation of any provisions of State law and it has full power and authority to enter into this Agreement and to perform its obligations hereunder.
- B. That it is fully competent to acquire the Property and to construct and equip the Project thereon under all laws, rulings, regulations and ordinances of any governmental authority having jurisdiction and that it agrees to comply with all applicable State, Federal acquisition, wages and hours laws, including Davis-Bacon and local versions thereof or similar laws at its own expense.
- C. That there are no actions, suits or proceedings pending or, to the knowledge of Developer, threatened against Developer or any property of Developer in any court or before any Federal, State or municipal or other governmental agency which, if decided adversely to Developer, could have a material adverse affect upon Developer or the Property and Project, and that Developer is not in default of any order of any court or governmental agency.
- E. It is not in default of the payment of principal of or interest on any indebtedness for borrowed money or in default under any instrument or agreement pursuant to which the indebtedness has been occurred.
- F. If necessary Developer agrees to perform any survey work prior to construction and all descriptions and exhibits hereto and definitions herein shall be subject to such revisions as are necessary after completion of any survey.

ARTICLE XVIII

Student Housing Commitment

Developer agrees that the primary purpose of the Project is to provide housing for students enrolled in and faculty or staff employed at post secondary education facilities. It is not intended for traditional market rate rental housing. Therefore, Developer commits that the Project will be made primarily available to said students, faculty and staff, provided, however, that Developer shall be permitted to comply with applicable provisions of State and Federal law regarding housing discrimination. Notwithstanding the above, if Developer determines that the housing market has changed such that the primary focus of student housing is no longer financially feasible and desires to make the Project primarily available for other than student housing, Developer shall confer with the Executive Director and the Vice Chancellor prior to making any such change.

ARTICLE XIX

Term

The term of this Agreement shall run from the Effective Date until issuance of the Certificate of Completion referred to above. Termination of this Agreement shall not terminate the indemnification provisions set forth in Article XII, the student housing commitment set forth in Article XVIII, or any other provisions of this Agreement which by their nature survive termination and shall not terminate any other rights or remedies arising under this Agreement due to any event of default which occurred prior to such termination.

ARTICLE XX

Runs With the Land

This Agreement shall be deemed to run with the land and shall inure to the benefit of the parties hereto and to their successors and assigns. DEDA will release this covenant upon issuance of the Certificate of Completion referred to above.

ARTICLE XXI

Recordation

At the time of Closing, Developer shall record this Agreement in the office of the St. Louis County Recorder and/or the Registrar of Titles (as applicable) and shall pay all costs associated therewith. Upon recording, Developer shall immediately submit to the City an executed original of this Agreement showing the date and document numbers of record, or a duly certified copy of the filed original.

ARTICLE XXII

Notices

Any notice, demand or other communication under this Agreement by either party to the other shall be deemed to be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid to:

In the case of DEDA:

DEDA
Room 418 City Hall
411 West First Street
Duluth, MN 55802
ATTN: Executive Director

In the case of Developer:

LSC Flats, LLC
1330 E. Superior Street
Suite 202
Duluth, MN 55805
ATTN: Brian Forcier

In the case of Minnesota State:

Minnesota State
30 East 7th Street, Suite 350
St. Paul, Minnesota 55101
ATTN: Vice Chancellor-CFO

ARTICLE XXIII

Applicable Law

This Agreement together with all of its Articles, 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. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota. However, litigation in the federal courts involving the parties shall be in the appropriate federal court within the State of Minnesota.

ARTICLE XXIV

Entire Agreement

This Agreement constitutes the entire Agreement between parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereof.

IN WITNESS WHEREAS, the parties have hereunto set their hands the day and date first above shown.

DULUTH ECONOMIC DEVELOPMENT
AUTHORITY

LSC FLATS, LLC

Its President

Its Manager

Its Secretary

STATE OF MINNESOTA)
) ss.
 COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Tim McShane and Zack Filipovich, the President and Secretary of DEDA, an economic development authority created and existing under the Laws of the State of Minnesota, on behalf of the Authority.

 Notary Public

STATE OF MINNESOTA)
) ss.
 COUNTY OF ST. LOUIS)

The forgoing instrument was acknowledged before me this ___ day of _____, 2019 by Brian Forcier, the Manager of LSC Flats, LLC, a Minnesota limited liability company, on behalf of the company.

 Notary Public

This instrument was drafted by:
 Joan Christensen
 Assistant City Attorney
 440 City Hall
 Duluth, MN 55802
 (218) 730-5273

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RESOLUTION 19D-30

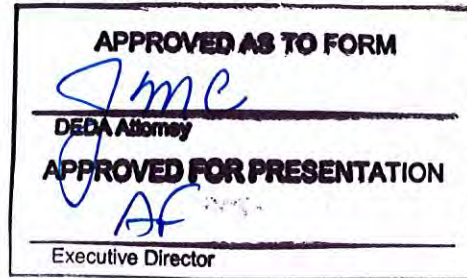
RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH NORTHSTAR DEVELOPMENT INTERESTS, LLC RELATED TO THE VOYAGEUR LAKEWALK INN REDEVELOPMENT

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to enter into a First Amendment to the Development Agreement, substantially in the form of that attached hereto (DEDA Contract No. 19 860 927¹) with Northstar Development Interests, LLC ("Developer") related to the Voyageur Lakewalk Inn Redevelopment, extending the time for commencement of construction until December 31, 2019.

Approved by the Duluth Economic Development Authority this 25th day of September, 2019.

ATTEST:

Executive Director



STATEMENT OF PURPOSE: The purpose of this resolution is to approve an amendment to the Development Agreement with Developer to extend the time within which Developer must commence construction of the Voyageur Lakewalk Inn Redevelopment project located at 319, 321, 323 and 333 East Superior Street which will be developed into an approximately fifteen-story multi-family residential and mixed-use development on the site in downtown Duluth.

The project was originally anticipated to begin construction in August of 2019 but several pre-development items, including final selection of a lender, finalizing bids from general contractors, and negotiating a contract with Duluth Energy Systems to connect to the new hot water line in Superior St., the construction start has been delayed. The Developer is confident these issues have been or will soon be resolved and that the project will commence construction activities before the end of 2019.

APPROVED FOR PRESENTATION

DATE: 11/11/11

APPROVED AS TO FORM

**DEVELOPMENT AGREEMENT
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
NORTHSTAR DEVELOPMENT INTERESTS, LLC
VOYAGEUR LAKEWALK INN REDEVELOPMENT
FIRST AMENDMENT**

THIS FIRST AMENDMENT entered into this _____ day of _____, 2019, is by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469, whose address is 402 City Hall, 411 West First Street, Duluth, MN 55802 (hereinafter referred to as "DEDA") and NORTHSTAR DEVELOPMENT INTERESTS, LLC, a Wisconsin limited liability company, whose address is 10 West Mifflin Street, Suite 400, Madison, WI 53703 (hereinafter referred to as "Developer").

WHEREAS, on August 26, 2019, DEDA and Developer entered into a Development Agreement (the "Agreement") pursuant to which Developer agreed to develop/redevelop certain property located at 333, 319, 321 and 323 East Superior Street in downtown Duluth into a fifteen story multi-family residential rental and mixed use development; and

WHEREAS, the parties desire to amend the Agreement to extend by three months the time within which Developer must commence construction.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The first sentence of Paragraph A. Construction, of Article VII is hereby amended as follows:

Upon the fulfillment of the preconditions to construction provided for in Articles IV and VI above, but in no event later than December 31, 2019~~September 30, 2019~~, Developer shall commence construction of the Project in conformance with the plans approved pursuant to Article VI.

2. Promptly upon execution of this Amendment, Developer agrees to record this Agreement in the offices of the St. Louis County Recorder and the Registrar of Title and to pay all costs associated therewith. Upon recordation, Developer shall promptly submit to DEDA an executed original of the Amendment showing the date and document numbers of record, or a certified copy of the filed original.

- 3. This Amendment may be executed, acknowledged and delivered in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
- 4. Except as provided in this Amendment, all terms and conditions of the Agreement shall remain in force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and date shown below.

DULUTH ECONOMIC DEVELOPMENT
AUTHORITY

By: _____

Tim McShane
Its President

By: _____

Zack Filipovich
Its Secretary

STATE OF MINNESOTA)
) SS
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Tim McShane and Zack Filiovich, the President and Secretary, respectively, of the Duluth Economic Development Authority of Duluth, an economic development authority created and existing under Minnesota Statutes, on behalf of the Authority.

Notary Public

NORTHSTAR DEVELOPMENT INTERESTS, LLC,
a Wisconsin limited liability company

By: _____
Robert P. Dunn
Its Managing Member

STATE OF WISCONSIN)
) SS
COUNTY OF DANE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Robert P. Dunn, the Managing Member of Northstar Development Interests, LLC, a Wisconsin limited liability company, on behalf of the company.

Notary Public

My Commission Expires: _____

This instrument was drafted by:

Joan M. Christensen
Attorney for the Duluth Economic
Development Authority
410 City Hall
Duluth, MN 55802
(218) 730-5273



DEDA/AAR Workforce Partnership Preliminary Initiative Sheet

As part of the 2019 lease agreement with AAR Corp. (AAR) for the Maintenance, Repair and Overhaul hanger, the Duluth Economic Development Authority (DEDA) committed \$50,000 of annual rental paid on activities related to recruitment and training of their workforce. That commitment will be reevaluated after 5 years. This document is intended to be a list of concepts being considered to implement that commitment and to work as guidance. This document is not exhaustive. The order of the list is intended to reflect the strategy timeline from short to long and are in order of priority.

1. Talent Attraction/Retention – Fostering Duluth’s Sense of Place

- a. Challenge: Duluthians have a tremendous sense of place. Our community pride is bar none. However, major employers, including AAR, report that one of the greatest challenges to retaining contractors or recruiting candidates is geography. Educating prospective residents on our community’s assets, cultivating the “halo effect”, and fostering a connection to place is critical to the retention and attraction of workforce.
- b. Opportunity: Create a strategic marketing plan that encompasses initial engagement (to include NorthByChoice.org community information landing page), ambassador services, and community integration programs.
- c. Partners: Visit Duluth, APEX, Chamber of Commerce, DEDA (City of Duluth), NORTHFORCE, Lake Superior Area Realtors, Duluth Workforce Development Board, Others
- d. Metrics: Surveys, NORTHFORCE data related to talent attraction
- e. Sustainability: Workforce partnership funding would be used to create templates and pilot programs that are AAR and aviation centric. With proven success, other employer funding partners would be brought on and services integrated into recruiting programs.
- f. Cost:
 - i. Strategy One: Digital Ad and Marketing Campaign - \$22,700
 - ii. Strategy Two: Duluth/Twin Ports Welcome Webpage - \$8,600

2. Increased Aviation Maintenance Technology (AMT) graduates

- a. Challenge: Nationally, there is a shortage of Airframe and Power Plant (A&P) mechanics and, generally, experienced aviation mechanics to fill the workforce demands of the aviation industry. Duluth is no different. AAR's Duluth-based growth has been hindered dramatically by this shortage. Though the reasons are many, one major contributing factor is educating youth, and their families, on the available, local career path into aviation and the living wage provided by these positions.
- b. Opportunity: AAR and LSC recently target-marketed the program with outstanding success. A LSC/AAR joint marketing began in Spring 2017. That effort directly resulted in 4,170 visits to the specific web page. Also, fall 2019 Aviation Maintenance Technician enrollment was up 51% over Fall 2018 and general aviation enrollment was up 81%. Continued marketing is essential to keeping those numbers and an additional DEDA funding may allow for new extra-regional marketing within the Twin Cities area.
- c. Partners: LSC, Local High Schools, CareerForce
- d. Metrics: Enrollment numbers
- e. Sustainability: Making the LSC AMT program and the direct employment pipeline by local employers renowned locally and throughout Minnesota/Wisconsin will create a self-sustaining program.
- f. Cost:
 - i. \$11,000/yr – Investment in LSC's previously designed marketing plan to create new material, hold career fairs, and expand marketing presence
 - ii. \$7,500/yr – Provide funding to local CareerForce office to provide additional training to job counselors on aviation careers, expand efforts in local high schools to educate students and parents on aviation careers.

3. Transportation

- a. Challenge: Aviation related industry and airport proximate employers continually cite limited transportation options as a major hurdle to a stable workforce. Transportation challenges are particularly acute for AAR, located on the north side of the airport, because of it lacks a bus route and has greater distance from major housing clusters.
- b. Opportunity: Potential for a coordinated shuttle service that provides transportation to AAR from designated locations, such as Lake Superior College, Downtown Transit Center, and designated park and ride locations.
- c. Partners: Airport employers (AAR, Cirrus, DIA, 148th FW, Airpark businesses) and Lake Superior College (LSC)
- d. Metrics: Feasibility and ridership

- e. Sustainability: Workforce partnership funding would be used primarily for the pilot program. With proven success, employer partners could help subsidize a ridership fee.
- f. Cost: Undetermined

4. Housing

- a. Challenge: Duluth has a documented shortage of housing. This shortage affects the ability of companies like AAR from attracting and retaining talent in this market through a lack of housing stock and high housing prices.
- b. Opportunity: Provide technical support in the development of a housing-needs survey that will bear aggregated data from the largest airport employers. That data is of great interest to developers. Though this is not directly tied to fund spending, this data may act as a catalyst for new housing development in the airport area by providing data-driven decision making by developers.
- c. Partners: Confidential developer, AAR mechanic contract companies, 148th Fighter Wing, Cirrus Aircraft
- d. Metrics: Study respondents, developer feedback on results
- e. Sustainability: With proven success, this survey method can be implemented through other sectors in other areas of Duluth.
- f. Cost: Undetermined

5. Immigration and Reciprocity

- a. Challenge: Restated, the shortage of experienced aviation mechanics.
- b. Opportunity: AAR Miami has had recent success in hiring Foreign National workers under U.S. work visas through a contracting agency. This specialized contract workforce brings a depth of aircraft maintenance or manufacturing experience. Developing programs to help settle these employees into the community can include services described in number one above, but would also include a network of immigration specific entities such as immigration lawyers, ethnic chambers of commerce, or community sponsors. Further, this specialized workforce often lacks U.S. certification such as the A&P. We can work with Minnesota State Colleges and Universities (MnSCU) and lawmakers to recognize previous professional experience for reciprocity to AMT program credits.
- c. Partners: LSC, MnSCU, contracting agencies
- d. Metrics: Number of employees successfully attracted and settled as a result of this program. Number of credits awarded in the MnSCU system as a result of this program.
- e. Sustainability: Reciprocity achievement will be largely permanent. The application of developed settlement services to other industries, particularly those who leverage a high number of H-1B visas, such as hospitality industry employers, can result in private sector financial partners.
- f. Cost: Undetermined (some shared with initiative number one.)

August 23, 2019

Re: AAR Corp Candidate Attraction Strategy

Dear Mr. Ronchetti,

Thank you for the invitation to submit a proposal to provide a two-pronged candidate attraction strategy for AAR Corp as a client of the Duluth Economic Development Authority (DEDA). The strategy's focus is centered on fostering a sense of place for Duluth as a community to live in, using AAR (or aviation, aerospace, & defense) as the avenue to make that a reality.

Duluthians have a tremendous sense of place. Our community pride is bar none. However, major employers, including AAR, report that one of the greatest challenges to retaining contractors or recruiting candidates is geography. Educating prospective residents on our community's assets, cultivating the "halo effect", and fostering a connection to place is critical to the retention and attraction of workforce.

Our approach is to create a plan that encompasses direct digital marketing to potential AAR candidates across the country, a community 'concierge' information landing page with eventual ambassador services and integrated community programming. Engaging with current and potential future partners will be essential to success including Visit Duluth, APEX, NORTHFORCE, Chamber of Commerce(s), DEDA, HRA, Workforce Development, Realtors, Duluth Mom's Blog, and others as identified.

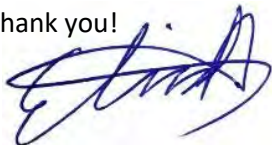
With proven success, other employer funding partners would be brought on and services integrated to impact their recruiting programs. Depending on funding levels available, we recommend starting with Strategy One to increase AAR applicants as soon as possible. We would also welcome a Duluth AAR representative to serve on the NORTHFORCE Advisory Committee.

Our approach is professional, objective, and inclusive. Northspan will organize and drive this marketing effort under the NORTHFORCE program. I will serve as the principal staff and facilitator for this work.

Attached you will find our current NORTHFORCE presentation with data supporting the reasoning of our defined approaches. If you should desire any changes, we can revise and provide an amended proposal that meets your needs. Thank you.

I look forward to hearing from you.

Thank you!



Elissa Hansen, MBA, EDFP
President & CEO
The Northspan Group, Inc.

DEDA: AAR Candidate Attraction

STRATEGY ONE: Utilize NORTHFORCE Website & Social Media Presence

GOALS

1. Increase the number of qualified candidates applying to AAR's current and future open positions
2. Increase intra- & extra-regional candidates in the NORTHFORCE system with 'aircraft mechanics and service technicians' experience
3. Increase traffic to NORTHFORCE Facebook page and website where educational content will create interest in potential AAR applicants about the Twin Ports area & NORTHFORCE service region
4. Add one or two intra-regional community targets to more thoroughly cover the NORTHFORCE service region
5. Re-evaluate what the top 25 communities should be with extra-regional interest and the highest location quotient communities with high likelihood to consider relocation to the Upper Midwest
6. Increase the budget to the newly identified 25 communities

CURRENT PLATFORM APPROACH: Utilize NORTHFORCE Website & Social Media Presence

1. Work with AAR to secure appropriate imagery for ad creation
2. Determine & expand the digital media audience
 - a. Utilizing Facebook's demographics and psychographics, target potential candidates in geographic areas with a high density of Aviation, Aerospace, & Defense workers
 - b. Re-evaluate the geographic targets based on NORTHFORCE's current extra-regional interest and the 'aircraft mechanics and service technicians' highest location quotient communities
 - c. Ensure 5 of the highest 'aircraft mechanics and service technicians' location quotient communities with high likelihood to consider relocation to the Upper Midwest are targeted
3. Create and launch paid ads
 - Direct ad placement to NORTHFORCE's sign up page, specific AAR job posts, and AAR's job site
 - Utilize both Facebook advertising automation tools, Facebook ad placement, and LinkedIn ad placement to launch ads
4. Direct unpaid content to the same expanded digital audience via Facebook, LinkedIn & Twitter

INVESTMENT: \$22,710

Ad Buy

\$16,500 \$1,650/month for 10 months
\$400/month Facebook ad placement
\$1,250/month Facebook automation tool

Ad Content Curation & Creation

\$6,210 \$270 determine & expand digital media audience
\$3,240 create and launch automation tool & paid ads
\$2,700 scheduled ad & audience maintenance (done monthly)
\$0 direct unpaid content

DELIVERABLES

- Defined geographically targeted digital audiences
- Advertisements directed to increase qualified AAR applicants
- Baseline measurements of the top 3 defined goals & quarterly reporting

RELATED COORDINATION WITH REGIONAL WORKFORCE DEVELOPMENT BOARDS

Current Identified Top Areas of Need by NORTHFORCE Job Category

- Aviation, Aerospace, & Defense
- Education & Childcare
- Health & Wellness
- Housing, Building & Maintenance
- Laborer/Technician
- Licensed Skilled Trades

Current Geographic Targets to be Re-evaluated and Expanded Upon

1. Duluth – NF Region
2. Grand Rapids – NF Region
3. Virginia – NF Region
4. Hibbing – NF Region
5. Fargo Moorhead, MN
6. Grand Forks, MN
7. St. Cloud, MN
8. Bemidji, MN
9. Little Canada, MN
10. Anoka, MN
11. Wayzata, MN
12. Apple Valley, MN
13. Milwaukee, WI
14. Eau Claire, WI
15. Stevens Point, WI
16. Hayward, WI
17. La Crosse, WI
18. Denver, CO

Current NORTHFORCE Measurements

1. Increase # of extra-regional candidates in the system
2. Increase # of jobs posted by employers
3. Increase # of employers & candidates in the system
4. Increase % of employers & candidates regularly using the system
5. Increase # of job postings sent to candidates
6. Understand categorically the employer job types posted versus candidates preferred job types
7. Sales trends
8. Understand and report on the average wages of jobs being filled by category
9. Cost per new candidate & employer into system per year of marketing dollars

Planning to budget for this website process update in FY2020

1. Increase # of jobs reported to have been filled with help from NF
2. Increase # of resume packets sent to employers

STRATEGY TWO: Develop & Pilot a Twin Ports ‘Concierge’ Landing Page

GOALS

- 1. Create a pilot ‘concierge’ landing page that digitally connects critical resources to new AAR members of the community or those considering relocation to the Twin Ports area
- 2. Increase traffic to NORTHFORCE Facebook page and website where educational content will create interest in potential AAR applicants about the Twin Ports area & NORTHFORCE service region

NEW PLATFORM APPROACH: Development & Pilot a Twin Ports ‘Concierge’ Landing Page

- 1. Conduct a 90-minute Consensus Workshop with identified Twin Ports partners including but not limited to Visit Duluth, APEX, NORTHFORCE, DEDA, HRA, Workforce Development, Realtors and Duluth Mom’s Blog to determine the required contents & connections of the landing page
- 2. Create a welcoming landing page with educational and informational resources that is built into the NORTHFORCE structure to leverage the domain authority and Google traffic
- 3. Coordinate marketing with Strategy One

INVESTMENT: Not to Exceed \$8,600

Consensus Workshop Facilitation & Recommendations
\$945

Manage Landing Page Creation Process

\$675	Create RFP & present recommended choice
\$1,980	Manage creative & deliverables of landing page development

Landing Page Design & Development
\$3,000-\$5,000 Independent contractor cost

DELIVERABLES

- Live ‘concierge’ landing page
- Baseline measurement of 2nd goal with quarterly reporting in line with Strategy One



Lake Superior College/AAR Joint Marketing Plan FY2020

The first phase of LSC/AAR joint marketing began in Spring 2017, as an effort to promote the immediate openings for aviation maintenance technicians with AAR in Duluth, and the 2-year program at Lake Superior College that offers the training for this in-demand career.

PHASE 1: Marketing completed in 2017-2018 (complete)

Description	Ad value
Billboards 5 locations in Duluth, 4-weeks each, between Spring 2017 and Summer 2019	\$14,800 <i>\$2,800 per month</i> <i>\$800 production</i>
:30 TV commercial Ran Fall 2017 through January 2019 on KBJR, FOX and WDIO	\$7,000 advertising \$1,000 production
Joint print ad with AAR Civil Air Patrol magazine, Fall 2018	\$1,095
Digital Sign/Billboard Running at entrance of LSC and Trinity Road for approximately 3 months	\$1,500 <i>\$500/month</i>
Business in Focus print ad Quarter page color ad placed within article highlighting growth of the aviation industry in Duluth and AAR, December 2017	\$2,390
TOTAL	\$27,785

LSC/AAR advertising directs traffic to a unique URL, www.lsc.edu/AAR. This provides a means to track the effectiveness of our joint marketing efforts. The page contains detailed information about the Aviation Maintenance Technology program at LSC, a link to the [:30 commercial](#) that LSC shot at AAR, and an [alumni testimonial](#) of a current AAR employee. Through the LSC/AAR joint marketing and LSC's own promotion of its aviation programs/career nights, aviation programs are consistently some of the most visited pages on LSC's website.

The commercial and alumni testimonial have been integrated into our email communications with prospective students. Prospects who indicate an interest in LSC's AMT program receive emails that link

out to the :30 LSC/AAR commercial as well as the alumni testimonial with AAR employee Dan Guinee. The employer testimonial about AAR’s reliance on LSC to prepare their future workforce, and the AMT/LSC graduate’s account of the high-quality training he received at LSC have proven to be powerful messages for students considering an AMT career.

Phase 1 Results

- 4,170 visits to landing page during Phase 1
- **Fall 2019 Aviation Maintenance Technician enrollment is up 51% over Fall 2018**
- **Fall 2019 general aviation enrollment is up 81% over Fall 2018**

PHASE 2: Marketing Plan 2019-2020 (proposed)

Phase 1 marketing efforts primarily focused on the Twin Ports, with some digital ads in Twin Cities. Phase 2 will include updating creative (with alumni success story) and will ideally expand to include the Twin Cities market and beyond.

Description	Twin Ports Market	Add'l to include Twin Cities Market
:30 and :15 TV commercial Shoot new commercial with an LSC alum/AAR employee; run commercials on TV	\$11,000 <i>\$4,000 production</i> <i>\$7,000 advertising</i>	n/a
Social Media Advertising Run :15 commercial as social media ads and YouTube pre-roll	\$1,000	\$2,000
Digital advertising Targeting by age, location and interest	\$3,000	\$4,000
Billboards Update creative	\$12,000 <i>\$2,800 per month</i> <i>(4)</i> <i>\$800 production</i>	n/a
Subtotal	\$27,000	\$6,000
TOTAL	Twin Ports only: \$27,000	Twin Ports plus Twin Cities \$33,000

The Phase 2 marketing plan maintains a similar level of advertising locally from Phase 1, but with little or no print advertising and increased digital and social media advertising and expanded reach.

Digital advertising targeting by age and interest is the most cost-effective way to enter the Twin Cities market. Digital campaigns would run at key times in the year: in anticipation of Aviation Career Night and in the Spring when students are applying for Fall Semester and taking advantage of free application month.

Investing as much, if not more, to market the high demand for AMTs and the LSC AMT program as well as expanding our geographic target area in Phase 2, we are confident that we will continue to see increased enrollment in LSC’s aviation programs. Now that we have alumni working at AAR, we would

plan on highlighting that as the focal point of the campaign and using that in the commercial and all related ads. Similar tactics, but updated creative with focus on actual success stories.

DEDA Partnership

Reality is, we do not have \$27,000 in our marketing budget specifically for AMT again this year. That was a one-time funding source last year (through LSC's Strategic Enrollment Management committee, to address a workforce need), in partnership with AAR, but the good news is that it proved to be highly effective. LSC is prepared to dedicate \$12,000-\$15,000 to AMT/AAR relationship again this year, with the hopes AAR would once again be able to match some of that for joint marketing so the additional \$11,000 from the DEDA would allow Lake Superior College to move forward the with at least the Twin Ports only proposal and possibly some of the Twin Cities marketing as well.

Previous Ads

:30 TV Commercial: <https://www.youtube.com/watch?v=9IVDY7Unwsk>



Aviation Maintenance Technician landing page: www.lsc.edu/AAR



Aviation Maintenance Technology

Diploma
 Offered on-campus
 Related Degrees: **AVIATION MAINTENANCE TECHNOLOGY AAS**



Overview

The Airframe and Powerplant maintenance technician diploma program trains students in the repair and scheduled maintenance of aircraft. This fully approved Federal Aviation Administration (FAA) program prepares graduates to repair and maintain commercial and general technical, advanced aircraft found in today's market. Training includes study and hands-on experiences in reading and comprehending aircraft manuals, troubleshooting and repairing electrical malfunctions using electrical schematics, analyzing and repairing powerplant malfunctions, repair airframe structures and return aircraft to service, maintaining aircraft powerplant subsystems and determine their airworthiness in accordance with applicable FAA and manufacturer specifications.

[VIEW CATALOG >](#) | [REQUEST INFO >](#)



Program Features

- Located at LSC's Center for Advanced Aviation, in the thriving aviation hub of Duluth, Minnesota
- Selected by Delta Air Lines as an approved partner college in training future aviation maintenance technicians
- Maintains strong partnerships with local aviation leaders including AAR and Cirrus who hire LSC graduates



Skills & Knowledge

- Pass the required FAA Airframe and Power Plant Mechanic test
- Read and interpret technical information found in the aircraft records
- Perform aircraft maintenance
- Document maintenance tasks according to FAA Regulations
- Maintain an aircraft in airworthy condition



"I've always been a driver. I've read Popular Mechanics since I was a kid," said Dan Guinee. "Now I work with my hands at a challenging, well-paying job at AAR, thanks to the remaining 16 months of LSC's Aviation Maintenance Technology program."

[View more](#)



Dan Guinee
 Student Aviation
 Maintenance Technology
 AAS

Billboard

AVIATION MAINTENANCE TECHNICIANS

Lake Superior College is Training

Lake Superior COLLEGE

Isc.edu/AAR

AAR is Hiring

AAR

The billboard features a white commercial airplane flying against a blue sky with light clouds. The text is arranged in a clear hierarchy: a black header with white text, a blue background with yellow and white text, and a white logo for Lake Superior College. The AAR logo is prominently displayed in white and yellow.

LSC Entrance Electronic Billboard and digital ad design

AVIATION MAINTENANCE TECHNICIANS

Lake Superior College is Training

AAR is Hiring

Isc.edu/AAR

This digital ad version of the billboard features the same airplane and sky background. The text is centered and uses a clean, sans-serif font. The AAR logo is placed to the left of the 'AAR is Hiring' text, and the website URL is centered at the bottom.

AVIATION MAINTENANCE TECHNICIANS

Lake Superior College is Training



AAR is Hiring



LSC is training aviation maintenance technicians at its Center for Advanced Aviation in the thriving aviation hub of Duluth, MN. This fully approved Federal Aviation Administration (FAA) program prepares graduates for this high-demand, well-paying career of repairing and maintaining technically advanced commercial and general aviation aircraft. Apply to the program today, and be ready to work as an AMT in just 2 years! lsc.edu/AAR



AAR is hiring A&P, R&E and Structures mechanics, Inspectors, Lead mechanics and Supervisory personnel. AAR-Duluth provides heavy maintenance, repair and overhaul of narrow body Airbus aircraft. AAR offers competitive pay based on experience and excellent benefits. You'll also get the opportunity to live in one of the most desirable cities in the country. Love where you work, love where you live!

Come join the ASD team!
Visit aarcorp.com to apply today.





Workforce Development

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Duluth, Minnesota 55802



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workforcedevelopment
@duluthmn.gov

DEDA/AAR Workforce Partnership Duluth Workforce Development Proposal

Overview: Duluth Workforce Development requests support to assist AAR and Lake Superior College with efforts to increase enrollment in the A&P Mechanic degree program, and to recruit qualified candidates for all open positions at AAR. Efforts will not only directly benefit AAR, but also generate benefit for Duluth's entire aviation sector.

Year One Total Support Requested: \$7,500

Proposal:

1. Expand reach of AAR recruiting activities to target a broader range of un/under-employed individuals in Duluth and surrounding areas.
 - a. Partner with AAR and LSC to train employment counselors at CareerForce and partner organizations about education and employment opportunities in Duluth's aviation sector.
 - b. Develop specific information resources that will help counselors assess fit and advise jobseekers about career pathway options
 - c. Utilize DWD social media resources to promote employment opportunities at AAR.
Measure of Success: Increased number of applicants to AAR and LSC's A&P Mechanic program coming from CareerForce and community partners.

2. Increase the number of AAR applicants and LSC student receiving support through WIOA Adult and other workforce programs.
 - a. Provide training and information resources to AAR and LSC staff to ensure they refer applicants needing additional support to CareerForce.
 - b. Provide training and support to AAR Human Resources staff to expand diversity and inclusion in recruiting, hiring, and onboarding.
Measure of Success: Number of WIOA Adult enrolled participants employed at AAR or enrolled in the A&P mechanic program at LSC, diversity of AAR new hires.

3. Partner with LSC to expand and deepen outreach at the high school level, to inform both students and parents about career opportunities in Duluth's aviation sector.
 - a. Develop information materials for students and parents outlining aviation Labor Market Information, education programs, and career pathway opportunities.
 - b. Incorporate information about aviation sector careers into workshops offered by CareerForce staff at area high schools.



Measure of Success: Number of students/parents receiving information about aviation careers, number of high school seniors entering the A&P Mechanic program.

Additional ideas:

- With additional support for Rural Rides provided by the AAR/DEDA Workforce Partnership, DWD employment counselors could facilitate access to Rural Rides for AAR employees.
- Collaborate with AAR to provide Incumbent Worker Training to existing employees, through DWD's Talent Development Program.