



AGENDA

REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF ST. LOUIS COUNTY, MINNESOTA

Tuesday, May 25, 2021, 9:30 A.M.

**Grand Lake Town Hall
5297 Highway 53
Saginaw, Minnesota**

*DIRECTIONS: Grand Lake Town Hall is located at the intersection of
U.S. Highway 53 and County Highway 7/Industrial Road.*

**FRANK JEWELL
First District**

**PATRICK BOYLE
Second District**

**ASHLEY GRIMM
Third District**

**PAUL McDONALD-
VICE-CHAIR
Fourth District**

**KEITH MUSOLF
Fifth District**

**KEITH NELSON
Sixth District**

**MIKE JUGOVICH - CHAIR
Seventh District**

County Auditor
Nancy Nilsen

County Administrator
Kevin Gray

County Attorney
Mark Rubin

Clerk of the Board
Phil Chapman

The St. Louis County Board of Commissioners welcomes you to this meeting. This agenda contains a brief description of each item to be considered. The Board encourages your participation. Citizens can either appear at the meeting in person or submit comments for the public comment portion or for specific Board agenda items prior to the meeting by e-mailing them to publiccomment@stlouiscountymn.gov. Except as otherwise provided by the Standing Rules of the County Board, no action shall be taken on any item not appearing in the agenda.

Comments to individual Commissioners or staff are not permitted. The St. Louis County Board promotes adherence to civility in conducting the business of the County. Civility will provide increased opportunities for civil discourse in order to find positive resolutions to the issue before the Board. Tools of civility include: pay attention, listen, be inclusive, do not gossip, show respect, be agreeable, apologize, give constructive criticism and take responsibility [County Board Resolution No. 560, adopted on September 9, 2003]. Speakers will be limited to five (5) minutes.

****In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the Administration Department 72 hours prior to the meeting at (218)726-2450.****

All supporting documentation is available for public review in the County Auditor's Office, 100 North 5th Avenue West - Room No. 214, St. Louis County Courthouse, Duluth, MN, during regular business hours 8:00 A.M. - 4:30 P.M., Monday through Friday. Agenda is also available on our website at <http://www.stlouiscountymn.gov/GOVERNMENT/BoardofCommissioners.aspx>

AGENDA
St. Louis County Board
May 25, 2021
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9:30 A.M. Moment of Silence
 Pledge of Allegiance
 Roll Call

Proclamation: Walter Beckman Day – May 25, 2021

AT THIS TIME CITIZENS WILL BE ALLOWED TO ADDRESS THE BOARD ON ITEMS NOT ON THE AGENDA. [Speakers will be limited to 5 minutes each.]

FOR ITEMS LISTED ON THE BOARD AGENDA OR COMMITTEE OF THE WHOLE AGENDA, CITIZENS WILL BE ALLOWED TO ADDRESS THE BOARD AT THE TIME A MOTION IS ON THE FLOOR.

9:35 A.M. PUBLIC HEARING, pursuant to Resolution No. 21-296, adopted May 11, 2021, to consider a request for tax abatement financing to the City of Duluth to assist the ST Paper 1, LLC plan to purchase and convert the existing Verso paper mill facility into a new manufacturing plant. **{21-222}**

CONSENT AGENDA

Approval of business submitted on the consent agenda.

REGULAR AGENDA

Health & Human Services Committee – Commissioner Boyle, Chair

1. Authorize an Architect & Engineer Services Agreement with DSGW Architects, Inc., of Virginia and Duluth, MN, for the Clarity Center for Wellbeing project. **{21-223} [Has not been to committee; requires consent of the Board for consideration.]**

AJOURNED:



S A I N T
LOUIS
COUNTY
M I N N E S O T A

-Proclamation-

Walter Beckman Day
May 25, 2021

WHEREAS, Walter Beckman served with the Minnesota Highway Patrol for 32 years helping insure school bus safety; and

WHEREAS, Walter has been a timely tax paying citizen and property owner in the County of St. Louis for 51 years; and

WHEREAS, Walter has worked in the timber industry as a part-time logger for 52 years to supply fuel to homeowners; and

WHEREAS, Walter is an example for all citizens to work hard in and for your community; and

WHEREAS, Walter has met adversity and serves as a role model for individuals with disabilities.

THEREFORE, BE IT RESOLVED, That the St. Louis County Board of Commissioners hereby proclaim May 25, 2021, as **WALTER BECKMAN DAY** in St. Louis County, Minnesota.

BOARD LETTER NO. 21 – 222

FINANCE & BUDGET COMMITTEE

MAY 25, 2021 BOARD AGENDA 9:35 A.M.
PUBLIC HEARING

DATE: May 25, 2021 **RE:** Public Hearing to Consider Tax
Abatement Financing for the
City of Duluth – ST Paper 1,
LLC

FROM: Kevin Z. Gray
County Administrator

Matthew E. Johnson, Director
Planning and Community Development

RELATED DEPARTMENT GOAL:

To assist communities in achieving housing, economic development, and community development objectives.

ACTION REQUESTED:

The St. Louis County Board is requested to provide tax abatement financing to the City of Duluth to assist ST Paper 1, LLC to purchase and convert the existing Verso paper mill facility into a new manufacturing plant.

BACKGROUND:

The City of Duluth (City) has identified the need for and submitted an application to St. Louis County to invest in assisting ST Paper 1, LLC to convert the existing Verso paper mill facility into a new tissue paper manufacturing plant located at 100 N. Central Ave., Duluth, MN, 55807, and its associated facilities and parcels.

Verso Corporation, the current facility owner, was originally founded in 1987 and closed in 2020. Verso Corporation is working with ST Paper 1, LLC to acquire the facility and ST Paper 1, LLC is a new legal business entity formed under ST Paper. ST Paper was founded in 2007 and manufactures paper products, specifically tissue paper, bath tissue and paper towels from recycled waste-paper. ST Paper 1 began in Oconto Falls, WI, and expanded in Isle of Wight, VA, converting a formerly shuttered paper mill. ST Paper 1 customers are businesses across the Midwest.

ST Paper 1, LLC is proposing to convert the facility to a tissue paper manufacturing plant with an anticipated total project investment in excess of \$42 million. This includes property acquisition of \$8 million, purchase of machinery and equipment of \$14 million, real property improvements of \$13 million, and \$7 million in site improvements. The converted manufacturing plant, when fully operational, will employ approximately 80 new full-time jobs, have an estimated annual gross sales of approximately \$84.6 million, and have region-wide economic impacts. The proposed plant conversion will employ operators, engineers, technicians, IT specialists, human resources, finance and purchasing staff with an estimated average wage of \$35.22 with an additional \$10.57 in benefits for a total estimated compensation wage and benefit package of \$45.79.

The City has determined that the public investment is required to allow for the plant conversion to proceed. The City is working with ST Paper 1, LLC and intends to enter into a development agreement with ST Paper 1, LLC on providing tax abatement assistance in converting the plant and applicable site development costs.

The current estimated market value of the subject property is \$24,495,000 and generates over \$912,000 annually in total real estate taxes. Current annual real estate taxes paid to St. Louis County for its tax share is estimated to be over \$323,000 annually.

St. Louis County is requested to provide up to \$600,000 in financial support for the plant conversion to a tissue paper manufacturing facility through tax abatement financing. The tax abatement would be paid over a period of no more than ten (10) years, beginning the first tax year after project completion. The County tax abatement financing request would be paid in minimum annual installments of up to \$60,000 per year and would represent approximately 18.5% (percent) of St. Louis County annual tax share. The City has approved an additional \$600,000 of tax abatement in May, for a total tax abatement of \$1,200,000. Plant acquisition and conversion is expected to begin in 2021 and completed in early 2023. The City will require a project labor agreement, prevailing wage rates, and community benefits agreement.

The State of Minnesota and the City are in the process of considering additional financial assistance to help the conversion of the plant. The State of Minnesota legislature is considering a forgivable loan in the amount of up to \$3 million through the Minnesota Investment Fund (MIF) with the City providing an additional \$242,000 in forgivable loans. The City is supporting the application of ST Paper 1, LLC to the Minnesota Department of Employment and Economic Development (DEED) for a grant/rebate in the amount of up to \$1.5 million from the State's Jobs Creation Fund (JCF) for the capital investment of real property improvements of the Verso paper mill facility and future job creation. In addition, the City will be assisting with the potential of securing New Market Tax Credits (NMTC) and other financing mechanisms in the future, if needed.

County Board Resolution No. 02-187, adopted March 1, 2002, approved a tax abatement financing policy (TAF) as authorized under Minnesota Statutes § 469.1812

through 469.1815. The project will require the county to waive certain county tax abatement financing policy requirements including but not limited to the current limitation on annual TAF being in excess of \$30,000 per year and application fees and other provisions deemed necessary. The City has paid for all financial reviews and drafted legal documents.

The project public benefits will provide the creation of new jobs, spin-off development and support services, and will develop unused or underutilized real property. Taxes collected are expected to exceed the costs of tax abatement. TAF will be payable from Fund 100, Agency 178001, Object 500900.

Tax abatement is considered a form of business subsidy which requires compliance with the Business Subsidy Act, Minn. Stat. §§ 116J.993 through 116J.995, and any amendments thereto. This law also requires that a public hearing be conducted prior to granting any business subsidy in an amount greater than \$150,000 in value.

RECOMMENDATION:

If the County Board desires to assist in the funding of the project, it is recommended that the County Board authorize up to \$600,000 in tax abatement financing to and an agreement with the City of Duluth for ST Paper 1, LLC plan to convert the existing Verso paper mill facility into a new tissue paper manufacturing plant and associated site development costs project for the tax abatement financing request. It is also recommended that certain County Board policy requirements be waived including the current limitation on annual TAF being in excess of \$30,000 per year, application fees and other provisions deemed necessary for the project to proceed.

**Public Hearing to Consider Tax Abatement Financing for the City of Duluth
– ST Paper 1, LLC**

BY COMMISSIONER_____

WHEREAS, Minn. Stat. §§ 469.1812 through 469.1815, Abatement Authority, requires that a public hearing be conducted prior to granting tax abatement financing; and

WHEREAS, Minn. Stat. §§ 116J.993 through 116J.995, Business Subsidy Law, requires that a public hearing be conducted prior to granting any business subsidy in an amount greater than \$150,000 in value; and

WHEREAS, The City of Duluth has requested St. Louis County to consider up to \$600,000 in tax abatement financing for the ST Paper 1, LLC plan to convert the existing Verso paper mill facility into a new tissue paper manufacturing plant and associated site development costs for a site located at 100 N. Central Ave., Duluth, MN, 55807; and

WHEREAS, The specific parcels to be included in the tax abatement are as follows:

010-0130-00170; 010-2700-00514; 010-2806-00010; 010-2806-00020;
010-2806-00030; 010-2806-00040; 010-4470-04220; 010-4470-04225;
010-4470-04230; 010-4470-04240; 010-4470-04250; 010-4470-05330;
010-4470-05480; 010-4470-05640; 010-4470-05650; 010-4470-05660;
010-4470-05670; 010-4470-05680; 010-4470-05700; 010-4470-05710;
010-4470-05720; 010-4470-05730; 010-4470-05740; 010-4470-05750;
010-4470-05760; 010-4470-05770; 010-4470-05780; 010-4490-00010;
010-4490-00040; 010-4490-00050; 010-4490-00060; 010-4490-00070;
010-4490-00080; 010-4490-00090; 010-4490-00100; 010-4490-00110;
010-4490-00120; 010-4490-00130; 010-4490-00135; 010-4490-00185;
010-4490-00215; 010-4490-00285; 010-4490-00505; 010-4490-02735;
010-4490-02862; 010-4490-07220; and 010-4490-07400; and

WHEREAS, The St. Louis County Board held a public hearing on Tuesday, May 25, 2021, at 9:35 A.M. at the Grand Lake Town Hall, 5297 Highway 53, Saginaw, MN, to solicit public input prior to considering the proposed tax abatement request; and

WHEREAS, The St. Louis County Board determines that the public benefits gained by the creation of new full-time jobs, new potential spin-off development and support services, develop unused or underutilized real property, and other benefits exceeds the costs of the tax abatement.

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes up to \$600,000 tax abatement financing to the City of Duluth payable from Fund 100, Agency 178001, Object 500900 or its designated fund.

RESOLVED FURTHER, That the St. Louis County Board waives applicable provisions of the Board's Tax Abatement Financing Policy to allow this project to proceed and application fees.

RESOLVED FURTHER, That provided all required documentation is submitted by the City of Duluth, the appropriate county officials are authorized to execute a tax abatement agreement with the City of Duluth and execute any other related documents after review and approval by a representative of the County Attorney's Office.



Christopher Fleege
Director, Planning and Economic Development
Room 160
411 West First Street
Duluth, Minnesota 55802

218-730-5297
cfleege@duluthmn.gov

5/17/2021

Darren Jablonsky
Planning Department
St. Louis County
320 W 2nd St #301
Duluth, MN 55802

RE: Duluth Mill Site Tax Abatement Application

Dear Mr. Jablonsky:

This letter outlines the City of Duluth's Tax Abatement application for the Duluth Mill (Former Verso) site. Our request for \$60,000 annually for up to 10 years totaling \$600,000 in County tax abatement revenues will assist in the long-term viability of this project.

The Paper Mill was built in 1987 and subsequently in 1993 the Recycle Mill was added to supply recycled pulp to Duluth and other paper mills across the region. The Duluth Mill, formerly owned by Verso, employed 240 people full-time and created a tremendous positive economic impact in our Community for over 30 years. As the largest utility customer in Duluth, the Duluth Mill's significant water, electric, gas and sewer use helped reduce the cost of these utilities for residents. However, fundamental changes in how consumers buy products and obtain information resulted in a substantial decline and the Duluth Paper Mill closed last year.

ST Paper 1, LLC proposes to purchase the Duluth Mill and convert machinery to align paper products with profitable market trends in bath tissue. With the sale of the site, ST Paper 1, LLC's investment will lead to 80 new jobs and provide work for contractors and producers across the region. The project will provide millions of dollars in wages for the community, as well as reducing the burden of high utility rates due to the loss of a key anchor. After the conversion is completed, ST Paper estimates gross sales of approximately \$84.6 million annually – with a portion available to be re-injected into the local and regional economy.

Chris Fleege
Director
Planning & Development Division
City of Duluth

www.duluthmn.gov

The City of Duluth is an Equal Opportunity Employer.



TAX ABATEMENT FINANCING APPLICATION

St. Louis County, Minnesota

About: St. Louis County Tax Abatement Financing is authorized under MN Stat. 469.1812-469.1815. The purpose of the program is provide a tool for the county to accomplish its goals in the areas of housing and economic development. The County has a tax abatement policy that establishes the criteria and procedures to be used in administering the program.

Applicant Name St Paper 1 LLC	Daytime # 301-442-3193	Date 5/5/21
Address 9201 Corporate Blvd, Ste. 420	City Rockville	State MD
ZIP 20850		
Email stak@stpapper.com		
Contact Person <i>If applicable</i> Sharad Tak		
Title President		

IF A LOCAL UNIT OF GOVERNMENT, SKIP TO NEXT SECTION

Business form (Corporation/Partnership/Other) LLC		
Years in Operation ST Paper has been operating 13 years. St Paper 1 is new.	Sales Revenue \$ N/A	

Brief description of type of business, including principal products, customers:
ST Paper was founded in 2007 and manufactures paper products, specifically tissue, bath tissue and paper towels from recycled waste paper. They began in Oconto Falls, WI, and expanded in Isle of Write, VA, converting a formerly shuttered paper mill. Their customers are businesses across the Midwest. ST Paper 1 will be a manufacturer of tissue paper.

Has applicant ever filed for bankruptcy? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <i>If Yes, provide details on separate page(s).</i>	Does applicant have commitments for conventional financing for the project? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Has applicant ever defaulted on any bond, mortgage or other loan commitment? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <i>If Yes, provide details on separate page(s).</i>	

Name of applicant's legal counsel Godrey & Kahn			
Address 200 South Washington Street, Suite 100	City Green Bay	State WI	ZIP 54301
Name of applicant's financial advisor John Chrysikopoulos			
Address 140 East 45th Street, 30th Floor	City New York	State NY	ZIP 10017

PROPOSED PROJECT

Describe project
St Paper 1, LLC is seeking to purchase the Duluth Paper Mill, formerly in use by Verso. They are seeking Tax Abatement and state loan funding to assist with purchasing the project site and converting the machinery and equipment.

Location 100 N Central Ave, Duluth MN 55802	Site Plan Attached Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
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PUBLIC BENEFIT

Describe the public benefit the project provides:

f the Tax Abatement is awarded, ST Paper 1, LLC is optimistic that the sale of the site will move forward and see the creation of 80 new jobs.

If the public benefit is job creation, provide information below:

Current number of employees: 0	On date of application 0	Six months prior to application 0
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Current payroll: 0	On date of application 0	Six months prior to application 0
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Number of jobs to be created: 80	Permanent Full-time 80	Part-time
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Number of jobs to be retained: 0	Permanent Full-time 0	
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Hourly wage and benefits to be provided (detail by job classification)

Recycle Operations and Tissue Machine Operations, including: Operators, Engineers, Technicians, IT Specialist, HR and Finance staff and Purchasing. Average wage: \$35.22 and benefits: \$10.57 (total wage and benefits: \$45.79).

SOURCES AND USES

Project Costs	\$ Amount	Sources of Financing	\$ Amount
Land Acquisition	\$8,000,000	Conventional Loan	\$24,132,948
Site Development	\$7,000,000	Equity	\$8,000,000
Construction	\$13,132,948	SBA Loan	
Machinery & Equipment	\$14,000,000	Revenue Bond	
Legal Fees		Grant(s)	
Interest during construction		Other	\$7,000,000
Debt Service Reserve		MIF Loan	\$3,000,000
Contingencies		JCF Loan	
Total	\$42,132,948	Total	\$42,132,948

CONSTRUCTION AND DESIGN

Name

This is the architect ☐ engineer ☒ contractor ☐ for this project

Address

106 E Central Avenue

City

Oconto Falls

State

WI

ZIP

54154

Name

This is the architect ☐ engineer ☐ contractor ☒ for this project C.R. Meyer

Address

510 Lombardi Avenue

City

Green Bay

State

WI

ZIP

54304

Name

This is the architect ☐ engineer ☐ contractor ☐ for this project

Address

City

State

ZIP

TARGET DATES

Estimated start of construction
June 2021

Estimated completion of construction
February 2023

Finished estimated market value of project:
\$ TBD

NEED FOR PUBLIC FINANCING

Describe why the project needs public financing to proceed The project requires significant financing (both private and public) to complete all the necessary improvements. This includes initial acquisition of the existing Mill, additional site development, equipment purchases and additional capital investments in excess of \$40 million. Assistance from local, state and federal funding sources is necessary for the project to proceed as proposed and create the 80 jobs.

ATTACHMENTS**The following items should be included with the application**

1. Site plan consistent with submittal requirements of the appropriate zoning authority. Include a statement from the local jurisdiction that the proposed development will conform to the comprehensive plan and zoning.
2. Audited financial statements or tax returns from the past two fiscal years.
3. Current financial statement.
4. Three year pro forma financial projects.
5. Other information related to the project.
6. Non-refundable application fee of \$2,000.

AGREEMENT

Authorized Applicant Name:
Chris Fleege

Title
Director, Planning and Construction Services

Date:
May 14, 2021

Memo

To: Darren Jablonsky, St Louis County Planning Department
Chris Fleege, City of Duluth Economic Development Authority
Jennifer Moses, City of Duluth
Emily Nygren, City of Duluth

From: Mikaela Huot, Director

Date: May 14, 2021

Subject: City of Duluth and St Louis County Request for Tax Abatement Assistance
from ST Paper 1, LLC

The City of Duluth and St Louis County received a request from ST Paper 1, LLC for financial assistance through tax abatement financing to offset a portion of the extraordinary costs associated with acquisition of the Verso Duluth Paper Mill and rebuilding of the facility into a tissue manufacturing plant. The total estimated project cost is anticipated to be over \$40 million and financed by a combination of private equity and debt and new market tax credits. Financial incentives from both the state and local levels have been requested to mitigate the high costs of acquisition and capital investment, as well as assist with annual cash flows as the completed project stabilizes. ST Paper 1, LLC is 99% owned by Tak Investment Holdings, LLC.

The project will take approximately 18-24 months to fully rebuild and is anticipated to commence as soon as state and local incentives have been awarded to allow financial closing to occur. The first 18-24 months will consist of engineering, site improvements, demolition and removal of obsolete equipment, construction, and start-up of the new tissue machine. During this period of time, the company will start with about 15 employees and grow total jobs to about 80 with an additional 100 local contractors onsite.

The company has indicated purchase of the 90-acre Duluth mill and subsequent revitalization of the facility is contingent on funding from the state and local participants including the Job Creation Fund and Minnesota Investment Fund awards by the Minnesota Department of Employment and Economic Development, MIF grant from the City of Duluth and tax abatement assistance from both the City of Duluth and St. Louis County to close a gap in financing for this project and assist in facilitating the project's success.

The company investment of over \$40 million is not expected to increase the taxable value of the project in any significant manner. As a result, the projected tax abatement revenues are based on existing value. Tax abatement revenues generated by both the City and County share of property taxes are based on the existing value of the property comprised of the Duluth Verso Mill site. The total estimated value for taxes payable 2022 is approximately \$24.5M and includes an approximately 30% increase from the prior years' valuation. Per City

The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought. Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2018 Baker Tilly Virchow Krause, LLP

and County financial and tax abatement policies, the maximum abatement available for the project is \$60,000 annually for up to 10 years to total \$600,000 from each participation for a total estimated maximum tax abatement revenue amount of \$1,200,000. The following chart provides a breakdown of the potential state and local funding sources:

Potential State and Local Incentive Funding Source	Amount
Minnesota Investment Fund	\$3,000,000
Job Creation Fund	\$1,500,000
City of Duluth MIF Loan Match	\$242,000
City of Duluth Tax Abatement	\$600,000
St Louis County Tax Abatement	\$600,000
Total	\$5,942,000

A chart providing a summary of the tax abatement revenue estimates has been included on the following page. The projected total share of City and County revenues are projected to be significantly higher than the amount that could be considered as abated for this project.

Projected Tax Abatement Report

City of Duluth, Minnesota

St Louis County

ST Paper 1, LLC

Proposed Tax Abatement Assistance - \$60,000/year for 10 Years

Annual Period Ending (1)	Total Market Value ⁽¹⁾ (2)	Total Net Tax Capacity ⁽²⁾ (3)	Less: Non- Abated Net Tax Capacity ⁽³⁾ (4)	Retained Captured Net Tax Capacity (5)	Times: Tax Capacity Rate ⁽⁴⁾ (6)	Estimated Local Share Property Taxes (7)	Estimated Maximum City Abatement (8)	Estimated Total City Abatement Revenues (9)	Estimated Remaining City Share Abatement (10)	Maximum Tax Abatement County * (11)	Estimated Total County Abatement Revenues (12)	Maximum Remaining County Share Abatement (13)	Estimated Maximum Project Abatement (14)
12/31/21													
12/31/22	24,587,700	491,004	0	491,004	141.942%	696,941	204,729	60,000	144,729	325,359	60,000	265,359	120,000
12/31/23	24,587,700	491,004	0	491,004	141.942%	696,941	204,729	60,000	144,729	325,359	60,000	265,359	120,000
12/31/24	24,587,700	491,004	0	491,004	141.942%	696,941	204,729	60,000	144,729	325,359	60,000	265,359	120,000
12/31/25	24,587,700	491,004	0	491,004	141.942%	696,941	204,729	60,000	144,729	325,359	60,000	265,359	120,000
12/31/26	24,587,700	491,004	0	491,004	141.942%	696,941	204,729	60,000	144,729	325,359	60,000	265,359	120,000
12/31/27	24,587,700	491,004	0	491,004	141.942%	696,941	204,729	60,000	144,729	325,359	60,000	265,359	120,000
12/31/28	24,587,700	491,004	0	491,004	141.942%	696,941	204,729	60,000	144,729	325,359	60,000	265,359	120,000
12/31/29	24,587,700	491,004	0	491,004	141.942%	696,941	204,729	60,000	144,729	325,359	60,000	265,359	120,000
12/31/30	24,587,700	491,004	0	491,004	141.942%	696,941	204,729	60,000	144,729	325,359	60,000	265,359	120,000
12/31/31	24,587,700	491,004	0	491,004	141.942%	696,941	204,729	60,000	144,729	325,359	60,000	265,359	120,000
						\$6,969,410	\$2,047,290	\$600,000	\$1,447,290	\$3,253,589	\$600,000	\$2,653,589	\$1,200,000

⁽¹⁾ Total estimated market value for taxes payable 2021 and includes 0% annual market value inflator

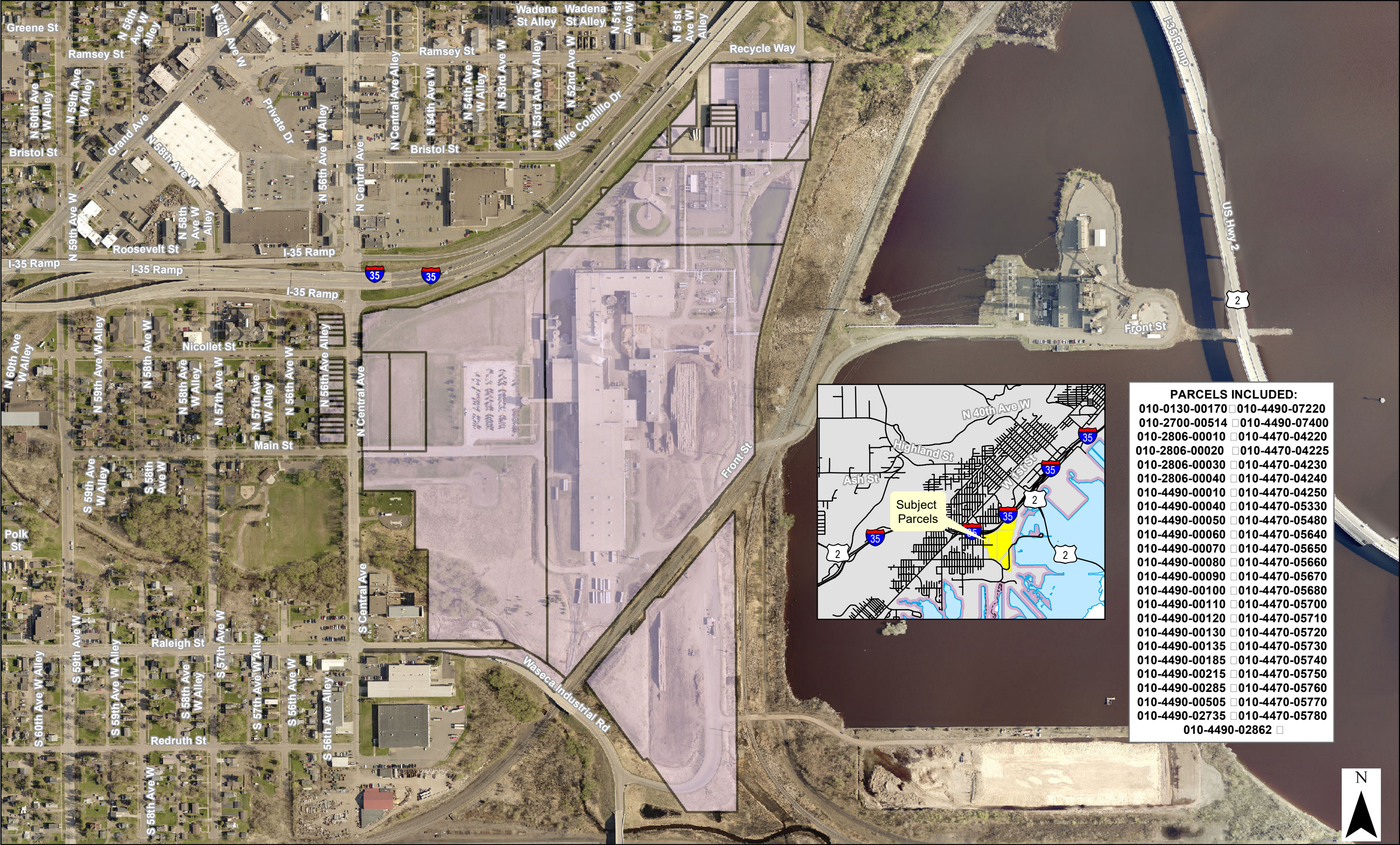
⁽²⁾ Total net tax capacity based on existing commercial-industrial class rate of 1.5% first \$150,000 value and 2% value above \$150,000

⁽³⁾ Original net tax capacity based on existing land value and included in total net tax capacity values

⁽⁴⁾ Total local tax capacity rate for taxes payable 2021

* subject to individual Board approvals. Maximum 20 year term requires denial of participation from other taxing entity (or 90 days passing from original request)

ST Paper LLC Acquisition



BOARD LETTER NO. 21 - 223

HEALTH & HUMAN SERVICES COMMITTEE

MAY 25, 2021 BOARD AGENDA NO. 1

DATE: May 25, 2021 **RE:** Architect & Engineer Services
Agreement - Clarity Center for
Wellbeing

FROM: Kevin Z. Gray
County Administrator

Linnea Mirsch, Director
Public Health & Human Services

Jerry Hall, Director
Property Management

RELATED DEPARTMENT GOAL:

To execute capital building projects, to perform building maintenance, to bring facilities up to current building and life safety codes, to extend life cycle of facilities, and to increase building operational efficiency.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize a services agreement with DSGW Architects Inc. of Virginia and Duluth, MN, for the planning, design, construction and bid documents, project administration, and project close out for the Clarity Center for Wellbeing, a regional behavioral health/mental health crisis center to be constructed in Duluth, MN.

BACKGROUND:

St. Louis County plans to build a new behavioral health/mental health services building in Duluth, MN. State general obligation bond funds authorized in 2018 and 2020 totaling \$5 million along with County and private funds are proposed to be used to finance the project.

A preliminary space planning and programming study for this building was completed in 2020 and estimated the required space at approximately 14,000 square feet. The county plans to acquire land in the medical district of Duluth for the new building. Green Building Council – LEED design principles and state B3 guidelines shall be applied to the design of this building to assure sustainability. Technology supporting telemedicine and regional access to services will be incorporated in the building design.

This facility will be utilized by community partners specializing in behavioral health and mental health services for all age groups from child to adult. The building will be owned and maintained by the County. Service providers will be required to sign user agreements with the County and pay rent, which will include a contribution to ongoing maintenance, to occupy space in the facility.

County Purchasing issued a Request for Proposals for Contract #5708 for architect engineer services. DSGW Architects Inc. of Virginia and Duluth, MN was evaluated as providing the best overall project concept, qualifications, presentation and price for the project.

The project will be conducted in three distinct phases:

Phase I: Site selection and predesign including review and update of space planning and project construction cost estimation.

Phase II: Design development, schematic design, bid drawings, bid specifications, and code review with local jurisdictions. This project will require close coordination with a construction manager at risk during the design development.

Phase III: Project construction administration, commissioning and project close-out.

At the conclusion of Phase I, the State will review and approve the predesign and project funding as part of the bond agreement process. Phases II and III will only proceed when these approvals are in place.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize a services agreement with DSGW Architects, Inc., of Virginia and Duluth, MN, for the site selection, predesign, design, construction and bid documents, project administration, and project commissioning and close out for the Clarity Center for Wellbeing project in an amount of \$359,500, payable from capital funding identified for the project in the Capital Project Fund, Fund 400, Agency 400001. Reimbursement for all funds expended on these design services will come from State general obligation bond proceeds authorized in 2018 and 2020 for this purpose.

Architect & Engineer Services Agreement - Clarity Center for Wellbeing

BY COMMISSIONER _____

WHEREAS, St. Louis County plans to build a new regional behavioral health/mental health services building in Duluth, MN, in response to a growing need for these services; and

WHEREAS, State general obligation bond funds authorized in 2018 and 2020 totaling \$5 million along with County and private funds will be used to finance the project; and

WHEREAS, This facility will be utilized by community partners specializing in behavioral health and mental health services for all age groups from child to adult. The building will be owned and maintained by the County. Service providers will be required to sign user agreements with the County and pay rent, which will include a contribution to ongoing maintenance, to occupy space in the facility; and

WHEREAS, County Purchasing issued a Request for Proposals for Contract #5708 for architect engineer services. DSGW Architects, Inc., of Virginia and Duluth, MN, was evaluated as providing the best overall proposal, project concept, qualifications, presentation and price for the project.

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the appropriate county officials to enter into a services contract with DSGW Architects, Inc., of Virginia and Duluth, MN, and any amendments approved by the County Attorney's Office, for the site selection, predesign, design, construction and bid documents, project administration, and project commissioning and close out for the Clarity Center for Wellbeing project in an amount of \$359,500, payable from Capital Project Fund, Fund 400, Agency 400001. Reimbursement for all funds expended on these design services will come from State general obligation bond proceeds authorized in 2018 and 2020 for this purpose.