

EXHIBIT A



TO: Mayor Tom Ross
Members of the City Council

FROM: David Lakefield, Finance Director

DATE: 02/21/2023

SUBJECT: MODIFICATION TO STEVENS WELDING DEVELOPMENT AGREEMENT

I. RECOMMENDED ACTION

Authorize staff to modify the Development Agreement with Stevens Welding to align the FTE requirements in the agreement with the date of the agreement and authorize the Mayor and Finance Director to sign the agreement.

II. DEPARTMENT CONTACT PERSONS

David Lakefield, Finance Director 701-857-4774

III. DESCRIPTION

A. Background

In October 2021, the Magic Fund Screening Committee approved a request from Stevens Welding for matching funds to be used for as local match for a PACE loan through the Bank of ND. The application was modified at the December 15, 2021 Magic Fund Screening Committee and approved by the City Council on January 6, 2022. The agreement included Employment Conditions that were to go into effect for 2021-2025. The request is to modify the agreement to update the Employment Conditions to begin in 2022 and extend through 2023 and add language addressing any future variation with the stated hourly rate.

B. Proposed Project

Amend the Development Agreement with Stevens Welding and Machine LLC.

C. Consultant Selection

N/A

IV. IMPACT:

A. Strategic Impact:

This modification will align the performance criteria with the implementation of the agreement and extend the Employment Conditions.

B. Service/Delivery Impact:

This modification will also clarify how any future variance from the stated hourly rate will be addressed.

C. Fiscal Impact:

The only fiscal impact of this action is the cost of the compliance audit for an additional year. That cost is paid with economic development funds.

Project Costs
Auditors 43030 \$1,700

Project Funding
Sales Tax Economic Development

V. CITY COUNCIL ASPIRATIONS

Dynamic and Prosperous – this action allows the agreement to better conform with the desired outcome and promote economic development

VI. ALTERNATIVES

Leave the agreement as is and determine how the payment for any deficiency would be calculated.

VII. TIME CONSTRAINTS

ASAP – This needs to be resolved prior to year-end close.

VIII. LIST OF ATTACHMENTS

- A. Development Agreement
- B. Proposed Amendment (to be added)