FINANCE COMMITTEE

08-0630R AS AMENDED

RESOLUTION EXPRESSING THE DULUTH CITY COUNCIL'S INTENT TO SUPPORT THE SALE OF CERTAIN PROPERTY TO COVER THE 2008 OPERATING DEFICIT, NOT TO SUPPORT THE SALE OF CERTAIN OTHER PROPERTY TO REPLENISH THE OPERATING RESERVE FUND~~, AND TO SUPPORT THE TEMPORARY USE OF COMMUNITY INVESTMENT TRUST FUND MONIES AS RESERVE FOR THE 2008 OPERATING FUND~~.

BY COUNCILORS GILBERT, GARDNER AND ANDERSON:

WHEREAS, in order to address a city general fund operating deficit in 2008 and to replenish the city's reserve fund, city administration has proposed selling four city-owned lots on Park Point (lots referred to as Lots A, B, C and D, with Lots A and B being closest to the Aerial Lift Bridge, and Lots C and D, being adjacent to the park property near the beach house~~), and the Minnehaha stain-glass window owned by the city~~; and

WHEREAS, most recent estimates by the administration indicate that the 2008 operating account deficit is $700,000, which will be made up by the sale of city assets; and

WHEREAS, the administration's estimated sales prices for the lots are as follows: Lot A, $457,000; Lot B, $415,000; Lot C, $385,000; and Lot D, $462,000; and

WHEREAS, all parties acknowledge that estimated sales prices on the Park Point lots ~~and Minnehaha window~~ are speculative.

NOW, THEREFORE, BE IT RESOLVED, that the Duluth City Council expresses its intent to support the sale of Park Point Lots A and B in accordance with the plan established by the administration, which is anticipated to be sufficient to cover the 2008 operating deficit.

BE IT FURTHER RESOLVED, that the council expresses its intent not to support the sale of Park Point Lots C and D ~~and the Minnehaha window~~ to replenish the reserve fund.

~~BE IT FURTHER RESOLVED, that the council also expresses its intent to support temporarily using the community investment trust fund monies as reserve for the operating fund for the remainder of 2008.~~

BE IT FURTHER RESOLVED, that the council expresses its intent to work with the administration to obtain alternative funding to replenish the reserve fund in 2009 and beyond.

CC REQ/ATTY JMC:blj 10/10/2008

STATEMENT OF PURPOSE: This resolution expresses the council's intent to support the sale of Park Point Lots A and B to cover the 2008 operating deficit, but not the sale of Park Point Lots C and D ~~and the Minnehaha window~~ to replenish the operating reserve fund. The council also expresses its intent ~~to support temporarily using community investment trust monies as reserve for the operating fund for the remainder of 2008 and~~ to work with the administration to obtain alternative funding to replenish the reserve fund in 2009 and beyond.