

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

08-0701R

RESOLUTION AUTHORIZING THIRD AMENDMENT TO SKYWALK AGREEMENT WITH MP&L, A DIVISION OF ALLETE CORPORATION, PERTAINING TO THE MACDONALD BUILDING.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to enter in a third amendment to the skywalk agreement pertaining to the MacDonald Building, substantially in the form of that on file in the office of the city clerk as Public Document No. _____, with Minnesota Power and Light Company, a division of Allete Corporation, pertaining to the extension of the skywalk through the building to the east, to connect to the tech village.

FURTHER RESOLVED, that any payments received from the owner under said agreement shall be paid to DEDA to reimburse it for costs of constructing said skywalk.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

STATEMENT OF PURPOSE: This resolution authorizes the city to enter into a third amendment to the skywalk agreement pertaining to the MacDonald Building with MP&L.

The building in question is the building which is the northeastern-most building in the skywalk system on the upper side of Superior Street across from Minnesota Power and connected to it by a skywalk bridge. The city had originally entered into a skywalk agreement for the property in 1979, at which time it was owned by the Donald MacDonald Trust; the building was subsequently purchased by MP and they renamed it the "Lake Superior Place Building." There have been several internal changes to the building since that time but the Skywalk has essentially entered the building from the west, and has provided access to MP by way of the bridge and to Superior Street by an elevator and a public stairway. The last amendment to the skywalk agreement also provided for a "contingent easement" along the front of the second floor of the building to its southeast corner for a potential skywalk connection to the east.

The present plan calls for that eastward extension to run on the south side of First Alley. Therefore the easement in the building will run from its present entry point along the west wall of the building and then turn to the east toward the back of the building to connect up with the northeast corner from which it will connect to the alley skywalk. Thus, the contingent easement will no longer be needed and will be vacated as part of the skywalk agreement and in a companion vacation resolution.

MP/Allete has agreed to contribute an additional \$250,000 to the costs of skywalk construction in addition to their donation of space on this and neighboring property, which will be transferred to DEDA to reimburse DEDA for its costs of constructing this segment of the skywalk.