

INTERGOVERNMENTAL RELATIONS COMMITTEE

08-0718R

RESOLUTION APPROVING DSPA'S APPLICATION TO DEED FOR A
CONTAMINATION CLEANUP DEVELOPMENT GRANT FOR THE USX
DULUTH WORKS SITE.

CITY PROPOSAL:

RESOLVED, that the city of Duluth hereby approves the application of the Duluth Seaway Port authority to the state of Minnesota department of employment and economic development for a contamination cleanup development grant related to the proposed cleanup of the Duluth Works site owned by USX.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

ATTY REA:blj 11/13/2008

STATEMENT OF PURPOSE: This resolution approves an application by the Duluth Seaway Port authority to the Minnesota department of employment and economic development for a contamination cleanup development grant to be used to investigate cleanup of USX's Duluth Works site with a view to its being acquired and redeveloped by the port authority.

The Duluth Works site which housed the old U.S. Steel steel mill and coking operations has been substantially idle and unused since the late 1970's. The site has been cleared of structures and extensive contamination cleanup work has been performed but the site remains a "superfund site" and additional investigation and remediation are probably necessary before it can be economically redeveloped for any purpose including manufacturing uses.

The Duluth Seaway Port authority is charged with development of water-borne commerce and of industrial development of property adjacent to Lake Superior and the St. Louis River estuary, upon which the site of the Duluth Works property fronts. They are in substantial need of good, industrial sites adjacent to the water upon which to locate such industries. The Duluth Works site would be an excellent location for such development if the property were cleaned up and became "development-ready."

The port has been in negotiations with USX regarding the potential purchase of over 500 acres of the site and has received their permission to enter onto the property to perform further environmental investigations to determine what would be necessary to get the property ready for redevelopment and to identify costs and funding sources for that work. Under state law, they can apply to DEED for a grant to fund a portion of those costs but must have the approval of the city by resolution to receive such a grant. The purpose of this resolution is to give that approval.