

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

09-0083R

RESOLUTION AUTHORIZING ACCEPTANCE OF FIRST AMENDMENT TO DEED GRANT NO. CCGP-06-0016-Z-FY06 IN THE AMOUNT OF \$333,249 FOR THE CLYDE PROJECT.

CITY PROPOSAL:

RESOLVED, that the proper city officers are authorized to accept a first amendment to Grant No. CCGP-06-0016-Z-FY06 from the state of Minnesota department of employment and economic development to provide an additional \$333,249, to be deposited in 255-020-4220-02, to fund additional environmental clean up work related to the Clyde Project and committing to the local match to be provided by the project developer.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

PLNG/ATTY REA:blj 2/2/2009

STATEMENT OF PURPOSE: This resolution authorizes the city to accept an amendment to a clean up grant from DEED to assist in the clean up of the Clyde Iron site in conjunction with the development of that site.

The Clyde Iron Works site had long been contaminated and therefore a vacant site in Duluth's Lincoln Park when a developer proposed that the site be redeveloped with the Heritage Hockey Center and an adjoining commercial development. In order to make this possible, the city, in 2006, secured grants from DEED to clean up and rehabilitate the site in the amount of almost \$2.9 million, of which more than \$1 million was dedicated to site clean up. The matching funds for the clean up were provided through the developer's investment in the project.

Unfortunately these funds were not adequate to complete the clean up. Thus in late 2008, the city applied for additional DEED funds to complete that phase of the process and a supplemental grant in the amount of \$333,249 has been offered. Once again, the local match will be supplied by the developer's investments in the site.