

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

09-0319R

RESOLUTION AMENDING RESOLUTION 89-0323 ESTABLISHING THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY (DEDA) TO CHANGE
THE COMPOSITION OF THE MEMBERSHIP OF THE AUTHORITY.

BY COUNCILOR STAUBER:

RECITALS:

The council finds as follows:

(a) The Duluth City Council adopted Resolution 89-0323, on April 24, 1989, establishing the Duluth economic development authority (DEDA);

(b) The Duluth City Council adopted Resolution 98-0949, on December 21, 1998, amending the above-referenced resolution to require that four of the commissioners on DEDA be city councilors and to further require that a majority of the commissioners present at a meeting must be city councilors for action to be taken;

(c) The Duluth City Council adopted Resolution 99-0239, on March 22, 1999, further amending the above-referenced resolution to require that any expenditure by DEDA in excess of \$25,000 be approved by the city council;

(d) The Duluth City Council adopted Resolution 02-0606, on October 28, 2002, further amending the above-referenced resolution to require that if an action is taken by DEDA at a meeting in which council members do not constitute a majority of commissioners present and voting, then that action is not final and cannot be implemented unless and until it is approved by resolution of the Duluth City Council;

(e) The Duluth City Council adopted Resolution 04-0202 on March 22, 2004, further amending the above-referenced resolution to change the composition of the members of the authority to consist of nine members all of whom shall be members of the council with the term of the commissioners' appointments coinciding with their term of office as members of the city council, deleting the provision that an action taken by DEDA at a meeting in which council members do not constitute a majority of commissioners present and voting is not final and cannot be implemented unless and until it is approved by resolution of the council, and

further deleting the requirement that DEDA shall not enter into an agreement or contract involving an expenditure by DEDA of more than \$25,000 without the prior approval of the council;

(f) The Duluth City Council adopted Resolution 04-0215 on March 22, 2004, further amending the above-referenced resolution to provide that the executive director of the DEDA shall be appointed by the mayor, subject to approval by the city council and to provide that the executive director act at the direction of the commissioners;

(g) Resolution 89-0323, Resolution 98-0949, Resolution 99-0239, Resolution 02-0606, Resolution 04-0202 and Resolution 04-0215 are hereinafter collectively referred to as the DEDA establishment resolution;

(h) The Duluth City Council desires to further amend the DEDA establishment resolution.

NOW, THEREFORE, BE IT RESOLVED, that paragraph 4 of the DEDA establishment resolution is hereby amended to read as follows:

4. That the DEDA shall be governed by a board of commissioners ("commissioners") consisting of seven members, two of whom shall be members of the city council. The two council members shall be appointed by the mayor and approved by a majority vote of the council pursuant to the standing rules of the Duluth City Council. A council commissioner's term shall be the same as her or his term as the chair of either the finance committee or the planning and economic development committee. The five non-council members shall be appointed by the mayor with the approval by vote of six members of the council. A non-council commissioner shall be a Duluth resident and shall have experience in the area of business, economics, finance, industry, or other similar experience, or education in areas such as accounting, economics, law, or management. The term of the appointments of the non-council commissioners shall be governed by Minnesota Statutes Section 469.095, subdivision 2(c). No non-council commissioner shall serve as a commissioner while such person holds an elective

office or is a member of any of the following entities: Duluth entertainment and convention bureau, Duluth transit authority, Spirit Mountain recreation area authority, Duluth airport authority, seaway port authority, Western Lake Superior sanitary district board, Duluth housing and redevelopment authority of Minnesota, city planning commission, city board of zoning appeals, 1200 Fund, Inc. board of directors and advisory boards of development districts.

FURTHER RESOLVED, that the nine city councilors shall continue to be DEDA commissioners until such time as all seven commissioners are appointed and approved to take office pursuant to this resolution.

FURTHER RESOLVED, that the DEDA establishment resolution is hereby amended to add a new paragraph 19 to read as follows:

19. That DEDA shall not enter into an agreement involving an expenditure by DEDA of more than \$150,000 without the prior approval of the council.

Approved as to form:

Attorney

DEDA/ATTY JMC:blj 5/5/2009

STATEMENT OF PURPOSE: This resolution amends the resolution establishing DEDA. Since 2004, DEDA has been comprised of the nine city councilors. This resolution provides for seven DEDA commissioners, two of whom are city councilors.

While the mayor appoints the commissioners, the council must approve them. The two council members are appointed by the mayor and approved by a majority vote of the council pursuant to the standing rules of the Duluth city council which are being amended pursuant to a companion resolution. A council commissioner's term shall be the same as her or his term as the chair of either the finance committee or the planning and economic development committee. The term of the non-council commissioners will eventually be six years pursuant to state statute.

This resolution also provides for approval of non-council commissioners by a vote of six members of the council. The non-council commissioners must be Duluth residents and be qualified to serve. Finally, the resolution precludes non-council commissioners holding certain elected offices or certain other positions from being a DEDA commissioner. No commissioner may take office until all commissioners are appointed and approved to take office. Until that time, the nine city councilors will continue to be DEDA commissioners.

The resolution also provides that DEDA shall not enter into an agreement involving an expenditure by DEDA of more than \$150,000 without the prior approval of the council. In addition, council approval continues to be required for tax increment financing plans and amendments, DEDA's exercise of the power of eminent domain and DEDA's annual budget.