

PERSONNEL COMMITTEE

09-0361R

AS AMENDED

RESOLUTION OF INTENT TO INCLUDE \$200,000 IN THE 2010, 2011, 2012, 2013 AND 2014 GENERAL FUND BUDGETS AS A VOLUNTARY PAYMENT TO THE BUSINESS IMPROVEMENT DISTRICT.

BY COUNCILOR GARDNER:

WHEREAS, the Greater Downtown Council ("GDC") was incorporated as a private, nonprofit corporation in the state of Minnesota in 1984; and

WHEREAS, the mission statement of the GDC states that it exists to promote and support the development of a clean, safe and vibrant Downtown, is a catalyst and coordinator for enhancing the Downtown business climate through the public and private sectors, and plays a unique role in bringing together business, community and government leaders to focus on Downtown issues; and

WHEREAS, the city of Duluth ("city") and the Duluth economic development authority ("DEDA") have both relied upon the GDC as a partner in addressing such Downtown issues; and

WHEREAS, the city is represented on the GDC's Duluth Downtown Waterfront District advisory committee; and

WHEREAS, from the GDC membership as well as from initiatives including the economic summit, the mayor's Downtown task force and the national trust for historic preservation's preservation development initiative project, there has been a call for heightened efforts to have a strong, healthy Downtown that includes residential, professional services, education, retail and entertainment; and

WHEREAS, under Minnesota Statutes Chapter 428A, cities are authorized to adopt an ordinance establishing what is referred to as a special service district; and

WHEREAS, in 2004, a special services district ("district") was approved for Downtown Duluth which has operated to provide a wide range of services to promote a safe, clean and vibrant Downtown waterfront; and

WHEREAS, the GDC board of directors has operated the district since 2005 and will continue to successfully focus upon clean and safe issues, marketing/

promotions/special events, and physical enhancements utilizing a proposed total district budget for calendar year 2010 in the amount of \$534,000; and

WHEREAS, the city has provided financial support for the district since 2005 in the amount of \$200,000.00 per year; while the city's contribution has remained stable, the property owners in the district have paid 2-3% annual increases each year since the district's inception to meet the need for increasing services; and

WHEREAS, due to difficult economic times, the city has limited resources and has scaled back on some services citywide; and

WHEREAS, the district is willing to assume responsibility for enhanced trash removal services as well as skywalk operations and security until the end of 2014, or until such time that the city has the financial ability to provide such services; and

WHEREAS, the GDC will begin its public petition drive to renew the district in early June 2009; and

WHEREAS, approximately \$301,000 will be generated from mandatory assessments within the district and an estimated \$7,500 will be generated from voluntary payments made in lieu of assessments from those district property owners that are governmental and/or nonprofit and the GDC has applied for \$20,000 of grant funds; and

WHEREAS, the administration has expressed its continued support of the GDC and the desired outcomes of the district.

NOW, THEREFORE, BE IT RESOLVED, that the Duluth City Council hereby states its intention to include in its 2010, 2011, 2012, 2013 and 2014 annual budgets, subject to annual review as part of the regular city budget process, an appropriation of \$200,000 for its voluntary payment to the district, which payment would

likely be derived from the tourism tax fund and the parking fund and/or such other fund sources as the city administration may designate.

COUNCIL REQUEST/ATTY SG/JMC:blj 5/15/2009

STATEMENT OF PURPOSE: This resolution acknowledges that the GDC will begin the petition drive to renew its special service district in June. The city of Duluth has provided assistance to the Downtown since the district was created in 2005 in the amount of \$200,000 each year. Governments and nonprofits cannot be assessed under the enabling legislation for special service districts. Several nonprofits have already offered voluntary contributions, and the GDC will, without any increase in funding, expand skywalk operations and security and enhance trash collection within the district. The city's willingness to continue to provide financial support to the vitality of Downtown is crucial to the success of the district. The administration is prepared to discuss with the council funding sources, including utilizing the tourism tax fund, the 505 parking fund and/or other revenue sources to cover the city contribution.