

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

10-0227R

RESOLUTION APPROVING DEDA'S PURCHASE AGREEMENT WITH  
TEMPLECORP, INC., FOR THE TEMPLE OPERA, NORSHOR THEATER  
AND NORSHOR ANNEX BUILDINGS.

CITY PROPOSAL:

RESOLVED, that pursuant to the requirements of Resolution No. 09-0342, the city council hereby approves the agreement, a copy of which is on file in the office of the city clerk as Public Document No. \_\_\_\_\_, between the Duluth economic development authority (DEDA) and Templecorp, Inc., for the purchase of the Temple Opera, Norshor Theater and Norshor Annex buildings for \$2,600,000, which agreement was authorized by DEDA pursuant to its Resolution No. 10D-20.

Approved:

Approved for presentation to council:

\_\_\_\_\_  
Department Director

\_\_\_\_\_  
Chief Administrative Officer

Approved as to form:

Approved:

\_\_\_\_\_  
Attorney

\_\_\_\_\_  
Auditor

BD/ATTY REA:cjk 4/21/2010

STATEMENT OF PURPOSE: The purpose of this resolution is to approve DEDA's agreement with Templecorp, Inc., to purchase the Temple Opera, Norshor Theater and Norshor Annex buildings for \$2,600,000.

These buildings, on the northeast corner of Second Avenue East and Superior Street are located at the heart to the Old Downtown arts, entertainment and historic preservation area and are key to the redevelopment of that area to meet the objectives of the city, DEDA and the entire Downtown business community. They are listed on the register of historic buildings and are linchpins to the extension of the Downtown skywalk system from the Tech Village to the Greysolon, the Sheraton and the Medical District.

While the Norshor is essentially vacant (we are told that the only tenant will be vacating the property prior to closing), the Temple Opera building is an office building that is substantially rented up and will be able to continue to produce a revenue stream through the foreseeable future.

Upon acquisition, DEDA will be in a position to expeditiously address the extension of the Skywalk connection from the Greysolon to the casino and from there to the Tech Village, thus removing a major issue from that connection. It is likely that the Temple Opera will be able to benefit from addressing some maintenance issues with the goal of returning it to private sector hands which are committed to respect the historic nature and aesthetics of the building. The Norshor will offer a tremendous opportunity to redevelop it in a historically respectful manner that will benefit and enhance the arts and entertainment mission of the district and the arts community and make it a major contributor to the planned revitalization of the entire area.

City Council Resolution No. 09-0342, which most recently amended the resolutions governing DEDA, requires in relevant part that DEDA not enter into an agreement involving the expenditure by DEDA of more than \$100,000 without the prior approval of the council. This resolution is intended to fulfill that requirement.

Under the agreement, closing will occur on or before May 14, 2010.