

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

10-0229R

RESOLUTION AMENDING RESOLUTION 89-0323, ESTABLISHING THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY, SAID AMENDMENT RELATED TO COUNCIL APPROVAL FOR EXPENDITURES.

BY COUNCILORS STAUBER AND FEDORA:

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) Resolution 89-0323 has been further amended by Resolution 89-0323, Resolution 98-0949, Resolution 99-0239, Resolution 02-0606, Resolution 04-0202, Resolution 04-0215, and Resolution 09-0342;

(c) The above-referenced resolutions are hereinafter collectively referred to as the DEDA establishment resolution;

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

NOW, THEREFORE, BE IT RESOLVED, that paragraph 19 of the DEDA establishment resolution is hereby amended to read as follows:

19. That DEDA shall not enter into an agreement involving an expenditure by DEDA of more than \$100,000 without the prior approval of the council. For the purposes of this resolution, "expenditure" shall mean the following: payments; loans; guarantees made by DEDA; grants made by DEDA, forgiveness or reduction of amounts owed to DEDA under contract; loans or transfers between DEDA funds including interfund loans from tax increment financing districts; hiring of staff or contracted personnel where the cost to DEDA in any year exceeds \$100,000; any sale of personal or real property where the difference between the lower of the market value or the cost and the sale price exceeds \$100,000; or any other DEDA decision involving the disbursement of an amount exceeding \$100,000 provided, however,

that the term "expenditure" shall not apply to the issuance of industrial development bonds.

Approved as to form:

---

Attorney

CCREQ/ATTY      GBJ:cjk      4/22/2010

STATEMENT OF PURPOSE: This resolution amends the resolution establishing DEDA by expanding the types of DEDA expenditures and actions which require prior council approval such as interfund loans, market rate loans and storefront loans which are in excess of \$100,000.