

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

10-0338R

RESOLUTION AUTHORIZING AN AGREEMENT WITH THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY (DEDA) TO INSURE CERTAIN DEDA PROPERTY UNDER THE CITY'S PROPERTY AND BOILER INSURANCE POLICIES.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to execute an agreement with the Duluth economic development authority (DEDA), substantially the same as that on file in the office of the city clerk as Public Document No. _____, under which certain DEDA property will be insured under the city's property and boiler insurance policies for the period from February 16, 2010 to February 16, 2011, and for which DEDA shall reimburse the city in an amount not to exceed \$12,358.83, to be deposited in Fund 610-036-1656-4904.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

DEDA/ATTY JC:cjk 6/15/2010

STATEMENT OF PURPOSE: This resolution authorizes the execution of an agreement with DEDA under which DEDA-owned buildings will be insured under the City's property and boiler insurance policies which will provide property insurance for DEDA's property at a cost which will represent a substantial savings to DEDA. The cost to DEDA for the city's property policy is based on a \$.535 per thousand of insured value plus \$1,000 in estimated breakdown insurance. The cost if DEDA were to obtain its own property insurance would be in the neighborhood of \$1.00 per thousand insured value. The city has a blanket property policy with a \$100,000 deductible. DEDA will pay the city up to \$12,358.83 for the additional coverage. The buildings being insured are the MRO Building, the Temple Opera Building, the Norshor Annex and the Norshor Theatre.