

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

10-0558R

RESOLUTION AUTHORIZING A GRANT APPLICATION TO THE STATE OF MINNESOTA FOR THE CONTAMINATION CLEAN-UP OF THE FORMER DULUTH SPRING SITE.

CITY PROPOSAL:

RESOLVED, that the city of Duluth ("city") act as the legal sponsor for the Duluth Spring project as contained in the contamination cleanup grant program application to be submitted on November 1, 2010, and that the mayor and clerk are hereby authorized to apply to the department of employment and economic development (DEED) for a grant in the amount of \$460,924 for funding of this project.

FURTHER RESOLVED, that the city has the legal authority to apply for financial assistance, and the institutional, managerial and financial capability to ensure adequate project administration.

FURTHER RESOLVED, that the city hereby commits to provide no less than \$153,641 in a qualified match contribution to be provided by 300 Canal Park LLC.

FURTHER RESOLVED, that the city has not violated any federal, state and local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest, or other unlawful or corrupt practices.

FURTHER RESOLVED, that upon approval of its application by the state, the mayor and clerk may enter into a grant agreement with the state of Minnesota for

the above referenced project, and that the city certifies that it will comply with all applicable laws and regulation as stated in the grant agreement.

Approved:

Approved for presentation to council:

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

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

Approved as to form:

Approved:

\_\_\_\_\_  
Attorney

\_\_\_\_\_  
Auditor

BD/ATTY RA:bel 10/18/2010

STATEMENT OF PURPOSE: This grant application, in the amount of \$460,924, represents 75 percent of the estimated contamination cleanup costs associated with the last industrial property in Canal Park—the former Duluth Spring site. 300 Canal Park LLC purchased the property earlier this year from Duluth Spring, a local manufacturer of steel leaf springs that has relocated to another Duluth location. More than 50 percent of this site is contaminated with lead and PAH in excess of MPCA-allowed levels; the contamination is largely attributed to filling of the site with contaminated materials in the early 1900's. This cleanup projects sets the stage for a private development project in excess of \$3.6 million—to include construction of a brewery and restaurant.