

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

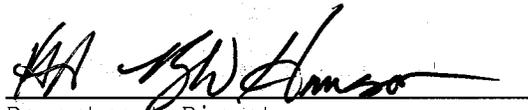
11-0124R

RESOLUTION ACCEPTING \$5,000 AND \$4,000 IN SETTLEMENT OF THE DEBTS OWED BY THE FOLLOWING BUSINESSES TO THE REVOLVING LOAN FUND FORMERLY OPERATED BY NORTH STAR COMMUNITY DEVELOPMENT CORPORATION AND AUTHORIZING EXECUTION OF RELEASES.

CITY PROPOSAL:

RESOLVED, that the city of Duluth hereby accepts \$5,000 from James and Lori Rock, Classic Boats and \$4,000 from Brad Nelson, Ripsaw News, in settlement of the debts owed to the revolving loan fund formerly operated by North Star Community Development Corporation, payable into Fund 263, Community Development Small Business Revolving Loan Fund, and authorizing the city's manager of community development to execute releases substantially in the form of that on file in the office of the city clerk as Public Document No. \_\_\_\_\_.

Approved:

  
Department Director

Approved for presentation to council:

  
Chief Administrative Officer

Approved as to form:

  
Attorney

Approved:

  
Auditor

CD KAH:jle 3/3/2011

STATEMENT OF PURPOSE: In 2004 the city took back the revolving loan fund operated by North Star Community Development Corporation. In that portfolio a loan was made to James and Lori Rock for the Classic Boat Tours. The principal balance of the loan was \$23,003, and with the settlement of \$5,000, the balance of the principal and interest is forgiven.

Also in that portfolio was a loan to Brad Nelson, Ripsaw News. The principal balance of the loan was \$13,226.96, and with the settlement of \$4,000, the balance of principal and interest is forgiven.

Both of these businesses have ceased operations.