

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

12-0287R

RESOLUTION APPROVING A MODIFICATION TO THE CANADIAN NATIONAL RAILROAD SUBZONE #100 AND THE ATLAS SUBZONE #101 AND REALLOCATING CERTAIN ACRES IN SAID SUBZONE TO FORM A NEW JOBZ SUBZONE CALLED THE MAINTENANCE FACILITY SUBZONE #100.2.

CITY PROPOSAL:

The city council of the city of Duluth hereby finds the following:

(a) The Duluth City Council adopted Resolution No. 03-0731 which authorized the Arrowhead Regional Development Commission to act as job opportunity building zone (JOBZ) zone sponsor and administrator to make program commitments on behalf of the city of Duluth;

(b) The Minnesota department of employment and economic development (DEED) approved the Northeast Minnesota regional JOBZ application for 4,031 acres including 351.12 acres within the city of Duluth;

(c) The Duluth City Council adopted Resolution No. 04-0236 designating those 351.12 acres within the city of Duluth into 11 subzones, including 62 acres in the Atlas Subzone #101 and 40 acres in the Canadian National Railroad Subzone #100, of which 14.4 acres was removed from Subzone #100 to create the Duluth Technology Park Subzone #100.1;

(d) The AAR maintenance, repair and overhaul facility project has been identified which requires creation of a new JOBZ subzone;

(e) The JOBZ program created in Minnesota Session Laws 2003, First Special Session, Chapter 21, Article 1, allows for the formation of tax free zones and for subzone boundaries to be amended with the approval of all taxing authorities.

NOW, THEREFORE, BE IT RESOLVED, that the city of Duluth approves a modification to the Atlas Subzone #101 by removing a total of 1.5 acres (Parcel #010-2746-01260) and to the Canadian National Railroad Subzone #100 by removing a total of 25.6 acres from said subzone having the following parcel identification numbers: 010-2746-01330 and -01440.

BE IT FURTHER RESOLVED, that the city of Duluth does hereby approve the creation of a new subzone of 27.1 acres called the Maintenance Facility Subzone #100.2 (parcel identification numbers: 010-2747-00050, -00080, and -00020) and approves the use of tax exemptions and tax credits within said subzone subject to proper review and approval by the Minnesota department of employment and economic development (DEED) and other appropriate taxing authorities with the zones and agrees to provide all of the local tax

exemptions and credits required and provided for under the JOBZ legislation and agrees to forgo the tax benefits resulting from the same.

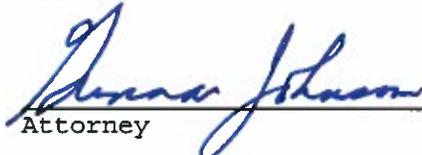
Approved:


Department Director

Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

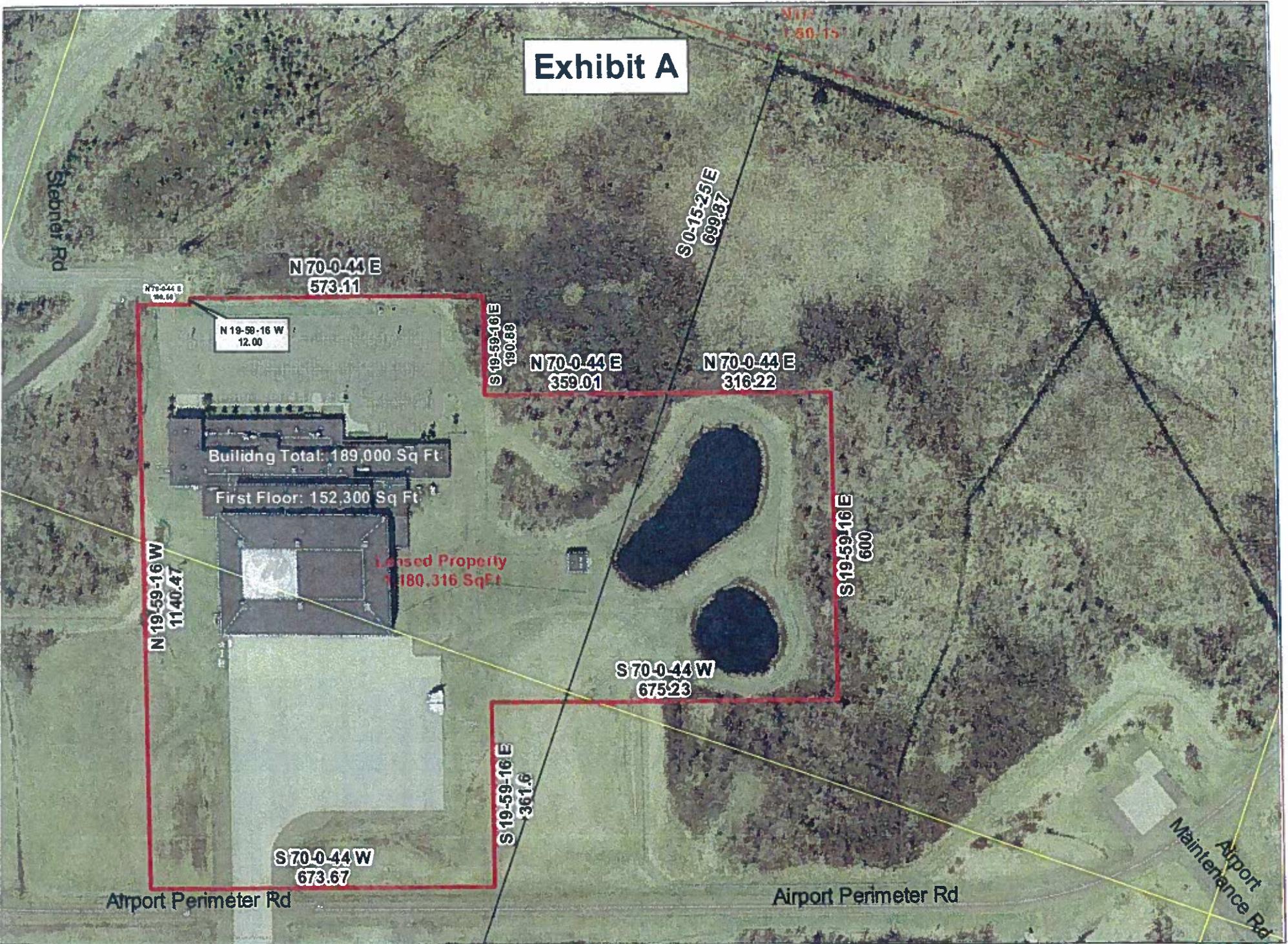
Approved:


Auditor

BD/ATTY HTB/JC:bel 06/01/2012

STATEMENT OF PURPOSE: This resolution authorizes the City's request of DEED to remove property from two of the City's eleven JOBZ subzones in order to create a new subzone, the "Maintenance Facility Subzone #100.2". The new subzone is being created in support of the AAR Aircraft Services, Inc. project. Authorization for the "swapping" of acreage needs to be secured from St. Louis County and ISD 709 as well. Subzone #100.2 will be 27.1 acres in size. Establishing a JOBZ subzone is the first of two actions required to provide JOBZ benefits to AAR. A separate resolution will be presented to this Council on June 25 for the approval of "JOBZ Qualified Business" status for AAR. The June 25 resolution addresses the business subsidy aspect of JOBZ benefits; this resolution addresses only the "geography" aspect.

Exhibit A



The City of Duluth has made every effort to ensure that the information contained in this report and related documents is accurate. The City of Duluth makes no warranty or guarantee concerning the accuracy or reliability of the information. This information is based on a legally recorded map and is subject to change without notice. The drawings and related information are based on a record located in various City Council and Board of Commissioners and other records being held as shown and is to be used for reference purposes only. The City of Duluth shall not be liable for any errors or omissions.

Duluth Maintenance Facility



1 inch = 240 feet 1:2,880
 0 60 120 180 240 Feet

Photo Date: 2011
 Printed: 5/8/2012



EXHIBIT B: JOBZ Subzones 100.0 (CN) & Subzone 101.0 (Atlas)

(solid red line boundary indicates 27.1 acres for new subzone 100.2)

