

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

12-0369R

RESOLUTION AUTHORIZING A REDEVELOPMENT APPLICATION TO  
THE STATE OF MINNESOTA FOR THE 425W REDEVELOPMENT  
PROJECT.

CITY PROPOSAL:

RESOLVED, that the city of Duluth act as the legal sponsor for the 425W Redevelopment Project as contained in the Redevelopment Grant Program Application to be submitted on August 1, 2012 and that the proper city officials are hereby authorized to apply to the department of employment and economic development (DEED) in an amount of up to one million five hundred thousand dollars (\$1,500,000) 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 if approved by the state, the city hereby commits to provide 50% of the project costs, up to \$1,500,000, in a qualified match contribution, said match to be provided by Tax Increment Financing.

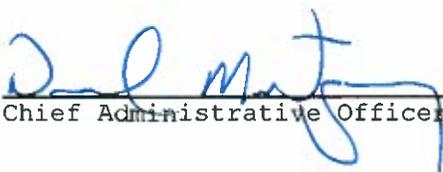
FURTHER RESOLVED, that the city has not violated any federal, state and local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest, or other unlawful or corrupt practices.

FURTHER RESOLVED, that upon approval of its application by the state, the proper city officials may enter into a grant agreement with the state of Minnesota for the above referenced project and receive said grant payable into Fund 255 (Economic Development Fund), Department 020 (Planning), Source 4220-01 (State of Minnesota), and that the city certifies that it will comply with all applicable laws and regulations.

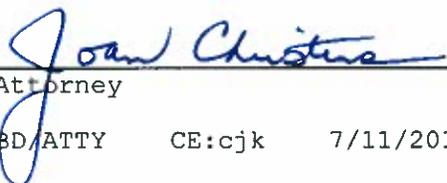
Approved:

  
Department Director

Approved for presentation to council:

  
Chief Administrative Officer

Approved as to form:

  
Attorney  
BD/ATTY CE:cjk 7/11/2012

Approved:

  
Auditor

STATEMENT OF PURPOSE: DEED's Redevelopment Grant Program helps communities with the costs of redeveloping blighted sites and putting land back into productive use. The current program is funded with both state general fund and state bond financing. The general fund monies can be spent on both public and private property/improvements; the bond monies must be spent on public improvements.

The City is requesting up to \$1.5 million from the Redevelopment Grant Program to acquire and construct a 600-space public parking ramp, including skywalk system, as part of an \$80 million downtown development project. The public investment will leverage \$60 million in private investment, retain 500 professional jobs, create 250 jobs, and employ at least 150 construction personnel.

This resolution authorizes the City to submit an application in an amount of up to \$1,500,000. It also commits the City to providing no less than a 1:1 local match upon award of the grant. If the grant request is approved, the acceptance of the grant award will come back to the City at which time sources and amounts of the local match will be finalized.