

PUBLIC WORKS & UTILITIES COMMITTEE

14-0206R

RESOLUTION AUTHORIZING A CONTAMINATION CLEANUP GRANT APPLICATION IN THE AMOUNT OF \$225,000 TO THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT RELATING TO CITY PROPERTY LOCATED AT 40<sup>TH</sup> AVENUE EAST AND JAY STREET AND COMMITTING A LOCAL MATCH IN THE AMOUNT OF \$75,000.

CITY PROPOSAL:

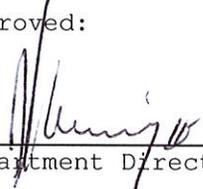
RESOLVED, that the city of Duluth ("City") act as the legal sponsor of a grant in the amount of \$225,000 to fund the cleanup of contamination associated with the former city utilities facility on the currently vacant land located at 40<sup>th</sup> Avenue East and Jay Street, payable into Fund 255-020-4220-02 (economic development, planning, state of MN operating grants,) to be submitted to the Minnesota Department of Employment and Economic Development (DEED) on May 1, 2014 and that the mayor and clerk are hereby authorized to apply for said grant;

FURTHER RESOLVED, that the sources and amounts of the local match identified in the application in the amount of \$75,000 are committed to the project identified, payable from Fund 520-500-1900-5700-20 (gas fund, public works & utilities, public works director's office, transfer to special revenue funds);

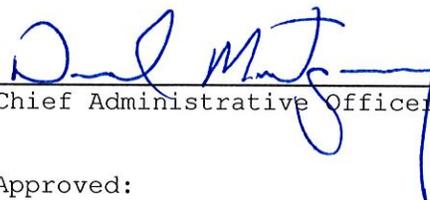
FURTHER RESOLVED, that upon approval of the city's application by DEED, the mayor and clerk may enter into an agreement with the State of Minnesota for the

above-referenced project.

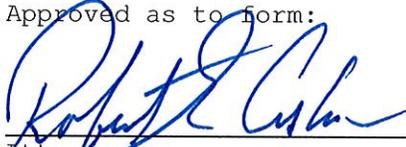
Approved:

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

Approved for presentation to council:

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

Approved as to form:

  
\_\_\_\_\_  
Attorney

Approved:

  
\_\_\_\_\_  
Auditor

ENG RCL:bel 04/21/2014

STATEMENT OF PURPOSE: During its DEED-funded environmental assessment of the site, the Duluth Economic Development Authority (DEDA) discovered, through its environmental consultant, soil contamination on what is now vacant land located at 40<sup>th</sup> Avenue East and Jay Street (Jay Street Site). The Jay Street Site is the former location of a City Utilities gas storage facility.

Simultaneously, the City is experiencing a growing need for additional infill housing that meets the needs and desires of those coming to Duluth fill the many job openings local and regional employers report. It is proposed to apply for DEED funding for 75% of the cleanup costs associated with the Jay Street Site with the City covering the remaining 25%.

In order to make a competitive application to DEED and to offset the City's investment in the cleanup, it is further proposed that the site be used for additional housing development of a type in keeping with the surrounding neighborhood.

