

Notice of Public Hearing to Consider Tax Abatement by the City of Duluth – Costco Wholesale Corporation

The City of Duluth intends to enter into a development agreement with Costco Wholesale Corporation to allow for construction of a new Costco Wholesale store at the intersection of Haines and Arrowhead Roads in Duluth, Minnesota. The Costco development project consists of the construction of an approximately 160,000 square foot retail store and approximately 725-space parking lot.

Tax abatement assistance is proposed to be provided in accordance with a City Council Resolution, to be considered on July 20, 2020. A proposed public infrastructure project will be funded by the proposed tax abatement, which will include infrastructure investments to allow for construction of the proposed Costco Wholesale store on the development site. The specific improvements include capacity and functional upgrades to the public roadway, including traffic control, widening for turn lanes, striping, utility relocation, sidewalks, and signals, as well as water and sewer mains, subsurface stormwater management infrastructure, and other related public infrastructure improvements. Increased property taxes on the site of the proposed Costco development will support the proposed tax abatement.

The City of Duluth proposes the use of tax abatement to support the public infrastructure investment in an amount of \$1,350,000 over up to 15 years. The tax abatement by the City is proposed to be supported by St. Louis County, which will consider tax abatement of \$650,000 over up to 10 years. The total abatement amount by the City and the County is \$2,000,000 in support of public infrastructure on the site. The tax abatement assistance would begin the first year after project completion. The proposal to abate property taxes levied by the City applies to the following St. Louis County, Minnesota tax parcels:

010-2710-02140, 010-2710-02145, 010-2710-02146, 010-2710-02147, and 010-2710-02130

The provision of tax abatement assistance is a business subsidy pursuant to the Business Subsidy Act, Minnesota Statute §§ 116J.993 to 116J.995. After the public hearing, if the creation or retention of jobs is determined not to be a goal, the wage and job goals may be set at zero in accordance with the Business Subsidy Act. Any person with residence in the City, or the owner of taxable property in the City, may file a written complaint with the City if the City fails to comply with the Business Subsidy Act, and no action may be filed against the City for the failure to comply unless a written complaint is filed.

A public hearing will be held by the Duluth City Council at 7:00 p.m. on Monday, July 20, 2020 to consider approval of the tax abatement and the development agreement which includes the provision of a business subsidy in the form of the tax abatement. All interested persons may participate in the July 20, 2020 public hearing and present their views orally or in writing. Due to the COVID-19 emergency, the July 20, 2020 meeting of the Duluth City Council will be held by other electronic means pursuant to Minnesota Statutes Section 13D.021. Some members of the City Council will be participating through video conference. Due to the COVID-19 emergency and the closure of City facilities, public comment during the public

hearing will not be taken in person. However, members of the public can monitor the meeting and provide public comment through WebEx Events. Visit <https://duluthmn.gov/live-meeting> to access the meeting. The public is also encouraged to submit written comments to planning@duluthmn.gov prior to the meeting. If you would prefer to give oral comments by phone in advance of the meeting, please call the City at 218-730-5580 and those comments will be transcribed and included as part of the public hearing. Please include "Costco Development" in the subject line, and include your name and address. Please note that all public comment is considered Public Data. The public is also encouraged to participate in the meeting by tuning into Public Access Television, Channel 180.

For more information or to forward comments on this application, contact:

**Department of Planning & Economic Development
Room 160, City Hall
411 W. 1st Street
Duluth, MN 55802**

**218-730-5580 (phone)
planning@duluthmn.gov**

If you require special assistance such as interpretation, please contact the Planning & Economic Development Department at 218-730-5580 so that your needs can be accommodated.

Individuals with hearing impairments can call the City's TTY/Information Assistance at 730-5000 or the Minnesota Relay Service at 1-800-627-3529.