

RESOLUTION 19D-43

RESOLUTION OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY FINDING A PARCEL IS OCCUPIED BY STRUCTURALLY SUBSTANDARD BUILDINGS AND MEETS THE REQUIREMENTS OF A REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT UNDER MINNESOTA STATUTES §469.174, SUBD. 10

WHEREAS, it has been proposed that Duluth Economic Development Authority ("DEDA") create a tax increment financing district in an area within the City of Duluth, Minnesota (the "City") to be designated a redevelopment district as defined in Minnesota Statutes, Section 469.174, Subd. 10; and

WHEREAS, in order to create this type of tax increment financing district, DEDA must make a determination that before the demolition or removal of any substandard buildings, certain conditions existed; and

WHEREAS, the conditions found by DEDA to exist throughout the proposed tax increment financing district are that parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; and

WHEREAS, in order to deem a parcel as being occupied by a structurally substandard building, DEDA must first pass a resolution before the demolition or removal that the parcel was occupied by one or more structurally substandard buildings and that after demolition and clearance DEDA intended to include the parcel within the proposed tax increment financing district; and

WHEREAS, there exists in the City on the parcel described in Exhibit A attached hereto (the "Parcel") one or more structurally substandard buildings to be demolished or removed (the "Substandard Building Condition"); and

WHEREAS, a parcel is deemed to be occupied by a structurally substandard building if the Substandard Building Condition is met within three years of the filing of the request for certification of the parcel as part of the tax increment financing district with the county auditor; and if certain other conditions are met.

NOW, THEREFORE, BE IT RESOLVED by the DEDA that:

1. DEDA has received from LHB, Inc. the "TIF Analysis Findings for 102 North 2nd Avenue East" dated October 31, 2019 (the "Inspection Report"), finding that, based on an inspection of the building located on the Parcel, such building was determined to be substandard under the definition set forth in Minnesota Statutes §§ 469.174 to 469.1794, as amended, (the "TIF Act"). Based on the Inspection Report and other

information available to DEDA, DEDA finds that the Parcel consisting of 70 percent of the area of the proposed tax increment financing district is occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance as required by the TIF Act.

2. After the date of approval of this resolution, the building on the Parcel may be demolished or removed by DEDA, or such demolition or removal may be financed by DEDA, or may be undertaken by a developer under a development agreement with DEDA.

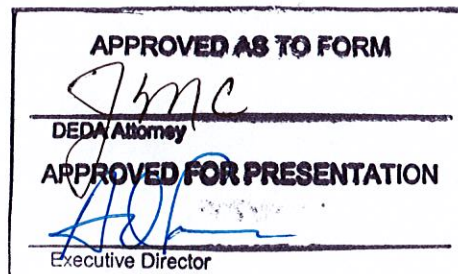
3. DEDA intends to include the Parcel in a redevelopment tax increment financing district, and to file the request for certification of such district with the St. Louis County Auditor within 3 years after the date of demolition of the building on the Parcel.

4. DEDA staff and consultants are authorized to take any actions necessary to carry out the intent of this resolution.

Approved by the Duluth Economic Development Authority this 18th day of December, 2019.

ATTEST:

Executive Director



STATEMENT OF PURPOSE: DEDA owns Pastoret Terrace Building and Robeson Ballroom located at 102 North 2nd Avenue East. It is anticipated that DEDA will establish a redevelopment tax increment financing district on this site. The structurally-substandard condition of those structures contributes to the district meeting statute-based requirements for a redevelopment tax increment financing district. Approval of this resolution memorializes the condition of the structure on the parcel so that, after its removal from the site, its structurally substandard condition will continue to contribute to the findings for a redevelopment tax increment financing district when the district is established.

EXHIBIT A

PARCEL IDENTIFICATION NUMBER

Parcel Number	Address	Owner Name
010-0930-00270	102 North 2 nd Avenue East	DEDA