



STATEMENT OF PURPOSE: The purpose of this ordinance is to authorize the conveyance of real property legally described above (the "Property") to the Duluth Seaway Port Authority, a body politic and corporate, organized under the laws of the State of Minnesota ("DSPA"). The Property is located in the Oneota neighborhood south of I-35. An approximate depiction of the Property is outlined in red on the attached Exhibit 2.

The Erie Pier Property, together with other real property already owned by the Duluth Seaway Port Authority ("DSPA"), make up a site that is more commonly known as the "Erie Pier Contained Disposal Facility." The Erie Pier Contained Disposal Facility manages dredged material from the federal navigation channel, a part of the Great Lakes/St. Lawrence Seaway System deep-draft waterway. It was constructed in 1978-79 to serve both the Wisconsin and Minnesota portions of the Harbor. The Erie Pier Contained Disposal Facility has switched from operating as a confined disposal facility to a processing and reuse facility. The dredged material processed at the site is used for habitat restoration, construction projects, mine-land reclamation, and other uses.

The Erie Pier Property is proposed to be transferred to the DSPA to facilitate the long-term operation of the Erie Pier Contained Disposal Facility. DSPA's ownership of the Erie Pier Property will allow the DSPA to negotiate access agreements and liability releases for the beneficial use of dredged material, provide for transportation of the dredged material to offsite locations, and to make necessary capital improvements to promote beneficial use of dredged material that will extend the operating life of the facility. The DSPA will assume the city's role in the existing agreement between the United States of America, the City and DSPA for Local Cooperation at Duluth Harbor, Minnesota dated April 25, 1978, which governs current operations.

Conveyance of the Erie Pier Property to DSPA will provide for the continued success of the U.S. Army Corps of Engineers' maintenance of the navigable channel in the Duluth-Superior Port and allow for an increase in the capacity of the site to process dredged material. In light of the substantial public benefit associated with conveying the Erie Pier property to the DSPA, the City intends to convey the Erie Pier Property for nominal consideration under the terms and conditions of the Purchase Agreement approved under Resolution No. 22-0920.