



Legislation Text

File #: 21-0827R, **Version:** 1

RESOLUTION AUTHORIZING A CONTAMINATION CLEANUP GRANT APPLICATION IN AN AMOUNT NOT EXCEED \$2,000,000 TO THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT RELATING TO PROPERTY LOCATED AT 424 SOUTH LAKE AVENUE.

CITY PROPOSAL:

RESOLVED, that the proper city officials are authorized to submit an application to the Minnesota department of employment and economic development (DEED) for a Contamination Cleanup Grant Application in an amount not to exceed \$2,000,000 to provide support for environmental remediation at the Northwest Iron parking lot located at 424 South Lake Avenue; and

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; and

FURTHER RESOLVED, that the Duluth city council has not violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickback, collusion, conflict of interest or other unlawful or corrupt practice; and

FURTHER RESOLVED, that the sources and amounts of the match identified in the application in the amount of not less than twenty-five (25) percent of the grant award will be committed to the project and have been identified, with said match to be provided by the Duluth Economic Development Authority (DEDA) and STAR NW, LLC.

FURTHER RESOLVED, that if approved by the state, acceptance thereof is subject to further resolution by the council authorizing execution of the grant agreement with the state.

STATEMENT OF PURPOSE: Environmental investigations in 2019-2020 have shown that the Northwest Iron parking lot located at 424 South Lake Avenue to have demonstrated the existence of underground contamination in the soils beneath the lot at levels exceeding acceptable criteria. The City and the DEDA own approximately one-third of the site, and STAR NW, LLC owns the remaining two-thirds, with the entire site comprising the existing central Northwest Iron parking lot located at 424 South Lake Avenue.

The purpose of this resolution is to authorize an application to the DEED Contamination Cleanup Grant to assist with the clean-up and remediation of the Northwest Iron Lot. The DEED Cleanup Grant provides an a grant award for up to 75% of the estimated total cost of the cleanup work and requires a local match of not less than 25% of the total costs. If awarded, the local match will be provided by DEDA and Star NW, LLC.

Anticipated potential redevelopment options, were the site to be remediated, may include the development of additional retail space, public parking, and new and upgraded public plaza spaces.