



Legislation Text

File #: 20-0311R, **Version:** 1

RESOLUTION AUTHORIZING LONG TERM AGREEMENT WITH St. LUKE'S HOSPITAL OF DULUTH TO SUPPLY SAID HOSPITAL WITH THERMAL ENERGY THROUGH THE DES.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to enter into an agreement, substantially in the form of that attached as Exhibit A, with St. Luke's Hospital of Duluth, a Minnesota nonprofit corporation, to supply its facilities in the Medical District with thermal energy in the form of hot water and steam as needed from the city's District Energy System for a term of up to 30 years.

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize an agreement with St. Luke's Hospital system to provide thermal energy in the form of hot water and steam from the city's District Energy System ("DES") for a term of 30 years.

As a part of the Regional Exchange District legislation approved in 2019, state funding was provided for the extension of the city's hot water energy system to the St. Luke's medical campus. Funding was also provided for the construction of needed public parking as part of that campus' development plan.

This agreement provides for newly designed and constructed facilities included in St. Luke's current development program to be connected to the new hot water facilities. It also provides for existing facilities to be connected to hot water where it is financially advantageous for St. Luke's and the city to do so. Existing facilities where their design would render conversion to hot water financially disadvantageous would continue to be served by steam from DES's existing facilities.

The term of St. Luke's commitment is for 30 years as set forth in the agreement.