



Legislation Text

File #: 20-0277R, **Version:** 1

RESOLUTION AUTHORIZING AN AMENDED AND RESTATED LAKE AVENUE PLAZA DEVELOPMENT AGREEMENT WITH MINNESOTA POWER FOR THE OPERATION AND MAINTENANCE OF THE EAST AND WEST PLAZAS IN DOWNTOWN DULUTH.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to enter into and execute an Amended and Restated Lake Avenue Plaza Development Agreement, substantially in the form attached as Exhibit 1, with Minnesota Power, a division of Allete, Inc., for the operation and maintenance of the east and west plazas in downtown Duluth.

RESOLVED FURTHER, that the proper city officials are authorized to record with the register of deeds and/or the registrar of titles of Saint Louis County, Minnesota, a certified copy of this resolution and the fully executed Amended and Restated Lake Avenue Plaza Development Agreement.

STATEMENT OF PURPOSE: This resolution authorizes the city to enter into an Amended and Restated Lake Avenue Plaza Development Agreement with Minnesota Power, a division of Allete, Inc., for the operation and maintenance of the east and west plazas in downtown Duluth.

The City entered into the original Lake Avenue Plaza Development Agreement on May 30, 1985 (the "Development Agreement") wherein the city agreed to acquire certain real property from the State of Minnesota to construct a parking structure between Superior Street and Michigan Street, as well as plaza areas on top of the parking structure. The Development Agreement also described the specific improvements to be made to the plazas, as well as outlined the City and Minnesota's Power's respective roles and responsibilities for the ongoing maintenance, operation, replacement, and future improvements to the plazas.

In 2019, Minnesota Power and the City engaged in negotiations to, among other things, amend the Development Agreement and vacate all of the plaza agreements in order to reduce the footprint of the plaza area. The entire plaza footprint needed to be vacated because there is not a single document or legal description that creates the areas. In return, Minnesota Power agreed to dedicate new plaza easements, make certain improvements to the plaza, and update the Development Agreement.

The Development Agreement contained the various action items that needed to occur including acquiring the property, constructing the parking structure, and developing the plaza, and most of those items have now been completed. Therefore, the parties need to update the Development Agreement to outline the parties current and future obligations related to the maintenance, operation, replacement, future improvements and expected lifespan of the plazas. The attached Amended and Restated Lake Avenue Plaza Development Agreement accomplishes such objectives. The dedication of the new east and west plazas will occur by separate agreements, which will be accepted by the city council under Resolution No. 20-0270.

This resolution is one of several items related to a larger real estate transaction between the city and Minnesota Power, as more further described in Ordinance No. 20-027.