



Legislation Text

File #: 20-0288R, **Version:** 1

RESOLUTION AUTHORIZING AN AGREEMENT WITH SMDC HEALTH SYSTEM FOR THE DESIGN AND CONSTRUCTION OF A PARKING RAMP AND SKYWALK IN THE REGIONAL EXCHANGE DISTRICT IN THE AMOUNT OF UP TO \$36,400,000.

CITY PROPOSAL:

RESOLVED, that the Duluth proper city officials are hereby authorized to enter into an agreement, substantially in the form of that attached as Exhibit A, with St. Mary's Duluth Clinic Health System, DBA Essentia Health East, a Minnesota nonprofit corporation, for the design and construction of a new parking ramp facility, planned to provide between 800 and 1400 parking spaces, dependent on design, including property acquisition therefore, and a skywalk bridge to the new St. Mary's Hospital as part of the Regional Exchange District Project at a cost of \$36,400,000, payable from Fund 455 Regional Exchange District, subject to reimbursement as provided for in Minnesota Statutes Section 469.53 (a)(2).

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize an agreement with SMDC for the acquisition of property and the design and construction of a new parking ramp and skywalk connection in conjunction with SMDC's development of their new approximately \$675 Million, state-of-the-art hospital between Superior Street and Second Street on the east side of 4th Avenue East.

Pursuant to the Regional Exchange District legislation, approved by the Minnesota State Legislature and as part of that act, the legislature approved the appropriation of \$36.4 Million to fund the design and construction of a new parking ramp facility, along with related property acquisition, which was intended to provide for the parking needs of the new hospital facility which SMDC is constructing to replace the existing St. Mary's Hospital with a new state-of-the-art hospital designed to meet the medical needs of the community into the 21st century and beyond. The funds were granted to the city in such a manner as to encourage the city to contract with SMDC for the design and construction.

To implement this portion of the Regional Exchange District program, the city and SMDC have negotiated the subject agreement calling for SMDC to acquire the property needed for the new ramp and to design and construct it along with a skywalk connection to the new hospital facility. The city will have review and approval of the plans but SMDC will be responsible for the design and construction of it. The city will be obligated to reimburse SMDC for the costs of acquisition, design and construction of the ramp and skywalk up to the amount appropriated therefore by the legislature, to wit: \$36.4 Million, subject to receipt of reimbursement funds from the state.