



Legislation Text

File #: 21-0531R, **Version:** 1

RESOLUTION AUTHORIZING MATCHING FUNDS OF \$60,000 FOR THE SPIRIT MOUNTAIN AUTHORITY APPLICATION TO THE GREATER MINNESOTA REGIONAL PARKS AND TRAILS COMMISSION FOR CAPITAL IMPROVEMENTS FOR SPIRIT MOUNTAIN RECREATION AREA, A REGIONALLY DESIGNATED SPECIAL RECREATIONAL AREA.

CITY PROPOSAL:

BE IT RESOLVED, that City of Duluth has the legal authority to provide \$60,000 in matching funds from 452-030-5530-HANDHTAX (Tourism & Recreational Projects, Finance, Improvement Other Than Buildings, Half & Half Tax Projects).

BE IT FURTHER RESOLVED, that, should the application be awarded, the City of Duluth has the legal authority to enter into the Memorandum Agreement, attached hereto as Exhibit A.

BE IT FURTHER RESOLVED, that the City of Duluth is fully aware of the information provided in the Spirit Mountain Authority application and the City of Duluth's associated responsibilities, including long-term commitments as defined in the application and related master plan and supporting information as submitted.

BE IT FURTHER RESOLVED, that the City of Duluth will comply with all applicable laws and regulations associated with grant funding for their respective portions of any project.

STATEMENT OF PURPOSE: This resolution supports an application that will be submitted by the Spirit Mountain Recreation Authority to the Greater Minnesota Regional Parks and Trails Commission for a \$2,282,280 State of Minnesota Legacy Parks and Trails grant.

If funded, the grant will pay for completion of:

1. Destination trail systems at Spirit Mountain for mountain bikes, cross-country skiing, and snowmobiles:
2. Phase I improvements to the DWP trail connecting Grand Avenue Chalet and the Lake Superior Zoo.
3. An ADA-compliant paved trail connection from Grand Avenue Chalet across the new signalized Grand Avenue intersection to the Munger State Recreation Trail.

In combination, these improvements will strengthen Spirit Mountain's status as a mountain biking and cross-country skiing destination, better connect snowmobilers to Spirit Mountain services, and better connect Spirit Mountain to other visitor destinations in the St Louis River Corridor including the Lake Superior Zoo, the St Louis River National Water Trail, and the Munger State Recreation Trail.

This resolution specifically authorizes a \$60,000 matching contribution from the City of Duluth equal to 2.1% of the total project cost. The City's contribution will be sourced from a portion of the proceeds of the so-called St. Louis River Corridor half and half tourism tax - a one-half of one percent increment in tourism taxes that, per state law, may only be used to pay for capital improvements to publicly owned facilities in western Duluth that support outdoor recreation and tourism. The \$60,000 is the remaining portion of those funds that were put aside for improvements to cross-country ski trails at Grand Avenue Nordic Center at Spirit Mountain.

City partners have committed an additional \$424,900 of non-state matching funds to the project including \$114,000 from the Duluth Cross Country Ski Club, \$224,900 from the federal government, and \$86,000 from Spirit Mountain.

If awarded, it is hoped that this grant will permit the City and Spirit Mountain to decrease the cost of the proposed Spirit Mountain state bonding project from approximately \$24 million to approximately \$22 million.