



Legislation Text

File #: 16-0486R, **Version:** 1

RESOLUTION AUTHORIZING ASSESSMENT AGREEMENT WITH CIRRUS DESIGN CORPORATION FOR AGREEING TO BE ASSESSED FOR THE COST OF DESIGNING AND CONSTRUCTING A NEW GAS MAIN IN CONNECTION WITH THE COMPLETION CENTER.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to enter into an agreement, substantially in the form of that attached hereto as Exhibit A, with Cirrus Design Corporation, a Wisconsin corporation ("Cirrus"), pursuant to which City will construct a new 6" natural gas main from Haines Road to the new Cirrus Completion Center, as generally shown on Exhibit B attached hereto and made a part hereof, and Cirrus will agree to pay for the cost thereof by agreeing to have its facilities at the Duluth International Airport assessed therefore, in an amount not to exceed \$400,000.

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize the City to enter into an agreement with Cirrus Design Corporation for the City to design and have constructed a new 6" natural gas main from the City's existing main on Haines Road to the new Cirrus Completion Center in order to meet the needs of the Center for additional natural gas service volume and for Cirrus to agree to pay for the cost thereof by agreeing that the City can assess Cirrus' facilities at the Airport.

In order to meet the needs of Cirrus for space to begin building their new jet aircraft as well as to better meet the needs for completing and finishing their existing lines of aircraft, and the need for research and development facilities, the City and Cirrus entered into an agreement pursuant to which Cirrus would construct, with the assistance of the City, a new Completion Center on City-owned property at the Airport. By shifting various operations in the existing facilities, either around or to the new Center, Cirrus would then have room in the existing facilities to do the primary manufacture of their new personal jet plane as well as room for needed R & D facilities.

After construction of the Center was underway, an analysis of its natural gas needs revealed that the existing gas main available to serve the Center did not have sufficient capacity to meet those needs and so a new 6" main was determined to be needed. After further negotiation and discussion, the parties agreed that the City would construct the main and Cirrus would pay the actual costs of the new main by means of an assessment against their various property interests at the Airport. The purpose of this agreement is to memorialize that agreement and commitment.

Attachment A - Assessment Agreement