

NOW, THEREFORE, BE IT RESOLVED, that the proper city officials are hereby authorized to allocate funds from the Vacant Building Registration Fund (210-030-3132) in an amount not to exceed \$75,000 to assist the HRA in the demolition of the Esmond Building located on the corner of West Superior Street and North 20th Avenue West.

STATEMENT OF PURPOSE: This resolution authorizes city officials to allocate funds from the Vacant Building Registration (VBR) Fund in an amount not to exceed \$75,000 to assist the Housing and Redevelopment Authority of Duluth (HRA) to provide for removal of the structurally unsound Esmond Building (formerly Seaway Hotel) located at the corner of West Superior Street and North 20th Avenue West. The VBR Fund was created in 2015 to assist the City with abatement and demolition of blighted and condemned structures. The Duluth Economic Development Authority (DEDA) authorized a Development Agreement with Merge, LLC (Developer) for redevelopment of the property into a multi-family residential project resulting in 40 apartment units, all of which will be affordable to residents earning at or below 80% of the area median income. City Council reviewed said Development Agreement at their August 16, 2021 meeting, and adopted resolution 21-0584R. The HRA has agreed to fund demolition costs to assist the Developer with redevelopment costs, because the demolition must proceed with or without the project. Even if the proposal by Merge, LLC were to fail to proceed, the existing structure is vacant and must be razed at the earliest possible time due to safety and security issues, and due to concerns regarding the structure's integrity.