Legislation Details (With Text)

File #:	23D-07	**Name:**	
Type:	DEDA Items	**Status:**	Passed
File created:	1/18/2023	**In control:**	Duluth Economic Development Authority.
On agenda:	1/25/2023	**Final action:**	1/25/2023
Title:	RESOLUTION OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY FINDING A PARCEL IS OCCUPIED BY STRUCTURALLY SUBSTANDARD BUILDINGS AND MEETS THE REQUIREMENTS OF A REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT UNDER MINNESOTA STATUTES §469.174, SUBD. 10		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. 23D-07- 131 West 1st Street TIF Report		

Date	Ver.	Action By	Action	Result

RESOLUTION OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY FINDING A PARCEL IS OCCUPIED BY STRUCTURALLY SUBSTANDARD BUILDINGS AND MEETS THE REQUIREMENTS OF A REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT UNDER MINNESOTA STATUTES §469.174, SUBD. 10

WHEREAS, it has been proposed that Duluth Economic Development Authority (“DEDA”) create a tax increment financing district in an area within the City of Duluth, Minnesota (the “City”) to be designated a redevelopment district as defined in Minnesota Statutes, Section 469.174, Subd. 10; and

WHEREAS, in order to create this type of tax increment financing district, DEDA must make a determination that, before the demolition or removal of any substandard buildings, that parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures, that more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance and that said conditions exist throughout the proposed district; and

WHEREAS, in order to deem a parcel as being occupied by a structurally substandard building, DEDA must find by resolution that the parcel is occupied by one or more structurally substandard buildings and that after demolition and clearance DEDA intends to include the parcel within the proposed tax increment financing district; and

WHEREAS, there exists in the City on the parcels described in Exhibit A attached hereto (the "Parcels") one or more structurally substandard buildings to be demolished or removed (the "Substandard Building Condition"); and

WHEREAS, a parcel is deemed to be occupied by a structurally substandard building if DEDA has found that the Substandard Building Condition existed within three years of the filing of the

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request for certification of the parcel as part of the tax increment financing district with the county auditor; and if DEDA has stated its intention to include the parcel in a TIF district, and if certain other conditions are met.

NOW, THEREFORE, BE IT RESOLVED by the DEDA that:

1. DEDA has received from LHB, Inc. the "131 West 1st Street Redevelopment TIF District" dated November 22, 2022 (the "Inspection Report"), setting forth evidence supporting a finding that, based on an inspection of the buildings located on the Parcels, such buildings were determined to be substandard under the definition set forth in Minnesota Statutes §§ 469.174 to 469.1794, as amended, (the "TIF Act"). Based on the Inspection Report and other information available to DEDA, DEDA finds that the Parcels consisting of 70 percent of the area of the proposed tax increment financing district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance as required by the TIF Act.

2. After the date of approval of this resolution, the buildings on the Parcels may be demolished or removed by DEDA, or such demolition or removal may be financed by DEDA, or may be undertaken by a developer under a development agreement with DEDA.

3. DEDA intends to include the Parcels in a redevelopment tax increment financing district, and to file the request for certification of such district with the St. Louis County Auditor within 3 years after the date of demolition of the building on the Parcel.

4. DEDA staff and consultants are authorized to take any actions necessary to carry out the intent of this resolution.

STATEMENT OF PURPOSE: Advance Acquisitions, LLC is the sole owner of parcel 010-0940-00290 located at 131 West 1st street. It is anticipated that a potential developer will request DEDA to establish a redevelopment tax increment financing district on this site. The structurally substandard condition of the structures contributes to the district meeting statute-based requirements for a redevelopment tax increment-financing district. Approval of this resolution memorializes the condition of the structure on the parcel so that its structurally substandard condition will continue to contribute to the findings for a redevelopment tax increment financing district when the district is established.

EXHIBIT A

PARCEL IDENTIFICATION NUMBER

Parcel Numbers	Address	Owner Name
010-0940-00290	131 West 1st Street	Advance Acquisitions LLC

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