



Legislation Text

File #: 21-0006R, **Version:** 1

RESOLUTION AUTHORIZING AN AGREEMENT WITH SPIRIT MOUNTAIN RECREATION AREA AUTHORITY FOR 2021 IN THE AMOUNT OF \$500,000 FOR OPERATING ASSISTANCE AND \$145,700 FOR ADVENTURE PARK LEASE PAYMENTS.

CITY PROPOSAL:

WHEREAS; the city council approved \$500,000 as an operating subsidy and \$145,700 for adventure park lease payments to the Spirit Mountain Recreation Area Authority in resolution 20-0884R passed on December 14, 2020 that appropriated the estimated 2021 hotel-motel and food and beverage tourism taxes.

RESOLVED, that the proper city officials are hereby authorized to enter into an agreement, substantially in the form attached as Exhibit A, with Spirit Mountain Recreation Area Authority in the amount of \$500,000 for operating assistance and \$145,700 for Adventure Park lease payments, payable from 258-030-5436-07; (Tourism Tax Fund, Finance, Tourism Tax Allocation, Spirit Mountain). \$25,000 of the \$500,000 in operating assistance will be applied to the Spirit Mountain Chalet Bond payments.

STATEMENT OF PURPOSE: This resolution authorizes an agreement with Spirit Mountain for 2021 to provide \$500,000 for operating assistance and \$145,700 for lease payments. Of the \$500,000 in operating assistance, \$25,000 will be applied to the bond payments for the Spirit Mountain Chalet. Council agreed to amend resolution 20-0884R to reduce the amount of funds allocated to Spirit Mountain in order to provide support to the Duluth Children's Museum and Glensheen. The distribution chart reduced the line for the bond payments instead of the operating assistance in error.

This agreement is funded by tourism tax collections, and may be reduced or terminated in the event that insufficient proceeds are derived from hotel-motel and food and beverage tourism taxes.