



Legislation Text

File #: 22D-32, **Version:** 1

RESOLUTION OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY FINDING PARCELS ARE OCCUPIED BY STRUCTURALLY SUBSTANDARD BUILDINGS AND MEET 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 redevelopment 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, certain conditions existed; and

WHEREAS, the conditions found by DEDA to exist throughout the proposed tax increment financing district are 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 and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; and

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

WHEREAS, there exists in the City on the parcels shown 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 the Substandard Building Condition is met within three years of the filing of the request for certification of the parcel as part of the tax increment financing district with the county auditor; and if certain other conditions are met.

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

1. DEDA has received from LHB, Inc. the “TIF Analysis Findings for the Duluth Central High School Site” dated May 18, 2022 (the “Inspection Report”), finding that, based on an inspection of the buildings located on the Parcel, 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 would contribute to a TIF district where 70 percent of the area of the proposed tax increment financing district is 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 Parcel 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: The Duluth Central High School buildings, located at 800 and 802 E Central Entrance, are substandard buildings and are located in an area that has the potential for redevelopment. It is anticipated that DEDA will establish a redevelopment tax increment financing district on this site. The structurally-substandard condition of these 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 structures on the parcels so that, after its removal from the site, their structurally substandard condition will continue to contribute to the findings for a redevelopment tax increment financing district when the district is established.