



## Legislation Text

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**File #:** 23-0867R, **Version:** 1

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RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT WITH ST. MARY'S DULUTH CLINIC HEALTH SYSTEM, FOR THE DEMOLITION OF ST. MARY'S MEDICAL CENTER AS PART OF THE DULUTH REGIONAL EXCHANGE DISTRICT, IN THE AMOUNT OF \$11,820,000.

### CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to enter into a Development Agreement for the demolition of the St. Mary's Medical Center located at 407 E. Third St. (the "Medical Center"), Regional Exchange District Project, substantially the same as that attached hereto as Exhibit A, with St. Mary's Duluth Clinic Health System dba Essentia Health ("Essentia"), a Minnesota nonprofit corporation, pursuant to which Essentia will cause the Medical Center to be demolished; and pursuant to which the city will reimburse Essentia for costs thereof in the amount not to exceed \$11,820,000, payable from Fund 455 Regional Exchange District; as authorized pursuant to Minnesota Laws 2019, First Special Session, Chapter 6, Article 10, as amended by Minnesota Laws 2021, First Special Session, Chapter 9, Section 1.

STATEMENT OF PURPOSE: The purpose of this resolution is to approve a Development Agreement with St. Mary's Duluth Clinic Health System dba Essentia Health (Essentia) for the demolition of the St. Mary's Medical Center (the "Medical Center") located at 407 E. Third St. for site reuse as part of the development of the Regional Exchange District. This project is payable from appropriation bond proceeds authorized as Project 4 pursuant to Minnesota Laws 2019, First Special Session, Chapter 6, Article 10, as amended by Minnesota Laws 2021, First Special Session, Chapter 9, Section 1 (the "Act"). The Act authorized public financing for specified public purposes including the redevelopment or repurposing of vacant or underutilized private land, or underutilized property interests for development or redevelopment and to incent significant private investment within the Regional Exchange District. The Regional Exchange District encompasses a geographic area extending from the St. Mary's Hospital of Duluth (Essentia) Campus to the St. Luke's Campus. The Medical Center demolition is part of the larger Essentia Campus redevelopment.