

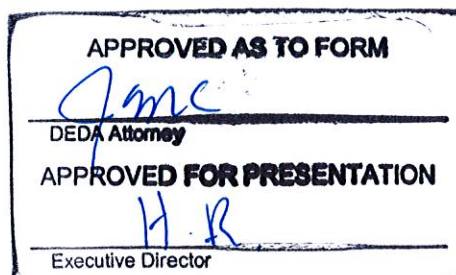
RESOLUTION 15D-56

RESOLUTION AUTHORIZING THE REIMBURSEMENT TO THE CITY OF DULUTH FOR A CONTRACT WITH TKDA AND A CONTRACT WITH HIBBING EXCAVATING, INC. FOR THE 59TH AVENUE WEST STREET AND UTILITY IMPROVEMENT PROJECT IN AN AMOUNT NOT TO EXCEED \$1,170,000

RESOLVED, by the Duluth Economic Development Authority (DEDA) that the proper DEDA officials are hereby authorized to reimburse the City of Duluth for an agreement with TKDA and an agreement with Hibbing Excavating, Inc. for the 59th Avenue West Street and Utility project, in an amount not to exceed \$1,170,000 transferred out of Fund 865, TIF District No. 7.

Approved by the Duluth Economic Development Authority this 16th day of December, 2015.

ATTEST:



Executive Director

STATEMENT OF PURPOSE: This purpose of this resolution is to authorize the transfer of TIF District No. 7 funds to the City of Duluth as reimbursement for a contract with TKDA and a contract with Hibbing Excavating, Inc. for the 59th Avenue West Street and Utility project.

The project is located in an area referenced in the City's Comprehensive Plan as the *Western Port Area Neighborhood* ("WPAN"), which generally includes the Irving and Fairmont neighborhoods. The WPAN is riddled with brownfield sites, poor traffic circulation, and is also the location of a 252-acre Superfund site along the waterfront. That said, it also holds significant potential for redevelopment as those issues are more fully understood and resolved. In fact, the City is in receipt of three EPA financial program resources specifically for the WPAN, to be implemented in the next 6-24 months.

The 59th Avenue West Street and Utility project, scheduled for early 2016, will contribute to the momentum being experienced in the WPAN. It is an allowable expenditure of DEDA's TIF District No. 7 due to the economic development benefit that will be derived by businesses located at or near this project. The TKDA (engineering) proposal is at \$92,067 and the Hibbing Excavation (construction) bid is at \$866,781, for a total of \$958,848. The balance available in TIF 7 is \$1,170,000, providing a 24% cushion. Any cost overruns above \$1,170,000 will be the responsibility of the City's Permanent Improvement Fund and DEDA funds. It should be noted that the funds must be under contract by the City by December 31, 2015, per the Council's December 14 agenda, in order for the TIF 7 monies to be used in 2016.

