

RESOLUTION 16D-13

RESOLUTION TERMINATING THE DOWNTOWN HOUSING/BUILDING PRESERVATION LOAN PROGRAM AND RE-APPROPRIATING FUNDS

WHEREAS, on December 10, 2002 pursuant to its Resolution No. 02D-62, the Duluth Economic Development Authority ("DEDA") created the Downtown Housing/Building Preservation Loan Program (the "Program") for the purpose of encouraging the development of housing in Duluth's Downtown area in order to insure that there is an appropriate and desirable mixture of uses in the Downtown area to support the economic stability and viability of the Downtown district and appropriated One Million Dollars (\$1,000,000) from the Storefront Loan Program (Fund 867) to fund the Program; and

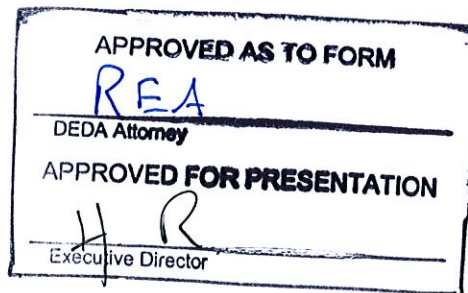
WHEREAS, the Program has had minimal use over more than thirteen years of existence and DEDA has determined that it is likely that the Program will have little or no utility in the foreseeable future.

RESOLVED, by the Duluth Economic Development Authority ("DEDA"), that the Downtown Housing/Building Preservation Loan Program is hereby terminated and the remaining, unexpended Program funds are hereby un-appropriated.

Approved by the Duluth Economic Development Authority this 6th day of April, 2016.

ATTEST:

Executive Director



STATEMENT OF PURPOSE: The purpose of this resolution is to terminate DEDA's Downtown Housing/Building Preservation Loan Program and make any unexpended Program funds available for other purposes authorized by DEDA.

The Program was originally intended to encourage the development of housing in Duluth's Downtown area in order to insure that there is an appropriate and desirable mixture of uses in the Downtown area to support the economic stability and viability of the Downtown district. But while the Program had laudable goals, in practice it has not lived up to DEDA's expectations, having made only one loan in the more than 13 years of its existence.

After review, staff has determined that the Program is not serving its intended purpose

and that the funds are presently better used for other projects that are in need of DEDA's financial assistance; in particular the NorShor Project needs these funds in order to help bring that project to fruition.

So, this resolution terminates the Program and makes the remaining funds available for other uses.