

## AGENDA



### **REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF ST. LOUIS COUNTY, MINNESOTA**

**Tuesday, August 1, 2023, 9:30 A.M.**

**St. Louis County Courthouse  
County Board Room, Second Floor  
100 N. 5<sup>th</sup> Avenue West  
Duluth, Minnesota**

**ANNIE HARALA  
First District**

**PATRICK BOYLE - CHAIR  
Second District**

**ASHLEY GRIMM  
Third District**

**PAUL McDONALD  
Fourth District**

**KEITH MUSOLF  
Fifth District**

**KEITH NELSON - VICE CHAIR  
Sixth District**

**MIKE JUGOVICH  
Seventh District**

County Auditor  
Nancy Nilsen

County Administrator  
Kevin Gray

County Attorney  
Kimberly Maki

Clerk of the Board  
Phil Chapman

Citizens can appear at the meeting in person or submit comments for the public comment portion or for specific Board agenda items prior to the meeting by e-mailing them to [publiccomment@stlouiscountymn.gov](mailto:publiccomment@stlouiscountymn.gov).

Comments to individual Commissioners or staff are not permitted. The St. Louis County Board promotes adherence to civility in conducting the business of the County. Civility will provide increased opportunities for civil discourse in order to find positive resolutions to the issue before the Board. Tools of civility include: pay attention, listen, be inclusive, do not gossip, show respect, be agreeable, apologize, give constructive criticism and take responsibility [County Board Resolution No. 560, adopted on September 9, 2003]. Speakers will be limited to five (5) minutes.

\*\*In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the Administration Department 72 hours prior to the meeting at (218) 726-2450.\*\*

All supporting documentation is available for public review in the County Auditor's Office, 100 North 5th Avenue West - Room No. 214, St. Louis County Courthouse, Duluth, MN, during regular business hours 8:00 A.M. - 4:30 P.M., Monday through Friday. Agenda is also available on our website at <http://www.stlouiscountymn.gov/GOVERNMENT/BoardofCommissioners.aspx>

**AGENDA**  
**St. Louis County Board of Commissioners**  
**August 1, 2023**  
**Page 2**

9:30 A.M.      Moment of Silence  
                    Pledge of Allegiance  
                    Roll Call

**CITIZEN COMMENTS**

At this time, people will be allowed to address the board on items not on the agenda. Speakers will be limited to 5 minutes each. We ask that you direct your remarks to the entire board, refrain from personal attacks, and abide by the county's policy regarding use of civility in the conduct of county board meetings. A copy of the policy is available for inspection along with the printed meeting materials.

For items listed on the board agenda or committee of the whole agenda, citizens will be allowed to address the board at the time a motion is on the floor.

**CONSENT AGENDA**

Approval of business submitted on the consent agenda.

**REGULAR AGENDA**

**Public Works & Transportation Committee – Commissioner Musolf, Chair**

1.      State Contract Purchase of Nine (9) All-Wheel Drive SUVs. {23-296R} [Without recommendation.]

**Finance & Budget Committee – Commissioner Nelson, Chair**

2.      Permission to Enter into Negotiations for Tenant Lease Agreements at The Depot. {23-301} [Without recommendation.]

**ADJOURNED:**



## St. Louis County Board of Commissioners Request for Board Action 23 – 296R

Committee: **Public Works & Transportation**  
From: James T. Foldesi, Public Works Director/  
Highway Engineer  
Reviewed by: Kevin Z. Gray, County Administrator

Date: July 25, 2023

Attachments:  yes  no  
Consent:  yes  no

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**ITEM: State Contract Purchase of Nine All-Wheel Drive SUVs**

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**Background/Overview:**

The St. Louis County Public Works Motor Pool needs to replace aging and failing pool vehicles. Supply chain issues have caused Public Works to be unable to procure SUVs through traditional methods. Public Works received Board approval in November 2022 to lease 50 light duty trucks for similar reasons. At that time, Public Works indicated it would continue to pursue purchasing vehicles via traditional methods when opportunities were presented. The proposed purchase follows through on that commitment.

Acquisition: Vehicles have been sourced using the below State of Minnesota Cooperative Purchasing Contract:

- MN State Contract Release A-175(5): Automobiles Current Model Year Vehicles – Automobiles, Cargo and Passenger Vans, and Sport Utility Vehicles.
  - o North Country GM, out of Hibbing, MN (SWIFT 190199)

EPA Fuel Economy: Please note that these are estimations, and any actual results will vary for many reasons including driving conditions and how the car was driven, maintained or modified:

- Chevrolet Equinox LT (1XY26) 1.5L, 4 cyl, Automatic 6-spd, Turbo, Regular Gasoline
  - o Fuel Economy Average: 26 MPG (24 CITY/30 HIGHWAY)
  - o Fuel Consumption: 3.8 gallons per 100 miles
  - o This vehicle emits 317 grams of CO2 per mile

Taxes and Fees: Please note that these are estimations, and any actual results may vary due to filing fees.

- Paid to the State of Minnesota:
  - o Filing fees for title/licensing of \$55.00 per vehicles,
  - o Motor Vehicle Sales Tax of \$1,819.59 (6.5% per vehicle)
- Paid to Dealer:
  - o Excise Tax of \$20.00 per vehicle

The dealership is giving Public Works the first opportunity to purchase these vehicles. The Public Works Department is recommending the purchase of these nine Chevrolet Equinox all-wheel drive SUVs.

The Public Works Motor Pool vehicle inventory currently operates 143 vehicles. Depending on the adopted budget, vehicle condition, and market conditions, the Department plans for the replacement of multiple units each year. For the last three years, supply chain issues have not allowed Public Works to follow the typical replacement program and thus a backlog has developed. The nine SUVs secured by North Country GM will help address the backlog.

The SUVs proposed for replacement this year are used for transportation needs for all County Departments. The condition of these vehicles is poor due to age and costs associated with the maintenance of vehicles that are past the optimal life cycle replacement period.

**Policy Objectives:**

The vehicles requested have been solicited under the State of Minnesota utilizing Minn. Stat. §471.345, Uniform Municipal Contracting Law. The County's Purchasing Policy further allows for the acquisition of the vehicles under the State Contract. The County did not conduct a formal bid or quote process as it is not required when purchasing under the State contract.

**Fiscal/Budget Impacts/Funding Source/FTE Considerations:**

The 2023 adopted budget included funding for the replacement of nine SUVs. The total budget for the replacement of these vehicles is adequate to cover the total cost of \$268,993. The funds will come from the Public Works Motor Pool Fund (Fund 715). Using the State of Minnesota contract the vehicles are available at a price of \$27,993.60 each. 6.5% State Motor Vehicle tax will apply to this purchase and will total \$1,819.59 per vehicle. Title and licensing fees will total approximately \$55.00 per vehicle. Excise tax will total \$20.00 per vehicle, for a total cost of approximately \$29,888.19 per vehicle.

**Recommendation:**

It is recommended that the St. Louis County Board authorize the purchase of nine SUVs from North Country GM of Hibbing, MN, in the amount of \$268,993.71, payable from Fund 715, Agency 715001, Object 666100.

## State Contract Purchase of Nine All-Wheel Drive SUVs

BY COMMISSIONER \_\_\_\_\_

WHEREAS, The Public Works Motor Pool 2023 vehicle budget includes nine (9) SUVs;  
and

WHEREAS, North Country GM of Hibbing, MN, responded with the State of Minnesota contract price for nine (9) SUVs, of \$268,993.71

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the purchase of nine (9) Chevrolet Equinox (1XY26) SUVs in accordance with the State of Minnesota Contract Pricing as follows:

Nine (9) Sport Utility Vehicles, AWD, 4 Door, (Chevrolet Equinox 1XY26) from North Country GM of Hibbing, MN, at the State of Minnesota Contract price of \$27,993.60 each. Additional fees associated with the purchase of these vehicles are as follows: Excise Tax of \$20.00 each, 6.5% motor vehicle sales tax of \$1,819.59 per unit, estimated license and registration fees of \$55.00 per unit, for a fully loaded acquisition price of \$268,993.71, delivered to St. Louis County Public Works, payable from Fund 715, Agency 715001, Object 666100, Motor Pool.



## St. Louis County Board of Commissioners Request for Board Action 23 - 301

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Committee: **Finance & Budget**

Date: July 25, 2023

From: Mary Tennis, Director, Depot & Extension

Attachments:  yes  no

Reviewed by: Kevin Z. Gray, County Administrator

Consent:  yes  no

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**ITEM: Permission to Enter into Negotiations for Tenant Lease Agreements at The Depot**

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**Background/Overview:**

In May 2023, St. Louis County issued a Request for Proposals (RFP) for the use of space at The Depot beginning January 1, 2024. The County issued the RFP to comply with Minn. Stat. § 373.01, St. Louis County Purchasing Rules, and to ensure use of space within the 130-year-old building aligns with The Depot Mission and Vision Statements.

The 2022 RFP addressed only calendar year 2023 because at the time it was released St. Louis County had a pending state bonding request for significant capital improvement projects at The Depot that would have impacted tenant operations in 2023. Another RFP for calendar-year 2024 and beyond was required. Proposed capital projects are still pending funding requests and lease terms will take this into account.

The County received six (6) responses to the RFP. The respondents included:

- Duluth Superior Symphony Association
- Duluth Art Institute
- Lake Superior Railroad Museum
- Minnesota Ballet
- Depot Foundation
- St. Louis County Historical Society

A selection committee consisting of representatives of County Commissioners and staff was assembled for this process. The Committee evaluated the proposals utilizing the processes required under the County's Purchasing Rules and applying the criteria established in the RFP by the Selection Team. Proposals were evaluated based on a number of criteria including intended use of space, rental rate, alignment with the Mission and Vision Statements of the Depot, organization specific questions, facility related questions and references.

Regarding rental rates, the RFP contained a required minimum rental rates of \$4.97/sq. ft./year for non-profit organizations and \$8.16/sq. ft./year for for-profit organizations. The required minimum rates were established by the Selection Team upon review of the operating costs of The Depot and with the goal of making The Depot financially sustainable. Even at the required minimum rental rates, St. Louis County taxpayers will be providing significant subsidies to the recommended organizations.

The Selection Team recommendations for terms beginning January 1, 2024, are as follows:

- Depot Foundation: permission to negotiate and enter lease for current spaces;
- Duluth Art Institute: proposal rejected;
- Lake Superior Railroad Museum: permission to negotiate and enter lease for 43,201 square feet of space, consistent with current lease, with additional areas being used by LSRM not subject to current lease being added;
- Minnesota Ballet: permission to negotiate and enter lease for current spaces and the theatre box office;
- Duluth Superior Symphony Association: permission to negotiate and enter lease for current spaces;
- St. Louis County Historical Society: permission to negotiate and enter lease for current spaces.

Robust discussions amongst the Selection Team led to these recommendations, with difficult decisions being made regarding Duluth Art Institute and the request of LSRM for the space formerly known as the Underground Theatre, now Studio 4.

Regarding the Duluth Art Institute, the Selection Team recommends rejecting the DAI proposal and ending DAI's tenancy in The Depot based on the nature of the space does not align with the needs of the organization, which has caused issues related to their tenancy, insufficient proposed rental rate (\$3.61/sq. ft./year), and the need for flex space to be used during capital improvement projects and for temporary rotating exhibits during other times.

Regarding LSRM's request for the space now known as Studio 4, the Selection Team recommends Studio 4 remain with the Minnesota Ballet. Since January 1, Minnesota Ballet has held several events, programs, and performances in Studio 4 for the benefit of the building's Mission and the community as a whole. The current use and commitment to public engagement is the best use of this space according to the building's Mission and Vision. LSRM has not shown a state of readiness to erect the Seacrest Model Train beyond what they had last year, nor has LSRM adequately addressed the fact Studio 4 cannot house the entirety of the Seacrest Model Train.

Throughout this process, the Selection Team was guided by the idea St. Louis County has an obligation to steer The Depot towards a point of a healthier, more sustainable financial future.

**Policy Objectives:**

Minn. Stat. § 373.01 requires a competitive bidding process be used for all leases of government owned property anticipated to be in excess of \$15,000 per year. St. Louis County Purchasing Rules were followed.

**Fiscal/Budget Impacts/Funding Source/FTE Considerations:**

The suggested minimum rates of \$8.16/sq. ft./year for for-profits and \$4.97/sq. ft./year for non-profits were established by the Selection Team upon review of the operating costs of The Depot and a goal of getting The Depot to a healthier, more sustainable, financial state. Even at the suggested minimum rental rates, St. Louis County taxpayers will be providing significant subsidies to the recommended organizations.

**Recommendation:**

It is recommended that the St. Louis County Board authorize appropriate County staff to negotiate and enter lease agreements for calendar-year 2024 and beyond, consistent with the recommendations provided by the Selection Team.

It is further recommended the Depot Operations Committee be authorized to implement future RFPs as may be needed.



## **Permission to Enter into Negotiations for Tenant Lease Agreements at The Depot**

BY COMMISSIONER \_\_\_\_\_

WHEREAS, Minn. Stat. § 373.01 and St. Louis County Purchasing Rules require a competitive bidding process for the lease of county owned property; and

WHEREAS, A Request for Proposals was completed and the Selection Team made its recommendations.

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes Depot appropriate County staff to negotiate and enter into leases for space within The Depot consistent with the recommendations of the Selection Team as follows:

- Depot Foundation: permission to negotiate and enter lease for current spaces;
- Duluth Art Institute: proposal rejected;
- Lake Superior Railroad Museum: permission to negotiate and enter lease for 43,201 square feet of space, consistent with current lease, with additional areas being used by LSRM not subject to current lease being added;
- Minnesota Ballet: permission to negotiate and enter lease for current spaces and the theatre box office;
- Duluth Superior Symphony Association: permission to negotiate and enter lease for current spaces;
- St. Louis County Historical Society: permission to negotiate and enter lease for current spaces.

RESOLVED FURTHER, That the St. Louis County Board authorizes the Depot Operations Committee to implement competitive bidding processes as needed in the future.