

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, October 22, 2014 - 5:15 p.m.
COUNCIL CHAMBERS, THIRD FLOOR CITY HALL**

MINUTES

CALL TO ORDER: The October 22, 2014 DEDA meeting was called to order by Vice President Monaco at 5:15 p.m.

Present: Jay Fosle, John Heino, Linda Krug, Emily Larson, Tim McShane, Don Monaco

Excused: Nancy Aronson Norr

Others Present: Bob Asleson, Joan Christensen, Christopher Eng, Sandy Hoff, Alex Giuliani, Bronwyn Lipinski, Kevin Scharnberg

Vice President Monaco suggested that the order of the resolutions be reversed.

APPROVAL OF MINUTES: September 24, 2014 Accept as written. Vote: Unanimous Krug/McShane (6-0)

RESOLUTIONS FOR APPROVAL

NEW BUSINESS

1. RESOLUTION 14D-42: RESOLUTION AUTHORIZING FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH PIER B HOLDING, LLC

Discussion: Asleson explained that the project financier had an issue with a provision in the development agreement that allows DEDA to interrupt the flow of tax increment even after the project is constructed, and they wanted to make sure that the flow of tax increment not be interrupted unless some major changes were made. Heino asked if the term "full service hotel" is defined in the agreement. Asleson responded that staff was not able to reach a final determination for the term. He also reported that the duration of the TIF period is 26 years from the date of first collection of increment, and that this issue should not cause any further delays in the project. Timm-Bijold added that the development agreement has a clear definition of the project – a destination 140-room hotel, banquet facility, restaurant, etc. Giuliani gave a brief update of the project.

Vote to Approve Resolution 14D-42: Passed Unanimous McShane/Fosle (6-0)

2. RESOLUTION 14D-41: RESOLUTION AMENDING AND APPROVING THE 2014 DEDA BUDGETS

Staff: Scharnberg explained the updates for each fund.

Discussion: Monaco asked why there is a negative number in the ending fund balances for districts 10 and 25. Scharnberg said it was a mistake; both ending balances should be zero and he will make this correction.

Vote to Approve Resolution 14D-41: Passed Unanimous Larson/Fosle (6-0) subject to changes discussed above.

DISCUSSION

1. ISD709 UPDATE

Eng said the Central High School site was rezoned to Mixed Use-Planned and there are many people looking at the site.

2. DIRECTOR'S REPORT

- A) The Seaway Hotel name changed to Esmond Building. HRA is having success with the renovation.
- B) The Ramsey Village Townhomes are ahead of schedule and plan to open in November. They are also exploring the possibility of another 12 units nearby.
- C) The Irving neighborhood is being looked at for possible workforce housing/market rate housing units. Ken Talley is interested in developing 12-24 units there. Eng added that they hope to use TIF District 7 money here.
- D) There is a press conference this Friday to announce a large project in which DEDA will be asked to assist through a redevelopment tax increment district and to convey MnDOT property from MnDOT to the developer.
- E) AAR currently has 350 employees and hopes that 30-90 employees will go through A&P mechanic program that is now open at Lake Superior College. They are working with the Airport Authority to fix up an airport property to house this program.
- F) The 2015 budget presentation will be presented to DEDA in November. Discussions have begun to consider a possible levy for 2016.

ADJOURNMENT: Vice President Monaco adjourned the October 22, 2014 DEDA meeting at 5:57 p.m.

Respectfully submitted,



Christopher T. Eng
Executive Director

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