

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, August 26, 2015 - 5:15 p.m.
COUNCIL CHAMBERS, THIRD FLOOR CITY HALL**

MINUTES

Call To Order: The August 26, 2015 meeting of DEDA was called to order by President Norr at 5:15 p.m.

Present: Nancy Aronson Norr, Jay Fosle, John Heino, Linda Krug, Emily Larson, Tim McShane

Excused: Don Monaco

Others Present: Bob Asleson, Ron Brochu, Joan Christensen, Jason Hale, Brian Hanson, Megan Haserodt, Randy Lasky Gail Levenson, Bronwyn Lipinski, Alison Lutterman, David Montgomery, John Ramos

APPROVAL OF MINUTES: July 22, 2015. Accept as written. Vote: Unanimous Fosle/Krug (5-0)

RESOLUTIONS FOR APPROVAL

NEW BUSINESS

- 1. RESOLUTION 15D-34: RESOLUTION AUTHORIZING AN AGREEMENT WITH THE NORTHSPAN GROUP INC. PERTAINING TO THE NORTHFORCE.ORG WEBSITE AND TALENT COMMUNITY DATABASE IN THE AMOUNT OF \$38,500**

Staff: Montgomery stated that this is the second of a two year agreement for managing and processing the data for the Northforce website.

Heino arrives 5:17 pm.

Discussion: McShane asked about the breakdown of the 23 reported jobs and internships. Lasky noted that approximately 2/3 were jobs and 1/3 were internships; the majority of them were in the Duluth area, with five or six in the Superior area and two on the Iron Range; and the classification levels of positions were across the board with some entry level positions, some middle management, and one was a higher level construction manager. Lasky will follow-up with more specific information to Commissioner McShane. Larson asked about a sustainability plan past this second year. Lasky said they have looked at a continuation of public funding, at foundation support, and also at a revenue model, but will need a public/private partnership to carry forward. Heino asked if the number of employers and candidates in the system is growing and if it will plateau at some point. Lasky responded that the numbers will

continue to grow: the 23 jobs reported above for December 2014 is now at 50. The number of prospects is approaching 1,600, with the number of employers involved in postings is approximately 550, and these numbers continue to grow.

Vote to Approve Resolution 15D-34: Passed Unanimously Heino/Krug (6-0)

2. **RESOLUTION 15D-35: RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH AREA PARTNERSHIP FOR ECONOMIC EXPANSION (APEX) FOR MARKETING THE NORTHFORCE TALENT COMMUNITY DATABASE**

Staff: Montgomery explained that this is the second of a two year agreement for marketing of the Northforce website.

Vote to Approve Resolution 15D-35: Passed Unanimously Krug/Larson (6-0)

3. **RESOLUTION 15D-36: RESOLUTION APPROVING A PAYMENT TO THE NORTHSPAN GROUP INC. FOR THE UPGRADE OF THE NORTHLAND CONNECTION WEBSITE IN THE AMOUNT OF \$5,000**

Staff: Montgomery said this payment is DEDA's portion of the web upgrade for Northland Connection.

Discussion: Maddy said that they haven't upgraded the Northland Connection website in ten years and want to take advantage of newer technology like GIS mapping and improved responsiveness; DEDA is one of six funders of this proposal. McShane asked if any local companies were involved in the RFP process. Maddy said that three local companies were contacted as part of the RFP process, but because this is a very specialized project, they all declined to participate, as did their current vendor.

Vote to Approve Resolution 15D-36: Passed Unanimously Larson/Krug (6-0)

4. **RESOLUTION 15D-37: RESOLUTION APPROVING THE ASSIGNMENT OF MEMBERSHIP INTEREST BETWEEN MEMBERS OF OLD CITY HALL, LLC AND AUTHORIZING A FIFTH AMENDMENT TO THE BUILDING IN DULUTH 2011 CONDITIONAL GRANT AGREEMENT WITH OLD CITY HALL, LLC**

Staff: Montgomery said that there are two parts to this resolution; first, Old City Hall, LLC consists of 2 owners - Tim Nelson and Rod Raymond, and they are in the process of separating out their various interests, and wish to have an assignment of membership contract processed. Within the development agreement, any change in ownership must be authorized by DEDA. The second item includes an extension of time to November 30, 2015 due to a delay in delivery of new doors for the Lange Motor Building. Staff decided that the assignment would be contingent on work being completed.

Discussion: Heino asked if the change of ownership would have any impact on the project completion. Montgomery responded that there is strong Board of Directors

involvement in decision making on this project, so staff does not think it will affect the project completion. Larson asked if November 15, 2015 will mark the end of this project with DEDA, and Montgomery replied that yes, all obligations will be completed.

Vote to Approve Resolution 15D-37: Passed Fosle/Heino (5-0-1) McShane abstains.

5. RESOLUTION 15D-38: RESOLUTION APPROVING A FOURTH AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH PIER B HOLDING, LLC

Staff: Timm-Bijold explained that this amendment is to allow the warehouse building on the Pier B lot to be torn down because the integrity of the building was not what the developers had anticipated. They did not program any operating revenue from that building, and all involved parties have given their approval. The County Assessor's office reported that the removal of the building would not negate the value of the property; Dougherty financiers have no concerns and it will not impact the holder of the TIF note; the State Historic Preservation Office (SHPO) approves of the change; and the Department of Employment and Economic Development (DEED) agrees that the demolition of this building does not affect any of the three grants it awarded, because the building is not a contributor to the success of the project.

Vote to Approve Resolution 15D-38: Passed Unanimously Fosle/Heino (6-0)

6. RESOLUTION 15D-39: RESOLUTION APPROVING THE INTENT TO CONVEY PROPERTY IN BAYFRONT TO THE CITY AND AUTHORIZING A DECLARATION IN FAVOR OF MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT (DEED) TO BE PLACED ON THE PROPERTY

Staff: Timm-Bijold reported that a DEED grant agreement with City, which includes G. O. bonds, includes a sale restriction on property to which their money benefits. A portion of Bayfront Park, which is owned by the City, is on DEDA property. This causes a problem with DEED and Minnesota Management & Budget (MMB) offices in regard to the grant. Since a land swap between the City and DEDA is planned for the future after title issues are resolved, this resolutions of intent will satisfy the DEED and MMB offices.

Vote to Approve Resolution 15D-39: Passed Unanimously Fosle/Krug (6-0)

President Norr asked for Board approval to change the order of the agenda before the meeting is closed to discuss a litigation issue.

DISCUSSION

1. NORSHOR PROJECT UPDATE

Montgomery gave brief update of NorShor project and invited Commissioners to attend presentation of this project at the City Council Committee of the Whole

meeting next Monday at 5:15 PM – no action will be taken then.

2. DIRECTOR'S REPORT

- A) Montgomery recognized that staff has been working very hard with a number of significant projects. Timm-Bijold introduced two new staff members; Jason Hale and Gail Levenson, who each gave brief background information.

Larson moved to go into a closed session to discuss potential settlement of litigation related to the North Ridge Estates Development (DEDA vs. John E. Hovland et. al.) as permitted by the attorney-client privilege (Minnesota Statutes 13D.03 subd. 3(b)).meeting. McShane seconded. Passed Unanimously (6-0)

The meeting was closed at 6:06 PM

The meeting was reopened at 6:18 PM

- 7. RESOLUTION 15D-40: RESOLUTION APPROVING A SETTLEMENT IN THE MATTER OF DULUTH ECONOMIC DEVELOPMENT AUTHORITY VS. JOHN E. HOVLAND ET. AL. (NOTE: A VOTE WILL BE TAKEN ON WHETHER OR NOT TO DISCUSS THIS MATTER IN A CLOSED SESSION AS PERMITTED BY THE ATTORNEY-CLIENT PRIVILEGE (MINNESOTA STATUTE 13D.05, subd. 3(b))).**

Vote to Approve Resolution 15D-40: Passed Unanimously Larson/Krug (6-0)

ADJOURNMENT: President Norr adjourned the August 26, 2015, meeting of the DEDA at 6:19 PM.

Respectfully submitted,



David Montgomery
Acting Executive Director

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