

**SPECIAL MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, October 26, 2016 - 5:15 p.m.
COUNCIL CHAMBERS, THIRD FLOOR CITY HALL**

MINUTES

Call To Order: The October 26, 2016 meeting of DEDA was called to order by President Norr at 5:20 p.m.

Present: Matt Cartier, Tim McShane, Nancy Aronson Norr, Barb Russ, Elissa Hansen

Others Present: Bob Asleson, Marva Beckman, Heidi Timm-Bijold, Joan Christensen, Kayla Dietzman, Jason Hale, Ingrid Hornibrook, Brian Hanson, Randy Lasky, Mark Pilon, Heather Rand, John Raymos, Linda Ross Sellner, Kevin Sharnberg, Danielle Taylor

Absent: Chilcote, Filipovich

PUBLIC HEARINGS

1. **RESOLUTION 16D-38: RESOLUTION AUTHORIZING AGREEMENT WITH ALESSANDRO GIULIANI FOR THE PURCHASE OF PROPERTY IN LINCOLN PARK FOR \$14,500**

No public comment.

2. **RESOLUTION 16D-39: RESOLUTION AUTHORIZING AGREEMENT WITH MEMBERS COOPERATIVE CREDIT UNION FOR THE PURCHASE OF PROPERTY IN DENFELD FOR \$16,750**

No public comment.

3. **RESOLUTION 16D-42: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE AMENDED AND RESTATED DEVELOPMENT AGREEMENT WITH GARFIELD BUSINESS PARK LLC**

PUBLIC COMMENT: Linda Ross Sellner indicated she did not see the agreement prior to the meeting, therefore she feels any motion on this public hearing would be illegal. Rand explained that the agreement is an amendment to an agreement and doesn't provide for new development. Christensen said the amendment is available online for public viewing. Norr asked if Sellner was made aware that the amendment was available online and Sellner indicated that she was not. Norr suggested holding the public hearing at the end of the meeting to provide ample time for staff to provide a copy of the agreement to Sellner so that she could review it. Public Hearing remains open.

6:18: returned to the public hearing. Sellner said the developer couldn't develop the rest of his property because he couldn't get clearance from the MPCA so questioned why

anyone would buy the property. Sellner stands by her original comment that development agreement was not made available to public. Public hearing closed 6:20.

APPROVAL OF MINUTES: October 5, 2016. Accept as written. Vote: Unanimous
McShane/Hansen (5-0)

NEW BUSINESS

APPROVAL OF CASH TRANSACTIONS – August 1 – September 30 2016

Rand went through the August – September transactions and pointed out larger transactions.

McShane stepped out at 5:37pm. McShane came back at 5:38pm.

Vote to approve cash transactions: Unanimous Hansen/McShane (5-0)

RESOLUTIONS FOR APPROVAL

1. RESOLUTION 16D-40: RESOLUTION ADOPTING THE 2017 DEDA BUDGETS

Staff: Rand presented proposed 2017 budget and recapped DEDA 2016 accomplishments and 2017 development opportunities.

Vote to Approve Resolution 16D-40: Passed Unanimously (Hansen/Russ 5-0)

2. RESOLUTION 16D-41: RESOLUTION ESTABLISHING A POLICY AUTHORIZING THE EXECUTIVE DIRECTOR TO AUTHORIZE TEMPORARY LOANS BETWEEN VARIOUS TIF DISTRICTS FOR CASHFLOW PURPOSES

Staff: Rand explained this resolution would allow DEDA to make loans from one fund to another for cash flow purposes during projects.

Vote to Approve Resolution 16D-41: Passed Unanimously Hansen/Russ (5-0)

5. RESOLUTION 16D-44: RESOLUTION AUTHORIZING A CONTAMINATION CLEANUP GRANT APPLICATION IN AN AMOUNT NOT EXCEED \$610,080 TO THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT RELATING TO PROPERTY LOCATED AT HULETT AVENUE AND GRAND AVENUE AND COMMITTING A DEVELOPER MATCH OF NOT LESS THAN TWENTY-FIVE PERCENT OF THE AWARDED AMOUNT

Staff: Rand explained this resolution would allow for staff to submit an application for a grant to support 60 units of market rate housing in the western part of the city. She requested an amendment to the resolution to reflect update project cost projections.

Motion to amend resolution to the amount of \$679,857 due to updated cost projections.
(McShane/Hansen 5/0)

Vote to Approve Resolution 16D-44: Passed Unanimously Russ/Hansen (5/0)

3. **RESOLUTION 16D-42: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE AMENDED AND RESTATED DEVELOPMENT AGREEMENT WITH GARFIELD BUSINESS PARK LLC**

Staff: Property owner, Sherman Associates, wants to sell Garfield Business Park. Rand explained the original development agreement between DEDA and Sherman Associates requires this amendment now because the actual project that was developed while it met development thresholds did not include contaminated soil acres owned and controlled by BN Rail as denoted in original agreement. Contaminated parcel will not be sold and will be controlled by BN.

Discussion: Russ asked about the term of TIF. Christensen answered that it is 25 years.

Vote to Approve Resolution 16D-42: Passed unanimously Russ/McShane (5-0)

4. **RESOLUTION 16D-43: RESOLUTION APPROVING THE FORM OF A TRANSFER AND ASSUMPTION OF REGULATORY AGREEMENT RELATING TO THE \$660,000 MULTIFAMILY HOUSING DEVELOPMENT REVENUE NOTE, SERIES 2003 (MERRITT SCHOOL LLC PROJECT)**

Staff: Rand explained the history of this project. Now Sherman would like to sell the property to another party. The notes would go along with the sale of the property.

Vote to Approve Resolution 16D-43: Passed Unanimously Cartier/Russ (4-0)
McShane Abstained

8. **RESOLUTION 16D-47: RESOLUTION AUTHORIZING THE DEDA EXECUTIVE DIRECTOR TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH AREA PARTNERSHIP FOR ECONOMIC EXPANSION (APEX) FOR MARKETING THE NORTHFORCE TALENT COMMUNITY DATABASE**

Staff: Rand spoke about past DEDA & City contributions to Northforce, a workforce marketing tool developed and managed by APEX and the Northspan Group. She went over how the City Workforce Development and Northforce/APEX and Northspan Group met to identify opportunities to collaborate and not be redundant. Rand recommended approval of the APEX and related Northspan Group agreements for one more year.

Discussion: Dietzman and Vincent went over statistics and 2017 marketing plan and goals for Northforce/APEX.

Vote to Approve Resolution 16D-47: Passed Unanimously Filipovich/McShane (5/0)

9. **RESOLUTION 16D-48: RESOLUTION AUTHORIZING THE DEDA EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT WITH NORTHSPAN GROUP INC. PERTAINING TO THE NORTHFORCE.ORG WEBSITE AND TALENT COMMUNITY DATABASE IN THE AMOUNT OF \$25,000**

Staff: See 16D-47.

Vote to Approve Resolution 16D-48: Passed Unanimously Filipovich/McShane (5/0)

6. **RESOLUTION 16D-45: RESOLUTION AUTHORIZING ACQUISITION OF CERTAIN REAL PROPERTY IN THE DULUTH HEIGHTS NEIGHBORHOOD FROM THE CITY OF DULUTH FOR NOMINAL CONSIDERATION**

Staff: Rand explained that this resolution would ensure that DEDA has control over how the properties in Duluth Heights are developed to ensure they comply with the Duluth Heights Comprehensive Land Use Plan. The parcels will be conveyed to developers at market rate, but the price will depend on the project.

Vote to Approve Resolution 16D-45: Passed Unanimously Hansen/McShane (5/0)

7. **RESOLUTION 16D-46: RESOLUTION AUTHORIZING A LICENSE AGREEMENT WITH THE CITY OF DULUTH TO DISPOSE OF SNOW ON DEDA LOT D**

Staff: Rand explained that this is an annual agreement. The difference for 2017 is that the proposed developer for Lot D will have access to the site.

Vote to Approve Resolution 16D-46: Passed Unanimously Cartier/Hansen (5/0)

DISCUSSION

DIRECTOR'S REPORT

Rand said RFP is being prepared for the Pastoret.
Timm-Bijold said that clean up on Lot D is moving forward.

ADJOURNMENT: President Aronson Norr adjourned the October 26, 2016 special meeting of the DEDA at 6:58 p.m.

Respectfully submitted



Heather Rand
Executive Director

irh