

**MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY  
WEDNESDAY, SEPTEMBER 22, 2021 – 5:15 P.M.  
VIA ELECTRONIC MEANS PURSUANT TO MINNESOTA STATUTES  
SECTION 13D.021  
MINUTES**

Please take notice that the Duluth Economic Development Authority will hold a public hearing by other electronic means pursuant to Minnesota Statutes Section 13D.021 on Wednesday, September 22, 2021, at 5:15 p.m. All persons interested may monitor and participate in the hearing by visiting: <http://dulutheda.org/live-meeting> promptly at 5:15 p.m. on Wednesday, September 22, 2021, and written comments may be submitted to DEDA in advance of the meeting via the DEDA's web site at <http://dulutheda.org/contact-us/> or via email at [cfleege@duluthmn.gov](mailto:cfleege@duluthmn.gov), and DEDA will decide if the conveyance is advisable.

The regular meeting place of DEDA is the Duluth City Council Chambers at City Hall, 411 West First Street, in Duluth, Minnesota. At this time board members of DEDA do not intend to attend the meeting in person; due to continually evolving restrictions and guidance from state and federal officials and agencies, the board members of DEDA will attend the meeting remotely via telephone or other electronic means pursuant to Minnesota Statutes Section 13D.021.

**Present:** Matt Cartier, Zack Filipovich, Ellie Just Tim McShane, Derek Medved, Roz Randorf

**Absent:** ChaQuana McEntyre

**Others Present:** Chris Fleege, Theresa Bajda, Jason Hale, Robert Asleson, Brett Crecelius, Ben VanTassel, Emily Nygren, Peter Passi,

**1. CALL TO ORDER:** The September 22, 2021 meeting of DEDA was called to order by President Cartier at 5:16 p.m.

**2. PUBLIC TO ADDRESS THE COMMISSION**

**3. PUBLIC HEARINGS**

**RESOLUTION 21D-37: RESOLUTION AUTHORIZING THE ACQUISITION OF REAL PROPERTY FROM THE STATE OF MINNESOTA AND CONVEYANCE OF SAID PROPERTY TO MINNESOTA ASSISTANCE COUNCIL FOR VETERANS FOR DEVELOPMENT OF AFFORDABLE HOUSING**

**4. APPROVAL OF MEETING MINUTES**

**- MINUTES FROM AUGUST 25, 2021 REGULAR MEETING**

**Vote to approve the August 25, 2021 meeting minutes** (Filipovich/Randorf) (Roll call vote: Cartier, Filipovich, Just, McShane, Medved, Randorf) Passed (6-0).

**5. APPROVAL OF CASH TRANSACTIONS**  
**AUGUST 1, 2021 TO AUGUST 31, 2021**

**Vote to approve the August 1, 2021 to August 31, 2021 cash transactions** (Randorf/Just) (Roll call vote: Cartier, Filipovich, Just, McShane, Medved, Randorf) Passed (6-0).

**6. NEW BUSINESS**

**7. RESOLUTIONS FOR APPROVAL**

**RESOLUTION 21D-36: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE LAND SALE AGREEMENT WITH 1LLC RELATED TO THE REBUILD DULUTH PROGRAM**

**Staff:** Jason Hale indicated this amendment provides a construction completion date extension to allow the Developer to begin in Spring 2022. Stated that the cost environment over the summer and lack of available contractors caused the delay.

**Discussion:** N/A

**Vote to approve resolution 21D-36:** (McShane/Randorf) (Roll call vote: Cartier, Filipovich, Just, McShane, Medved, Randorf) Passed (6-0).

**RESOLUTION 21D-37: RESOLUTION AUTHORIZING THE ACQUISITION OF REAL PROPERTY FROM THE STATE OF MINNESOTA AND CONVEYANCE OF SAID PROPERTY TO MINNESOTA ASSISTANCE COUNCIL FOR VETERANS FOR DEVELOPMENT OF AFFORDABLE HOUSING**

**Staff:** Director Fleege stated this is not associated with Rebuild Duluth but is similar in that it leverages affordable infill housing opportunities. Indicated that DEDA is acting as the pass-through agent for forfeit property.

Brett Crecelius indicated MACV will construct up to three units for homeless veterans using VASH vouchers. Stated they hope to get foundations in yet this fall and units ready for occupancy Spring 2022.

**Discussion:** Commissioner Filipovich thanked staff for background and questioned whether it was two or three units and what the affordability would be.

Brett indicated it's a two-unit project; however, MACV is working with the Duluth HRA to acquire the property next to it that is currently undevelopable. The addition of the HRA lot would allow for a third unit; all units affordable to veterans earning 30% or less of AMI.

**Vote to approve resolution 21D-37:** (Filipovich, Medved) (Roll call vote: Cartier, Filipovich, Just, McShane, Medved, Randorf) Passed (6-0).

**RESOLUTION 21D-38: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE LAND SALE AGREEMENT WITH URBAN VENTURES, LLC RELATED TO THE REBUILD DULUTH PROGRAM**

**Staff:** N/A

**Discussion:** N/A

**Vote to approve resolution 21D-38:** (Randorf/McShane) (Roll call vote: Cartier, Filipovich, Just, McShane, Medved, Randorf) Passed (6-0).

**RESOLUTION 21D-39: RESOLUTION AUTHORIZING PROFESSIONAL SERVICES AGREEMENT WITH EHLERS AND ASSOCIATES, INC. FOR GENERAL SERVICES RELATED TO FINANCIAL CONSULTING IN THE AMOUNT OF \$75,000**

**Staff:** Director Fleege indicated this agreement will largely cover initial costs from Ehlers associated with TIF plans but noted the costs will be reimbursed to DEDA by the Developer.

**Discussion:** Commissioner Filipovich questioned if this contract would be similar to ones with Ehlers in the past and whether there were any differences.

Director Fleege stated nearly all costs from Ehlers will be recovered from the Developer, but this contract allows Staff to reimburse Ehlers in a timely manner for services.

Jason Hale indicated that typical TIF Plans cost between \$15,000-\$18,000 and every Developer project requires a signed financial application. This application clearly states Developers liability in reimbursing DEDA for professional services costs incurred. Estimated upwards of four TIF projects in 2022.

**Vote to approve resolution 21D-39:** (Filipovich/Randorf) (Roll call vote: Cartier, Filipovich, Just, McShane, Medved, Randorf) Passed (6-0).

## **8. DISCUSSION**

### **I. DEVELOPMENT AT 1860 LESTER RIVER ROAD**

**Staff:** Jason Hale indicated 1860 Lester River Road is the address of the Lester Park Golf Course clubhouse. Stated development at the site has been an ongoing topic for several years and provided background on previous requests for proposals and City action that have been taken

up to this point. Confirmed the preliminary development concept relates to the southern most 37.5 acres of property and have been approved for recommendation to City Council by the Planning Commission, Parks Commission, and Golf Committee. Stated the proposed development is a reduction in footprint from what was previously 50 acres and accounts for roughly 14% of the park property at Lester. Discussed general parameters on the site and proposal to have both an affordable and mixed-used/mixed-income project that will likely be developed over phases. Explained that parks property requires a super majority vote by City Council to sell, but conveying to DEDA would allow staff to work with Developers to adhere to the conditions of future development.

**Discussion:** Commissioner Cartier questioned if there would be holding costs associated with this for DEDA.

Jason Hale stated that one condition of conveyance to DEDA would be a maximum holding of seven years before it reverts back to City ownership to avoid any holding costs for DEDA..

Commissioner Filipovich thanked staff and questioned what the anticipated number of units on each of the phases would be both affordable and mixed-use.

Jason Hale indicated the acreage is a placeholder and underground parking will be the largest problem due to existing bedrock and site topography. Stated that MN Housing likes projects that are generally 60-80 units and so it depends on proposals and the priorities of MN Housing.

Commissioner Randorf indicated a lot of advocates want to keep park land accessible for residence and questioned how that can be assured to them with this conveyance.

Jason Hale stated that any development approved in this 37.5 acres will look at connectivity to existing trail infrastructure. All other property is zoned parks and preservation.

## **II. PRELIMINARY 2022 BUDGET REVIEW**

**Staff:** Director Fleege provided summary of proposed expense and revenue budgets for DEDA accounts. Stated the greatest liability will be the MRO building which will need creative marketing to find a renter or different use to reduce DEDA's costs.

**Discussion:** Commissioner.

## **III. DIRECTORS REPORT**

**Staff:** Director Fleege stated they are working with Finance and Staff on the \$500,000 that was transferred to DEDA from the City for future programs utilizing ARPA funding. Indicated that 1200 Fund is taking focus on childcare and increasing childcare providers with ARPA funding. Anticipate discussion at the October meeting to discuss/provide input on how the dollars could be used.

**Discussion:** N/A

**9. ADJOURN:** President Cartier adjourned the September 22, 2021 meeting of DEDA at 6:19 p.m.

Respectfully submitted,

DocuSigned by:

*Christopher E. Fleege*

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Chris Fleege

Executive Director

11/4/2021