

**MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY  
Wednesday, September 24, 2014 - 5:15 p.m.  
COUNCIL CHAMBERS, THIRD FLOOR CITY HALL**

**MINUTES**

**CALL TO ORDER:** The September 24, 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, Christopher Eng, Christine Gradl Seitz, Brian Hanson, Rob Karwath, Pam Kramer, Randy Lasky, Bronwyn Lipinski, Kathy Marinac, George Sherman, Sonda Strom-Larson, Anna Tennis, Ian Vincent

**APPROVAL OF MINUTES:** August 27, 2014 Accept as written. Vote: Unanimous Krug/McShane (5-0)

*Heino arrives 5:16.*

**RESOLUTIONS FOR APPROVAL**

**NEW BUSINESS**

- 1. RESOLUTION 14D-40: RESOLUTION APPROVING A PRE-DEVELOPMENT LOAN AGREEMENT WITH SHERMAN ASSOCIATES, INC FOR THE NORSHOR THEATRE SKYWALK**

Vice President Monaco suggested the NorShor Theatre presentation take place before the resolution is considered.

Sherman and Seitz gave a presentation and update on the NorShor Theatre project. A development agreement will go to the DEDA Board in November, construction begins in December, and the theatre opening is scheduled for May 2016. A \$4 Million fundraising campaign has started through the Playhouse. A state of the art sound and light system will be installed to appeal to all different arts groups and art forms, including theater, opera, ballet, etc. The 700 seat theater will not compete with the DECC shows, but will fill a niche currently missing in Duluth. Sherman Associates will have invested \$13 million of private funds into this project to cover the financial gap that resulted when New Market tax credits fell through, with the idea of finding an allocation next year in order to keep the project on schedule.

**Staff:** Eng explained that this is a \$300,000 pre-development loan to Sherman Associates for expenses that will be incurred related to the skywalk extension through the theatre. The source of these funds is TIF district #22, which includes funds that have always been earmarked for completion of the skywalk.

**Discussion:** Larson asked if this is a forgivable loan and wonders why DEDA is issuing this instead of a more conventional method. Eng replied that it is a forgivable loan wrapped into the development agreement as the project moves forward. If it does not move forward, DEDA will get \$150,000 back as well as the plans, specs and design work. The completed skywalk will be owned by building owner, with a public easement through the building. Fosle asked why there seems to be a rush to do this loan when the other funding sources are not all in place. Eng said that the development agreement will be brought to the DEDA board in November with all of the funding in place, but Sherman Associates will cover the difference to keep the project moving forward because they are committed to this project.

**Vote to Approve Resolution 14D-40:** Passed Unanimous McShane/Heino (6-0)

## **DISCUSSION**

1. **NORSHOR THEATRE PRESENTATION** – see notes above.
2. **NORTHFORCE PRESENTATION**  
Hanson introduced Vincent and Tennis who gave a presentation on the progress of the NorthForce.org website, marketing and current results. Fosle asked if all levels of jobs are represented on the site. Tennis said that they do not seek out entry level jobs because of the wage structure, but would not turn away any employers who want to participate. Monaco asked that the meaningful end results, besides hires, be clear. They welcome any recommendations and suggestions from commissioners.
3. **DIRECTOR'S REPORT**
  - A) Workforce housing is being constructed in the Spirit Valley neighborhood and hope to have more in the Irving neighborhood soon.
  - B) TIF #3 money that has already been committed to projects in progress, like Ramsey and ServPro, can move forward. The rest of the money in this district will need to be returned to the county in October.
  - C) The former AET site is currently storing trailers as part of the Miners expansion, through a three month license agreement.
  - D) The CN rail expansion/bridge raising is moving forward quickly; DEDA entered into a three month license agreement so CN can access Atlas property during this process
  - E) Due to the Thanksgiving holiday, the November DEDA meeting is one week earlier on November 19<sup>th</sup>.

Fosle asked about the CN bridge project in Gary New-Duluth. Eng did not know the details of the project but offered to find out.

**ADJOURNMENT:** Vice President Monaco adjourned the September 24, 2014 DEDA meeting at 6:25 p.m.

Respectfully submitted,



Christopher T. Eng  
Executive Director

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