

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, December 19, 2012 - 5:15 p.m.
City Hall Room 303**

MINUTES

Call To Order: The December 19, 2012, meeting of DEDA was called to order by President Monaco at 5:15 p.m.

Present: Nancy Aronson Norr, Jay Fosle, Dan Hartman, John Heino, Emily Larson, Don Monaco, Christine Townsend

Others Present: Bob Asleson, Bill Burns, Joan Christensen, Christopher Eng, Cheryl Erickson, Sandy Hoff, Alex Giuliani, Brian Gorecki, Bronwyn Lipinski, Ross Lovely, Steve Olson, JamieTodge, John Grazina, Jim Gregory, Fred Strom, Peter Passi, Jerry Peterson, Ross Lovely, Kevin Scharnberg, Heidi Timm-Bijold, Tom Wheeler

PUBLIC HEARINGS

1. **RESOLUTION 12D-72: RESOLUTION AUTHORIZING CONVEYANCE OF EASEMENT FOR DRAINAGE PURPOSES (EAST SPUR DRAINAGE)**

No public comment.

2. **RESOLUTION 12D-73: RESOLUTION AUTHORIZING CONVEYANCE OF EASEMENT FOR PUBLIC STREET, ROADWAY AND UTILITY PURPOSES (EAST SPUR ROAD)**

No public comment.

3. **RESOLUTION 12D-74: RESOLUTION AUTHORIZING CONVEYANCE OF EASEMENT FOR PUBLIC STREET, ROADWAY AND UTILITY PURPOSES (NICK GLUMAC DRIVE)**

No public comment.

4. **RESOLUTION 12D-75: RESOLUTION AUTHORIZING CONVEYANCE OF EASEMENT FOR UTILITY AND DRAINAGE PURPOSES (NORTH END UTILITIES)**

No public comment.

APPROVAL OF MINUTES: November 28, 2012. Accept as written. Vote: Unanimous Heino/Larson (7-0)

RESOLUTIONS FOR APPROVAL

NEW BUSINESS

1. **RESOLUTION 12D-64: RESOLUTION AUTHORIZING A SECOND AMENDMENT TO OPTION RENEWAL AND PRE-DEVELOPMENT AGREEMENT WITH PIER B HOLDING, LLC FOR THE PIER B PROPERTY IN BAYFRONT**

Staff: Timm-Bijold explained that this is to approve a second extension through June 30, 2013, and tonight the Board will meet the entire project team during a presentation.

Discussion: Hoff introduced the project team; Alex Giuliani, Pier B Holding, Steve Olson, President of Leisure Hotels & Resorts, Jamie Todge, Regional Director of Leisure Hotels & Resorts, John Grazina, GSDW, Jim Gregory, GSDW, and Fred Strom, Johnson-Wilson Builders. He reported that a development agreement with DEDA will be drafted in January, and construction will begin the first half of 2013. Hoff, Grazina Olson and Strom gave a presentation with the final schematic plans. Fosle asked if the building height restrictions of the UDC are being met, and Hoff said that they were. Norr asked about how the commitment by Leisure will be incorporating with the project. Hoff said they will provide core management services under contract with Pier B. Hoff added that connectivity is planned to both Bayfront and Canal Park and eventually to Water Street with the Cross-City Trail. Boardwalks are planned throughout the property and the waterway will be public.

Vote to Approve Resolution 12D-64: Passed Unanimously Heino/Hartman (7-0)

2. **RESOLUTION 12D-65: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE BUILDING IN DULUTH 2011 CONDITIONAL GRANT AGREEMENT WITH OLD CITY HALL, LLC**

Staff: Eng said that there were complications to historic renovation which held up the start of construction.

Discussion: Burns explained that because the Tycoons restaurant and the Lange building are both included in this BID project, the schedules are delayed due to Tycoon's delayed opening. Lange is no longer required to be historical, but they will still try to preserve the building. The BID money will be used for outside building renovation. All December 31, 2012 deadlines will be met. Monaco asked if BID legislation will allow this extension. Eng and Christensen said there are no issues with legislation. Fosle wanted to know the final use of the Lange building. Peterson said that there will be a brew pub, walkup bakery, event center and prep kitchen & catering for all of their facilities.

Vote to Approve Resolution 12D-65: Passed Unanimously Norr/Townsend (7-0)

3. **RESOLUTION 12D-66: RESOLUTION AUTHORIZING A LICENSE AGREEMENT WITH BENTLEYVILLE TOUR OF LIGHTS FOR STORAGE OF A TREE ON DEDA LOT D**

Staff: Eng said there are no other current possible uses for this space, but can give notice to Bentleyville if another opportunity arises.

Discussion: None.

Vote to Approve Resolution 12D-66: Passed Unanimously Heino/Larson (7-0)

4. **RESOLUTION 12D-67: RESOLUTION APPROVING A FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING WITH SHERMAN ASSOCIATES, INC FOR REDEVELOPMENT OF THE NORSHOR THEATRE EXTENDING THE TIME FOR PERFORMANCE THEREUNDER**

Discussion: Gorecki explained that they are seeking a 120 day extension on milestones, because they are going to seek state bond financing in the amount of \$4.95 million for restoration. Fundraising efforts include reaching out to many major foundations, local arts and community partners, and smaller non-profit groups. Wheeler reported that he is here tonight in place of Christine Seitz who is currently in the Twin Cities pursuing grants for this project, and they are excited about this restoration. Fosle asked if they have received any of the new market tax credits. Gorecki responded that they have received \$10 million allocation of the \$20 million they are seeking are hopeful that the government will extend this program so the 120 day DEDA extension will allow them to seek the final \$10 million in new market tax credits. Norr stated that state funding has been a possibility from the beginning, and bonding dollars can only be applied to public infrastructure.

Vote to Approve Resolution 12D-67: Passed Norr/Hartman (6-1) Fosle

5. **RESOLUTION 12D-69: RESOLUTION AUTHORIZING AN AGREEMENT WITH NORTHSPAN GROUP INC. PERTAINING TO THE NORTHLAND CONNECTION REGIONAL MARKETING, BUSINESS RECRUITMENT, DATA MANAGEMENT, AND ANALYSIS PROGRAM FOR 2013 IN THE AMOUNT OF \$15,000**

Staff: Eng explained this is an ongoing commitment with Northspan who oversees the Northland Connection regional database.

Discussion: Hartman asked what this includes. Eng said it is an online database which is the only inventory of buildings and land currently available in our region. Norr added that it also includes demographics, workforce information, key industries, resources, technical assistance, and will be well used for the Economic Development Strategy. Heino asked for examples of how this database has helped Duluth. Norr said

the recently announced 10 healthcare jobs were directly from a web inquiry, and Project Lightfoot, which is still in process, came from Northland Connection.

Vote to Approve Resolution 12D-69: Passed Unanimously Larson/Heino (7-0)

6. **RESOLUTION 12D-70: RESOLUTION AUTHORIZING AN AGREEMENT WITH THE CITY OF DULUTH PROVIDING FOR PARTICIPATION BY DEDA IN THE CITY'S SELF-INSURANCE PROGRAM FOR 2013 IN THE AMOUNT OF \$7,000**

Staff: Eng said that the City allows DEDA to be included on the City's insurance plan, as they have in the past, which is half the price it would cost DEDA to have their own.

Discussion: None.

Vote to Approve Resolution 12D-70: Passed Unanimously Norr/Townsend (7-0)

7. **RESOLUTION 12D-71: RESOLUTION AUTHORIZING A LICENSE AGREEMENT WITH THE CITY OF DULUTH TO DISPOSE OF SNOW ON DEDA LOT D**

Staff: Eng reported that this was approved by City Council, and we received permission from MPCA for another year.

Discussion: Larson asked who is responsible to look for other locations for snow disposal. Eng replied that it would be the City's Public Works and Public Administration. Timm-Bijold added that the City was made aware that this may be the last year this location is available to them for snow storage because DEDA could sell the lot at any time. Fosle asked why it is allowed to bring contaminated snow to our waterfront. Timm-Bijold trusts the MPCA scientists who deem the site appropriate with the soil filtration process. Snow is not placed too close to the water, and public works crew cleans up all garbage from site in the spring. Asleson cited lower transportation costs and haul time as a cost benefit to the City. Heino asked that if the City saves money by using DEDA's lot at no cost, maybe they would consider a shared savings agreement.

Vote to Approve Resolution 12D-71: Passed Townsend/Norr (6-1) Fosle

8. **RESOLUTION 12D-72: RESOLUTION AUTHORIZING CONVEYANCE OF EASEMENT FOR DRAINAGE PURPOSES (EAST SPUR DRAINAGE)**

Staff: Lovely explained that the easements are for the Atlas project and will need Council approval.

Discussion: None.

Vote to Approve Resolution 12D-72: Passed Unanimously Heino/Hartman (7-0)

9. **RESOLUTION 12D-73: RESOLUTION AUTHORIZING CONVEYANCE OF EASEMENT FOR PUBLIC STREET, ROADWAY AND UTILITY PURPOSES (EAST SPUR ROAD)**

Discussion: None.

Vote to Approve Resolution 12D-73: Passed Unanimously Heino/Hartman (7-0)

10. **RESOLUTION 12D-74: RESOLUTION AUTHORIZING CONVEYANCE OF EASEMENT FOR PUBLIC STREET, ROADWAY AND UTILITY PURPOSES (NICK GLUMAC DRIVE)**

Discussion: None.

Vote to Approve Resolution 12D-74: Passed Unanimously Heino/Hartman (7-0)

11. **RESOLUTION 12D-75: RESOLUTION AUTHORIZING CONVEYANCE OF EASEMENT FOR UTILITY AND DRAINAGE PURPOSES (NORTH END UTILITIES)**

Discussion: None.

Vote to Approve Resolution 12D-75: Passed Unanimously Heino/Hartman (7-0)

DISCUSSION

1. DIRECTOR'S REPORT

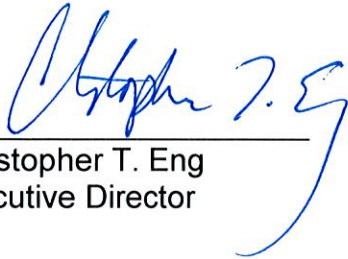
- A. Introduction of Ross Lovely as a new member of the Business & Economic Department and DEDA team.
- B. The 2013 budget update was included in the DEDA packet that was emailed to the Board. Larson asked if changes could be highlighted in the future. Eng said that is a good suggestion, and the minutes from last meeting listed all current changes made, and no other changes were included.
- C. AAR reached 100 jobs. Their first plane was released and another one is there. AAR asked DEDA to remove a reverse osmosis machine from the facility that they do not use. Eng will try to sell the system with an equipment sales representative under contract with DEDA.
- D. A letter was sent out for the Economic Development Strategic Plan meetings, and on January 23, 2013, before the regularly scheduled DEDA meeting, there will be a meeting for the DEDA Board at 4:30 PM to gathering input.

- E. Duluth Playhouse Theater has a local filmmaker interested in filming in the NorShor Theatre.
- F. DEDA will enter into an agreement with LHB to qualify the TIF District for Duluth Corporate Tower, beginning in January.
- G. Staff met with Kris Ridgewell regarding the West Duluth Storefront Loan Program, and it will be marketed again. There are already three possible candidates for the program.

Hartman asked if agenda and items can be on the website before the meeting. Monaco asked when DEDA should meet to discuss its strategic plan. Larson likes idea of a separate strategy session, but there is really no opportunity to do this before the January meeting. A session will be scheduled after the January meeting.

ADJOURNMENT: President Monaco adjourned the December 19, 2012 meeting of the DEDA at 6:43 p.m.

Respectfully submitted,



Christopher T. Eng
Executive Director

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