

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, October 25, 2017 - 5:15 p.m.
COUNCIL CHAMBERS, THIRD FLOOR CITY HALL**

MINUTES

- Call To Order:** The October 25, 2017 meeting of DEDA was called to order by President McShane at 5:15 p.m.
- Present:** Matt Cartier, Craig Chilcote, Zack Filipovich, Elissa Hansen, Barb Russ, Tim McShane
- Others Present:** Ingrid Hornibrook, Bob Asleson, Heather Rand, John Ramos, Heidi Timm-Bijold, Joan Christensen, Kevin Scharnberg, Bill Burns
- Absent:** Nancy Aronson Norr, Matt Cartier

PUBLIC TO ADDRESS THE COMMISSION

PUBLIC HEARINGS

1. **RESOLUTION 17D-27: RESOLUTION AUTHORIZING SALE OF 3800 WEST MICHIGAN STREET PROPERTY TO SUPERIOR INDUSTRIAL, LLC FOR \$315,000**

No public comment.

APPROVAL OF MINUTES: September 27, 2017 minutes

Vote to approve the September 27, 2017 meeting minutes: Unanimous Filipovich/Hansen (5-0)

NEW BUSINESS

McShane announced that the order of the 10/25/2017 agenda would be adjusted throughout the meeting to accommodate meeting attendees. The order below accurately reflects the order in which agenda items were discussed.

RESOLUTIONS FOR APPROVAL

1. **RESOLUTION 17D-30: RESOLUTION OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY FINDING PARCELS TO BE OCCUPIED BY STRUCTURALLY SUBSTANDARD BUILDINGS**

Staff: Timm-Bijold explained that this resolution explains that the structures on this parcel are deemed substandard and will contribute to the metrics necessary to create a

new TIF district. Bill Burns, who represents developer Ken Talle, explained the real estate holdings and history of Ken Talle's investments in Duluth. Russ asked if any of the units will be 'affordable'. Burns answered that they would be characterized as 'workforce' housing, not luxury. Timm-Bijold explained that the approval of this resolution does not obligate commissioners to approve the request to create a new TIF district, which will likely be on November's DEDA agenda.

Discussion: Filipovich asked if this project would be halted if the substandard structures stay on the property. Timm-Bijold answered that yes, the project would not happen.

Vote to Approve Resolution 17D-30: Passed Unanimously (Filipovich/Hansen 5-0)

2. **RESOLUTION 17D-29: RESOLUTION AUTHORIZING A CONTAMINATION INVESTIGATION GRANT AND RAP DEVELOPMENT APPLICATION IN AN AMOUNT NOT TO EXCEED \$50,000 TO THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT RELATING TO PROPERTY LOCATED AT 5607 WASECA INDUSTRIAL ROAD AND COMMITTING A PRIVATE MATCH OF NO LESS THAN 25% OF TOTAL PROJECT COST**

Staff: Timm-Bijold updated commissioners on IPS Crane's plan to expand and stay in Duluth. This investigation grant could lead to the justification of a larger grant to clean up and redevelop the property necessary for IPS Crane's expansion.

Discussion:

Vote to Approve Resolution 17D-29: Passed Unanimously (Filipovich/Russ 5-0)

3. **RESOLUTION 17D-28: RESOLUTION APPROVING THE DEDA 2018 BUDGETS**

Staff: Rand presented the proposed 2018 DEDA budget.

Discussion: Filipovich asked why Duluth's percentage of TIF is lower compared to other cities. Rand explained that brownfield redevelopment costs are higher than greenfield development costs. Duluth primarily has opportunities to redevelop brownfields.

Vote to Approve Resolution 17D-28: Passed Unanimously (Filipovich/Chilcote 5-0)

4. **RESOLUTION 17D-27: RESOLUTION AUTHORIZING SALE OF 3800 WEST SUPERIOR STREET PROPERTY TO SUPERIOR INDUSTRIAL, LLC FOR \$315,000**

Staff: Rand explained that the sale of 3800 West Superior Street would allow an existing Duluth business to relocate and expand. Rand explained the additional property tax revenue that would be captured.

Discussion: McShane asked what the estimated market value for this parcel would be. Rand recalled that the market value price was close to the sale price and feels the developer is paying a fair price.

Vote to Approve Resolution 17D-27: Passed Unanimously (Chilcote/Filipovich 5-0)

DISCUSSION

DIRECTOR'S REPORT

ADJOURNMENT: President McShane adjourned the September 27, 2017 meeting of the DEDA at 6:11 p.m.

Respectfully submitted

A handwritten signature in black ink that reads "Heather Rand". The signature is written in a cursive style with a horizontal line underneath the name.

Heather Rand
Executive Director

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