

**SPECIAL MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, July 10, 2019 – 5:45 P.M.
COUNCIL CHAMBERS, THIRD FLOOR, CITY HALL**

MINUTES

- Call To Order:** The July 10, 2019 meeting of DEDA was called to order by President McShane at 5:45 p.m.
- Present:** Nancy Aronson Norr, Craig Chilcote, Zack Filipovich, Noah Hobbs, Tim McShane, Barb Russ
- Others Present:** Amanda Anderson, Bob Asleson, Joan Christensen, Lori Davey, Jason Hale, Keith Hamre, Janet Kennedy, Guru Naguknat
- Absent:** Matt Cartier

PUBLIC TO ADDRESS THE COMMISSION

PUBLIC HEARINGS

1. **RESOLUTION 19D-23: RESOLUTION AUTHORIZING AN EASEMENT AGREEMENT WITH THE CITY OF DULUTH GRANTING AN EASEMENT FOR THE CROSS CITY TRAIL OVER DEDA-OWNED PROPERTY IN NEAR ERIE PIER.**

Mr. Hamre stated this is the easement for the Cross City Trail and is part of the Soo Line that DEDA owns.

No public comment.

2. **RESOLUTION 19D-24: RESOLUTION AUTHORIZING CONVEYANCE OF BAYFRONT PROPERTY TO CITY OF DULUTH IN EXCHANGE FOR CITY-OWNED PROPERTY ADJACENT TO LAKE SUPERIOR COLLEGE**

No public comment.

3. **RESOLUTION 19D-25: RESOLUTION ADOPTING A MODIFICATION TO THE HOUSING DEVELOPMENT PROJECT / MUNICIPAL DEVELOPMENT DISTRICT PROGRAM PLAN, ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 32: BOARD OF TRADE THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR**

Mr. Hamre noted that job creation is not a goal in the business subsidy portion of this development agreement and tax increment-financing plan and there are other goals that will be addressed during the resolution.

No public comment.

APPROVAL OF MINUTES: May 29, 2019. Accepted as written. Vote: Unanimous. Filipovich/Chilcote (6-0)

APPROVAL OF CASH TRANSACTIONS- May 1, 2019 – May 31, 2019 and June 1, 2019 – June 30, 2019 Vote: Unanimous. Filipovich/Aronson Norr

Payment was made to Moline Machinery for half of the approved amount for the sewer line project. Revenue was received from Interstate Parking and more revenue is expected from parking for the summer months. Temple Opera still has a few carrying costs.

Vote to Approve Cash Transactions: Passed Unanimously. Filipovich/Aronson Norr (6-0)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

1. RESOLUTION 19D-23: RESOLUTION AUTHORIZING AN EASEMENT AGREEMENT WITH THE CITY OF DULUTH GRANTING AN EASEMENT FOR THE CROSS CITY TRAIL OVER DEDA-OWNED PROPERTY IN NEAR ERIE PIER.

Staff: This is an easement for the Cross City trail and is part of the Soo line that DEDA owns. This land is maintained for the Cross City Trail potential.

Nancy Aronson Norr entered the meeting at 5:47 p.m.

Discussion: Commissioner Hobbs inquired about the Cross City Trail being temporarily inaccessible during the can-of-worms project. Mr. Hamre explained that the trail is being worked on at the same time as the can-of-worms project. Requests for Sioux Line property around the DTA facility may be coming to DEDA in the future. MN Dot is looking at property near I-35 as an additional right-of-way.

Vote to Approve Resolution 19D-23: Passed Unanimously. Russ/Hobbs (6-0)

2. RESOLUTION 19D-24: RESOLUTION AUTHORIZING CONVEYANCE OF BAYFRONT PROPERTY TO CITY OF DULUTH IN EXCHANGE FOR CITY-OWNED PROPERTY ADJACENT TO LAKE SUPERIOR COLLEGE

Staff: Hamre explained that a trade with the City at no cost allows DEDA to see economic development and student housing near Lake Superior College. The college is going to be used as the preferred developer.

Discussion: Commissioner Filipovich asked if the colored portion of the map shows everything that will be in the land swap with the City. Mr. Hamre explained that this is railroad property so the attorney's office will need to clarify the legal descriptions.

Vote to Approve Resolution 19D-24: Passed Unanimously. Filipovich/Chilcote (6-0)

3. RESOLUTION 19D-25: RESOLUTION ADOPTING A MODIFICATION TO THE HOUSING DEVELOPMENT PROJECT / MUNICIPAL DEVELOPMENT DISTRICT PROGRAM PLAN, ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 32: BOARD OF TRADE THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR

Staff: Mr. Hamre explained resolutions 19D-24 and 19D-25. The developer is trying to make more units affordable out of the 84 units (17 will be affordable). The intent is to go 20 years with the TIF District. Jason Hale gave an overview of the Board of Trade project and explained that it obtained historic tax credits and low income credits. Job creation is not the intent of this TIF district- the goals will be improving quality of life and taking care of blight, as well as increasing the tax base.

Discussion: Commissioner Filipovich asked about the community benefits program and if the developer has agreed to the project labor agreement. Mr. Hamre explained the goal is to expand the construction workforce by 10%. About 35% of the current construction labor force is retiring, creating a huge shortage. There was also discussion about how long the tools of the trade program would last.

Vote to Approve Resolution 19D-25: Passed Unanimously. Filipovich/Russ (6-0)

4. RESOLUTION 19D-26: RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH THREE D I, LLC FOR THE DEVELOPMENT OF THE BOARD OF TRADE MULTI-FAMILY RESIDENTIAL AND MIXED USE PROJECT

Staff: Handed out new signature page for the development agreement.

Discussion: No discussion.

Vote to Approve Resolution 19D-26: Passed Unanimously. Filipovich/Russ (6-0)

5. RESOLUTION 19D-27: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH LIFT BRIDGE PARTNERS LLC AND FURTHER AUTHORIZING A CONSENT TO COLLATERAL ASSIGNMENT OF DEVELOPMENT DOCUMENTS BY LIFT BRIDGE PARTNERS LLC IN FAVOR OF CIBC BANK USA RELATED TO THE LIFT BRIDGE PROJECT (ENDI)

Staff: Endi is refinancing the deal and the collateral assignment of lease was brought to DEDA for review.

Discussion: No comment from Steve Overom or commissioners.

Vote to Approve Resolution 19D-27: Passed Unanimously. Filipovich/Chilcote (6-0)

DISCUSSION

DIRECTOR'S REPORT- STATE AUDIT REPORT –

Mr. Hamre explained that DEDA's audit was very clean. The State asked that restricted assets and leases be more detailed out going forward. **Update on Pastoret:** One court case was ruled on in favor of DEDA and the other court case is still on going. **Lot D Update:** The Lot D option agreement will need to be re-visited and next steps will need to be talked about.

ADJOURNMENT: President McShane adjourned the July 10, 2019 special meeting of the DEDA at 6:24 p.m.

Respectfully submitted,



Adam Fulton
Interim Executive Director
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