

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
WEDNESDAY, FEBRUARY 26, 2020 – 5:15 P.M.
COUNCIL CHAMBERS, THIRD FLOOR, CITY HALL**

MINUTES

Call to Order: The February 26, 2020 meeting of DEDA was called to order by President Cartier at 5:15 p.m.

Present: Nancy Aronson Norr, Matt Cartier, Tim McShane, Barb Russ, Roz Randorf

Others Present: Amanda Anderson, Robert Asleson, Joan Christensen, Lori Davey, Chris Fleege, Adam Fulton, Sandy Hoff, Peter Passi, John Ramos, Chris Virta

Absent: Craig Chilcote, Zack Filipovich

PUBLIC TO ADDRESS THE COMMISSION

PUBLIC HEARINGS

1. **RESOLUTION 20D-15: RESOLUTION AUTHORIZING CONVEYANCE OF EASEMENT OVER OLD RAILROAD PROPERTY IN LINCOLN PARK TO THE CITY OF DULUTH**

No public comment.

2. **RESOLUTION 20D-17: RESOLUTION AUTHORIZING A LAND SALE AGREEMENT WITH SUMDAY, LLC, IN THE AMOUNT OF \$20,200 RELATED TO PROPERTY AT THE FORMER ATLAS CEMENT PLANT SITE**

No public comment.

3. **RESOLUTION 20D-20: RESOLUTION AUTHORIZING CONVEYANCE OF OLD RAILROAD PROPERTY IN LINCOLN PARK TO THE STATE OF MINNESOTA**

No public comment.

APPROVAL OF MINUTES: January 22, 2020 Meeting Minutes. Accepted as written.

Vote to approve the January 22, 2020 meeting minutes: McShane/Randorf.

Unanimous. (5-0)

APPROVAL OF CASH TRANSACTIONS- January 1, 2020 – January 31, 2020.

Nothing out of the ordinary.

Vote to Approve Cash Transactions: Passed Unanimously. Aronson Norr/McShane (5-0)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

1. RESOLUTION 20D-13: RESOLUTION AUTHORIZING AN AMENDMENT TO THE NOTE WITH PIER B HOLDING LLC

Staff: Chris Fleege explained this is a request from the developer who is in the midst of refinancing. Sandy Hoff is present to answer any questions.

Discussion: No discussion.

Vote to Approve Resolution 20D-13: Passed Unanimously. McShane/Russ. (5-0)

2. RESOLUTION 20D-14: RESOLUTION AUTHORIZING FORGIVENESS OF LOAN TO HRA PERTAINING TO THE SEAWAY (ESMOND) HOTEL PROJECT

Staff: Chris Fleege explained there was a loan to the HRA to purchase the property. There are a number of code concerns and the building ran the risk of being condemned. This resolution provides funding to the HRA to make upgrades to the building and to move forward with development of the site.

Discussion: Commissioner Norr asked about the terms of the agreement. Chris Fleege explained this is a mixed-use housing development that will be in the Lincoln Park area. Commissioner Norr was also asking about other loans being forgiven or if anyone is being repaid. Chris Fleege answered that this is just a transferring of ownership and the other loans were larger than DEDA's. There will be no net gain for the HRA. Commissioner Randorf inquired about the total amount of money being forgiven. Chris Fleege explained that the money was to pay the existing owner of the facility to secure the building to make repairs. The HRA will be selling to the developer and they will have a draft of the development agreement. Chris Virta confirmed that there would be no profit or additional proceeds. The resolution is just to transfer ownership to the developer.

Vote to Approve Resolution 20D-14: Passed Unanimously. Russ/Aronson Norr. (5-0)

3. RESOLUTION 20D-15: RESOLUTION AUTHORIZING CONVEYANCE OF EASEMENT OVER OLD RAILROAD PROPERTY IN LINCOLN PARK TO THE CITY OF DULUTH

Staff: Chris Fleege noted that this notice was missed at the last DEDA meeting and that this resolution is for the Twin Ports interchange project to clear up any outstanding issues with the property.

Discussion: No discussion.

Vote to Approve Resolution 20D-15: Passed Unanimously. Russ/Aronson Norr. (5-0)

4. RESOLUTION 20D-16: RESOLUTION AUTHORIZING ACQUISITION OF CERTAIN REAL PROPERTY FROM THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA RELATED TO THE REBUILD DULUTH PROGRAM

Staff: Chris Fleege explained this resolution is for the Rebuild Duluth program. Six lots total came from the HRA.

Discussion: There was discussion around the lots being vacant and Commissioner McShane asked when the lots would become available. Chris Fleege answered that he was not sure on the exact timeline of availability. There are about twenty proposals. Joan Christensen chimed in that that the goal is to bring the resolutions for the program to the April DEDA meeting and she anticipates the closing on the properties to happen in August. Commissioner Randorf questioned if part of the criteria would be that the proposal is financially viable. Joan Christensen explained that the selection process is based on certain criteria and not necessarily the money that is on hand. DEDA would close on the property when the financing closes.

Vote to Approve Resolution 20D-16: Passed Unanimously. Randorf/Russ. (5-0)

5. RESOLUTION 20D-17: RESOLUTION AUTHORIZING A LAND SALE AGREEMENT WITH SUMDAY, LLC IN THE AMOUNT OF \$20,000 RELATED TO PROPERTY AT THE FORMER ATLAS CEMENT PLANT SITE

Staff: Chris Fleege offered that this is the opportunity for a business to relocate from Superior, WI to Duluth, MN. This Atlas site has been marketed for a while. Eric Larson, the Operations Manager for Trugreen (Sumday, LLC) is here to answer questions.

Discussion: Commissioner Norr asked that Eric Larson give some background on the business. Eric Larson explained that Trugreen is a locally owned business out of Pequot Lakes, MN who has been around for twenty years. They have doubled their customer base since acquiring a shop in Wisconsin. The company needs more room and is looking to double again in size. Commissioner Randorf asked about the business. Eric Larson said that they are involved in lawn care with trees, shrubs and fertilizers and they do not do any mowing of grass. Commissioner Norr asked about how the sales price was arrived at. Chad Ronchetti explained that this is the first land sale at Atlas since Iconix and the price was arrived at through a long process. They started at \$25,000 per acre, but due to geotechnical challenges and poor soil conditions, the market rate drastically dropped. There is an environmental assessment addressed in the statement of purpose and there is an EPA grant to help with costs.

Vote to Approve Resolution 20D-17: Passed Unanimously. Aronson Norr/Russ. (5-0)

6. RESOLUTION 20D-18: RESOLUTION AUTHORIZING AN AGREEMENT TO INSURE CERTAIN DED PROPERTY UNDER THE CITY OF DULUTH'S PROPERTY AND BOILER INSURANCE POLICIES IN AN AMOUNT NOT TO EXCEED \$24,500.

Staff: Chris Fleege noted on the agenda that the dollar amount was incorrect. \$712.00 is just for the boiler insurance. The total sum of the insurances is \$24,500. (There was a correction to the dollar amount on the agenda).

Discussion:

Vote to Approve Resolution 20D-18: Passed Unanimously. Aronson Norr/Randorf. (5-0)

7. RESOLUTION 20D-19: RESOLUTION APPROVING THE AMENDMENT AND REDESIGNATION OF EDUCATIONAL FACILITIES REVENUE NOTES, SERIES 2015, AN AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS

Staff: Chris Fleege discussed that these bonds were issued in the name of the school. The bonds would be redone in the name of the college as more of a reassignment.

Discussion: Chris Virta offered that this will be a substitution of the borrower and that this will make it more streamlined for the College of St. Scholastica.

Vote to Approve Resolution 20D-19: Passed Unanimously. Russ/Aronson Norr (5-0)

8. RESOLUTION 20D-20: RESOLUTION AUTHORIZING CONVEYANCE OF OLD RAILROAD PROPERTY IN LINCOLN PARK TO THE STATE OF MINNESOTA

Staff: No comments.

Discussion: No discussion.

Vote to Approve Resolution 20D-20: Passed Unanimously. Aronson Norr/Randorf.
(5-0)

DISCUSSION

DIRECTOR'S REPORT

Chris Fleege covered that Old World Meats is looking for a bigger site. We will be trying to share the designs for Rebuild Duluth. Chris met with the State Auditor and there will be no final audits until May. Chris also covered that they closed on revenue bonds, which will create funding for DEDA.

There is also a recognition event invite that will be coming out.

Tim McShane inquired about any Pastoret Terrace updates. Joan Christensen explained that this is on hold and will be a longer waiting period while the process goes through. She anticipates it could be months. More permanent fencing will be coming to keep the site secure in the short term.

ADJOURNMENT: President Cartier adjourned the February 26, 2020 meeting of DEDA at 5:54 p.m.

Respectfully submitted,

Christopher E. Fleege

Chris Fleege
Executive Director
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