

**MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY  
Wednesday, May 27, 2015 - 5:15 p.m.  
COUNCIL CHAMBERS, THIRD FLOOR CITY HALL**

**MINUTES**

- Call To Order:** The May 27, 2015 meeting of DEDA was called to order by President Norr at 5:16 p.m.
- Present:** Nancy Aronson Norr, John Heino, Emily Larson, Tim McShane
- Absent:** Jay Fosle, Linda Krug, Don Monaco
- Others Present:** Bob Asleson, Joan Christensen, Christopher Eng, Mark Lambert, Bronwyn Lipinski, John Ramos, Candace Renalls, Chad Ronchetti, Kevin Scharnberg

Norr presented Commissioner Heino with a certificate of appreciation for his years of service on the DEDA Board because his official term as Commissioner has ended.

**APPROVAL OF MINUTES:** April 22, 2015. Accept as written. Vote: Unanimous McShane/Heino (4-0)

**RESOLUTIONS FOR APPROVAL**

**NEW BUSINESS**

1. **RESOLUTION 15D-17: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH ONE ROOF COMMUNITY HOUSING**

**Staff:** Eng explained that this amendment is to increase the amount for each of the two homes by \$5,000 to cover prevailing wage costs and rehab costs that are more extensive than originally thought.

**Vote to Approve Resolution 15D-17:** Passed Unanimously Heino/Larson (4-0)

2. **RESOLUTION 15D-18: RESOLUTION AUTHORIZING A SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH BLUESTONE COMMONS, LLC. RELATED TO THE BLUESTONE COMMONS PROJECT**

**Staff:** Eng said that this amendment to assign part of the development agreement rights of Bluestone to another corporation that will be coming in the next couple months to be a large part of the next phase of the Bluestone development.

**Discussion:** Norr asked about the key requirements that will transfer to the new

corporation. Eng listed prevailing wage, and Christensen added ongoing maintenance requirements, payments of taxes, and upkeep of the property.

**Vote to Approve Resolution 15D-18:** Passed Unanimously McShane/Larson (4-0)

**3. RESOLUTION 15D-19: RESOLUTION AMENDING AND APPROVING THE 2015 DEDA BUDGETS**

**Staff:** Scharnberg reviewed the biggest changes in the current budgets.

**Discussion:** Norr asked if the MRO reserve fund is earmarked for future roof repairs. Eng said that the fund should grow enough in 10-15 years to replace the roof. Some minor roof repair has been done recently and if annual maintenance continues, the roof should last another 10-15 years. Norr asked if the budget could reflect the reserve account for the roof within the MRO budget. Scharnberg said he would talk to Eng about making this adjustment. Norr asked if net revenues from parking will be healthier in future years than this current budget reflects. Eng said there should be an increase by the end of 2015. Eng reported that there were no findings or recommendations during the exit interview with the State Auditor last week.

**Vote to Approve Resolution 15D-19:** Passed Unanimously Larson/Heino (4-0)

**4. RESOLUTION 15D-20: RESOLUTION APPROVING THE REMOVAL OF A PARCEL FROM TAX INCREMENT FINANCING DISTRICT NO. 13 WITHIN DEVELOPMENT DISTRICT NO. 17 OF THE CITY OF DULUTH**

**Staff:** Eng reported that in the 1990's, TIF district 13 was created for Glen Place Apartments, and a parcel within that district is required in a district currently being created. A parcel cannot be in two different districts, and there is no revenue from this parcel now. The new district will consist of 114 new units of multi-family housing.

**Vote to Approve Resolution 15D-20:** Passed Unanimously McShane/Larson (4-0)

**5. RESOLUTION 15D-21: RESOLUTION AUTHORIZING AN AMENDMENT TO THE REDEVELOPMENT GRANT AGREEMENT WITH THE STATE OF MINNESOTA RELATED TO THE PIER B HOLDING, LLC PROJECT**

**Staff:** Timm-Bijold said that this amendment reflects actual activity happening at Pier B. There is no change in amount of the grant or the term date; only on what the money can be spent and for what the match money can be used.

**Vote to Approve Resolution 15D-21:** Passed Unanimously Larson/Heino (4-0)

**6. RESOLUTION 15D-22: RESOLUTION AUTHORIZING AN AGREEMENT WITH IKONICS CORPORATION FOR REIMBURSEMENT OF PROFESSIONAL**



## SERVICES OF BARR ENGINEERING CO.

**Staff:** Timm-Bijold explained that this resolution is related to a \$4.6 Million Ikonics expansion. They hope to have a groundbreaking in early July and occupy the new space next April. DEDA responsible for any soil findings at this site, so Barr will oversee any soil movement during this expansion.

**Vote to Approve Resolution 15D-22:** Passed Unanimously Heino/Larson (4-0)

### DISCUSSION

#### 1. DIRECTOR'S REPORT

- A) DEDA website will be live soon, but it cannot support audio recordings. The current requirement is to save any audio recordings for three months after the minutes have passed. Norr asked if staff could consider saving the audio recordings for 12 months instead of 3 months after minutes passed. Eng said he would consider this.

Norr thanked Ross Lovely and Jan Saxhaug who will be leaving the City soon, for their hard work and service for DEDA.

Heino thanked the Commissioners, Staff and the Mayor for being allowed to serve on the DEDA Board.

**ADJOURNMENT:** President Norr adjourned the May 27, 2015 meeting of the DEDA at 5:52 p.m.

Respectfully submitted,

  
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Christopher T. Eng  
Executive Director

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