

**MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY  
Wednesday, August 22, 2012 - 5:15 p.m.  
City Hall Room 303**

**MINUTES**

- Call To Order:** The August 22, 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, Joan Christensen, David Cooke, Christopher Eng, Alex Giuliani, John Gerzina, Sandy Hoff, Bronwyn Lipinski, Kevin Scharnberg, Chad Scott, Mary Frances Skala, John Strange, Heidi Timm-Bijold

**APPROVAL OF MINUTES:** July 25, 2012. Accept as written. Vote: Unanimous  
Fosle/Heino (6-0)

**RESOLUTIONS FOR APPROVAL**

**PUBLIC HEARINGS**

1. **RESOLUTION 12D-41: RESOLUTION APPROVING THE ISSUANCE AND SALE OF A HEALTH CARE FACILITIES BONDS (ST. LUKE'S HOSPITAL OF DULUTH OBLIGATED GROUP) SERIES 2012 IN THE AGGREGATE AMOUNT OF NOT TO EXCEED \$83,000,000 AND AUTHORIZING THE EXECUTION OF DECUMENTS RELATING THERETO**

No public comment.

2. **PUBLIC HEARING RELATED TO AUTHORIZING A SECOND AMENDMENT TO A LEASE AGREEMENT WITH AAR AIRCRAFT SERVICES, INC. WHICH INCLUDES AN ADDITIONAL SUBSIDY**

Eng explained that there is no correlating resolution for this public hearing at this time, but one may be at a future DEDA meeting.

No public comment.

**NEW BUSINESS**

1. **RESOLUTION 12D-41: RESOLUTION APPROVING THE ISSUANCE AND SALE OF A HEALTH CARE FACILITIES BONDS (ST. LUKE'S HOSPITAL OF DULUTH OBLIGATED GROUP) SERIES 2012 IN THE AGGREGATE AMOUNT**

**OF NOT TO EXCEED \$83,000,000 AND AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING THERETO**

**Staff:** Eng explained that DEDA charges a 1% fee for overseeing this bond which will be \$830,000 income for the DEDA operating budget.

**Discussion:** Cooke reported that everything is in place for this bond process. Skala assured the Board that there is no risk to DEDA.

**Vote to Approve Resolution 12D-41:** Passed Unanimously Larson/Heino (6-0)

**2. RESOLUTION 12D-42: RESOLUTION APPROVING AN AMENDMENT TO THE SUBLEASE AGREEMENT WITH TECH VILLAGE, LLC**

**Staff:** Eng explained that this resolution is to extend a current lease with A&L for Enbridge at the Tech Village for 2-3 months which will bring an additional \$6,400 income per month for DEDA.

**Discussion:**

**Vote to Approve Resolution 12D-42:** Passed Unanimously Aronson Norr/Townsend (6-0)

**3. RESOLUTION 12D-43: RESOLUTION APPROVING A CONDITIONAL ASSIGNMENT OF PAYMENT UNDER DEVELOPMENT AGREEMENT RELATED TO GLEN PLACE APARTMENTS**

**Staff:** Eng reported that this is a request by Wells Fargo Bank while they are refinancing Glen Place Apartments, which is owned by Augusta. Augusta receives TIF money for this project, but now with the sale of the building, Wells Fargo asked that the TIF payments be transferred to Wells Fargo.

**Discussion:**

**Vote to Approve Resolution 12D-43:** Passed Unanimously Aronson Norr/Larson (6-0)

**4. RESOLUTION 12D-44: RESOLUTION AUTHORIZING A LICENSE AGREEMENT WITH THE CANADIAN NATIONAL RAILWAY COMPANY RELATED TO ACCESS OVER PROPERTY AT THE FORMER ATLAS CEMENT PLANT SITE**

**Staff:** Timm-Bijold explained that DEDA had previously granted access over Atlas property to CN, but that agreement expired in March 2011. Because of the current project at Atlas, staff has been made aware of the fact that CN has continued to use Atlas property. This new license agreement builds in language to prevent CN from impeding on the current Atlas construction project, and would grant access through



impeding on the current Atlas construction project, and would grant access through September 30, 2012.

**Discussion:** Monaco asked why the short time period of September 30<sup>th</sup>. Timm-Bijold replied that staff is resolved to have this settled by this date.

**Vote to Approve Resolution 12D-44:** Passed Unanimously Fosle/Larson (6-0)

## DISCUSSION

### 1. BAYFRONT/PIER B

Hoff thanked Timm-Bijold and Asleson for their help during this process. A soft opening is scheduled for May 1, 2014 and they are 3 weeks away from schematic designs. Hoff introduced some of his team; John Gerzina from DSGW Architects and Chad Scott from AMI Engineering. They recently hired Johnson-Wilson as general contractor, and had an independent 3<sup>rd</sup> party feasibility study of the hotel/restaurant project. They worked with Timm-Bijold to acquire two DEED grants, and have a local bank president they are working with for the financing component.

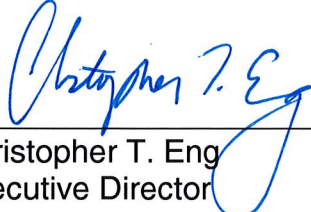
Gerzina gave quick time line for his work and explained that he is working closely with the historic aspect of the project. Scott said that he is working on the marine portion of project while fixing and reusing as much existing material as he can. He is working with Army Corp of Engineers, DNR and the MPCA to shallow the slip to stabilize the walls and decrease costs. Improving connectivity with Bayfront is also a priority.

*Hartman arrives 5:46.*

Monaco asked about any possible risks to the project. Giuliani said the financing is largest portion left, but the feasibility study came in favorably, supporting this project. They have a strong group of investors, and the SBA is looking favorably toward this project. Hoff reported that they now have plans for seven condominiums and have buyers for all of them.

**ADJOURNMENT:** President Monaco adjourned the August 22, 2012 meeting of the DEDA at 6:00 p.m.

Respectfully submitted,

  
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Christopher T. Eng  
Executive Director

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