

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, September 25, 2013 - 5:15 p.m.
Room 303, City Hall**

MINUTES

Call To Order: The September 25, 2013, meeting of DEDA was called to order by President Monaco at 5:15 p.m.

Present: Nancy Aronson Norr, Jay Fosle, John Heino, Emily Larson, Tim McShane, Don Monaco

Excused: Dan Hartman

Others Present: Bob Asleson, Ron Brochu, Joan Christensen, Christopher Eng, Alex Giuliani, Howie Hanson, Sandy Hoff, Pam Kramer, Bronwyn Lipinski, Kevin Scharnberg, Ken Talle

PUBLIC HEARINGS

1. **RESOLUTION 13D-28: RESOLUTION AUTHORIZING THE ACQUISITION OF PROPERTY FROM MNDOT AND THE SALE OF SAID PROPERTY TO NORTHERN HEALTH CARE PROPERTIES LLC FOR A SENIOR/ASSISTED LIVING FACILITY**

No public comment.

Norr arrives 5:16 PM

2. **PUBLIC HEARING FOR THE TRANSFER OF PROPERTY TO NOVOS DEVELOPMENT, LLC**

Monaco reported that because there is no corresponding resolution for this public hearing, it will appear on the agenda at a later date.

No public comment.

APPROVAL OF MINUTES: July 24, 2013. Accept as written. Vote Unanimous
Larson/Heino (6-0)

RESOLUTIONS FOR APPROVAL

NEW BUSINESS

1. **RESOLUTION 13D-28: RESOLUTION AUTHORIZING THE ACQUISITION OF PROPERTY FROM MNDOT AND THE SALE OF SAID PROPERTY TO**

NORTHERN HEALTH CARE PROPERTIES LLC FOR A SENIOR/ASSISTED LIVING FACILITY

Staff: Eng explained that DEDA is acting as an intermediary by purchasing a piece of land on Trinity Road from MnDOT, at fair market value, in order to sell it to a developer for the same price. The developer plans to build a 16 unit assisted living facility with plans to add another 16 units in the future. The estimated market value for the first phase of the project is \$600,000-\$650,000, which will generate \$10,000-\$11,000 in new property taxes. It is estimated that this project will initially create 8 new jobs.

Discussion: Fosle asked if there have been any objections to the project from residents in this neighborhood, and Eng said there have not, but that this project fits the current zoning rules. Eng reported that a realtor working with the developer contacted him about the property. Monaco would like to keep workforce housing as a DEDA agenda item periodically. Fosle has noticed many houses for sale throughout Duluth, but Eng has heard from realtors that the market is old and needs work. Fosle doesn't believe that DEDA's role should be housing.

Vote to Approve Resolution 13D-28: Passed Unanimously Norr/Larson (6-0)

2. RESOLUTION 13D-29: RESOLUTION AUTHORIZING A SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH RAMSEY III, LLC PERTAINING TO THE RAMSEY NEIGHBORHOOD HOUSING DEVELOPMENT

Staff: Eng explained that the developer ran into contamination issues on site, which allowed DEDA to increase the amount of funding assistance per unit from \$40,000 to \$45,000. If the expenses are not as great as originally expected, they will give DEDA back some of the money.

Discussion: Talle added that his project helps with the workforce housing issue.

Vote to Approve Resolution 13D-29: Passed Unanimously McShane/Heino (6-0)

3. RESOLUTION 13D-30: RESOLUTION APPROVING THE 2012 STATE AUDITOR'S MANAGEMENT AND COMPLIANCE REPORT

Staff: Eng explained that DEDA's report is a portion of the City's audit.

Discussion: Scharnberg offered to email statements to the Commissioners if they are requested.

Vote to Approve Resolution 13D-30: Passed Unanimously Norr/McShane (6-0)

4. RESOLUTION 13D-31: RESOLUTION AUTHORIZING A FOURTH AMENDMENT TO OPTION RENEWAL AND PRE-DEVELOPMENT

AGREEMENT WITH PIER B HOLDING, LLC FOR THE PIER B PROPERTY IN BAYFRONT

Staff:

Discussion: Hoff reported that the basics of the project have not changed but connectivity is a concern and current focus. Pier B has hired a landscape architect to look at this issue. The MPCA has determined that there are higher levels of contamination in slip 2 than originally thought, so they have voluntarily enrolled Slip 2 in the VIC program and have Barr Engineering working on this project. Pier B participates in weekly meetings with DEDA/City staff, and their financing is now at 50-60%.

Vote to Approve Resolution 13D-31: Passed Unanimously Heino/McShane (6-0)

5. **RESOLUTION 13D-32: RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH DULUTH LOCAL INITIATIVE SUPPORT CORPORATION IN AN AMOUNT NOT TO EXCEED \$50,000**

Staff: Eng explained that DEDA is asking LISC to perform a specific scope of services in the community.

Discussion: Kramer explained some of the projects LISC is using to stimulate economic activity, administer loan programs, coordinate organizations, and assist unemployed and hard to employ people. Norr would like to see some built-in measurable deliverables in the future. Kramer is amenable to this and is willing to report to DEDA however is required. Fosle asked if the contract be canceled if DEDA feels it is not getting value for the agreement. Christensen reported that DEDA does have ability to cancel the agreement.

Vote to Approve Resolution 13D-32: Passed Larson/Heino (5-0-1) Larson abstains.

DISCUSSION

1. **NORSHOR UPDATE**

Eng took some members of the MN House bonding committee on a tour of the NorShor Theatre because of state bonding interest. It went well and there were many positive comments. Next week he will give a tour for the Senate bonding committee. The total state bond request is \$6.9 million, and the total project cost is \$22 million. This will be that last piece of funding needed.

2. **DEDA WEBSITE**

An RFQ was issued for maintenance and upkeep of the DEDA website; 7 proposals were received, 3 were local. Eng hopes to interview 3 or 4 of the candidates to request an RFP, which will be brought to the DEDA Board. Heino asked if we could find out how many people visit this website. Eng will find out.

3. DIRECTOR'S REPORT

A) The Twin Cities Business magazine article about Duluth was recently published. The article will hopefully attract talent and workforce to Duluth. There was also an interview on KARE 11 News highlighting aviation in Duluth, which prompted 30 calls to AAR.

B) Eng had a meeting with Charlie Bell this week to step up the West Duluth Storefront Loan Program. A possible reason many businesses are not using the program could be that it requires 75% match to the grant and many businesses don't have the money, so the policies may be revised.

ADJOURNMENT: President Monaco adjourned the September 25, 2013 meeting of the DEDA at 6:16 p.m.

Respectfully submitted,



Christopher T. Eng
Executive Director

bel