

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
WEDNESDAY, JUNE 26, 2024 – 5:15 P.M.
COUNCIL CHAMBERS-CITY HALL
MINUTES**

Present: Arik Forsman, Ellie Just, Janet Kennedy, Dan Markham, Connor Randall, Roz Randorf

Absent: ChaQuana McEntyre

Others Present: Ariana Dahlen, Samantha Smith, Tricia Hobbs, Amanda Mangan, Angie Stier, Emily Nygren

CALL TO ORDER: This meeting was called to order by President Randall at 5:15 p.m.

PUBLIC TO ADDRESS THE COMMISSION

No comment.

PUBLIC HEARINGS

No comment.

APPROVAL OF MEETING MINUTES

MINUTES FROM FEBRUARY 14, 2024 SPECIAL MEETING

No comments.

Vote to approve February 14, 2024 Meeting Minutes: (Kennedy/Markham) Vote: Passed (6-0)

MINUTES FROM FEBRUARY 28, 2024 SPECIAL MEETING

No comments.

Vote to approve February 28, 2024 Meeting Minutes: (Randorf/Just) Vote: Passed (6-0)

APPROVAL OF CASH TRANSACTIONS

May 1, 2024 to May 31, 2024

No comments.

Vote to approve cash transactions-May 1, 2024 to May 31, 2024: (Markham/Randorf) Vote: Passed (6-0)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

RESOLUTION 24D-26: RESOLUTION AMENDING RESOLUTION 24D-24 MODIFYING THE AUTHORIZATION OF A LEASE AGREEMENT WITH RED WAGON POPCORN LLC FOR THE LEASE OF SPACE IN THE LIGHTHOUSE LOT FOR OPERATION OF A VENDING BUSINESS

Attorney Amanda Mangan gave background on this item. Mangan explained that due to an error noted in the first vending lease agreement, the purpose of this resolution is to amend DEDA Resolution 24D-24 to allow for the continued operation of the Red Wagon Popcorn business in the Lighthouse Lot in Canal Park. The amendment made to the vending lease agreement was in regards to the insurance requirements consistent with Duluth City Code for Mobile Food Carts and Mobile Food Vehicles.

Vote to approve Resolution 24D-26: (Randorf/Just) Vote: Passed (6-0)

RESOLUTION 24D-27: RESOLUTION AUTHORIZING THE PARTIAL RELEASE OF DEVELOPMENT AGREEMENT RELATED TO SATURDAY ZENITH, LLC

Commissioner Dan Markham abstained from this item due to conflict of interest.

Attorney Mangan gave background on this item. Mangan stated that this came from a request from the property developer of the historic old central high school project. There were several versions of the development agreement, which resulted in an amended and restated resolution. The developer requested all versions of the development agreement to make it clear which records are attached to that property as the projects approaches completion.

President Randall asked for clarification as to what, if any, changes were being made to the development agreement. Mangan explained that the most recent development agreement that was approved by DEDA will remain in effect and that this is a house-keeping item to help the developer clean up title as they work with their lenders. This simply helps to clarify their property records.

Vote to approve Resolution 24D-27: (Forsman/Just) Vote: Passed (5-0-1)

RESOLUTION 24D-28: RESOLUTION AUTHORIZING A CERTIFICATE OF COMPLETION AND RELEASE OF FORFEITURE RELATED TO DEVELOPMENT AGREEMENT WITH IKONICS CORPORATION

Attorney Mangan gave background on this item. Mangan explained that this was request of the current owner of a prior DEDA development site. The current occupant is Second Harvest with the site having first been developed for the Ikonics Corporation with the help of DEDA. The development agreement that was first approved in 2008 did not have the proper terms that would provide for DEDA's Executive Director to furnish a certificate of completion that would release DEDA's right of re-entry to the project. As Second Harvest Food Bank is seeking financing for its new operation center on the property, they are requesting this action to clean title to the property.

Vote to approve Resolution 24D-28: (Randorf/Just) Vote: Passed (6-0)

RESOLUTION 24D-29: RESOLUTION APPROVING FIRST AMENDMENT TO THE LICENSE AGREEMENT WITH AMAZON

Economic developer Emily Nygren gave background on this item. Nygren explained that this is an amendment to the license agreement with Amazon for its development at the Atlas Industrial Park. The license agreement was approved by DEDA in December of 2023 for the development, with the contracting group Ryan Companies as the developers. This amendment is to raise the initial agreement of 45,000 cubic yards to 57,000 cubic yards. The developers have run into the need for more infill for the site they have purchased from DEDA and are looking to place more soil on its soil management parcel. The developers are also looking to increase the cost, and are willing to pay \$10 per cubic yard rather than \$1 per cubic yard.

Vote to approve Resolution 24D-29: (Randorf/Just) Vote: Passed (6-0)

DISCUSSION

Economic developer Angie Stier gave an update on the Small Business Marketing Match Program which had been approved for two rounds by DEDA. Stier explained that this second round saw a significant increase in applicants as opposed to the first round of this program. Applications for this program opened March 4th and took the applications for 9 weeks, which was a larger time frame than given in first round. More promoting was done this round as well with more postings and visibility made available. 66 applications were received. 31 businesses were approved for \$140,760 in total loans. Of the 66 applicants, the nature of the business service, retail, and touring were the top requests that were accepted. Most partnered with marketing agencies. 39% of applicants were non-profits, 94% were from core investment areas and 55% were minority owned businesses and non-profits. The turn around on these applicants was 2 weeks. Stier noted that removal of RFI marketers was a common question which was clarified. Stier noted that many of the marketing agencies that partnered with businesses offered an in-kind match for their services. Stier mentioned that the fund was provided \$200,000 in funding initially which is now depleted and encouraged the board to consider funding a third round.

Commissioner Markham asked if the funds were allocated evenly between the businesses. Stier explained that while some businesses did ask for the max allowance of \$5,000, some businesses requested what was needed at a lesser amount.

Commissioner Randorf asked if there was a return on investment report for this program and how success was measured. Stier stated that that type of report was created however given community feedback, the program has been successful.

Commissioner Kennedy suggested staff create a survey for businesses to help evaluate the quantitative and qualitative results of the program. Stier stated that a questionnaire was utilized for the first round of the program, but because the turnaround window was so short, not much information could be gathered by the businesses to see the impact the program created.

Commissioner Forsman made comment on a discussion had by City Council on getting funding to DEDA from the ARPA funding. Commissioner Forsman asked for an update to be made from staff in coming meetings.

9. ADJOURN: President Randall adjourned the June 26, 2024 meeting of DEDA at 5:35 p.m.

Respectfully submitted,

Signed by:

Tricia Hobbs

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Tricia Hobbs - Executive Director