

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
WEDNESDAY JUNE 25, 2025 – 5:15 P.M.
COUNCIL CHAMBERS-CITY HALL
MINUTES**

Present: Anna Bailey, Chiamaka Enemuoh, Arik Forsman, Janet Kennedy, Dan Markham, Connor Randall, Roz Randorf

Absent: None

Others Present: Amanda Mangan, Tricia Hobbs, Ariana Dahlen, Sam Smith, Elissa Hansen

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

PUBLIC TO ADDRESS THE COMMISSION

No comments.

PUBLIC HEARINGS

APPROVAL OF MEETING MINUTES

MINUTES FROM APRIL 23, 2025 MEETING

No comments.

Vote to approve April 23, 2025 Meeting Minutes: (Enemuoh, Kennedy) Vote: Passed (7-0)

APPROVAL OF CASH TRANSACTIONS

APRIL 1, 2025 TO APRIL 30, 2025

No comments.

Vote to approve cash transactions – April 1, 2025, to April 30, 2025: (Markham, Bailey) Vote: Passed (7-0)

MAY 1, 2025 TO MAY 31, 2025

Commissioner Markham noted two payments to Wren Works and asked for an update on the dredging project contract amount. Director Hobbs stated that a change order had come through to expedite the process and the final invoice came in the week prior. The final amount was slightly more than what they had bid for but under what had been budgeted for the project.

Vote to approve cash transactions – May 1, 2025, to May 31, 2025: (Forsman, Kennedy) Vote: Passed (7-0)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

RESOLUTION 25D-26: RESOLUTION AUTHORIZING AN AGREEMENT WITH KUTAK ROCK LLP FOR PROFESSIONAL AND LEGAL SERVICES RELATING TO TAX INCREMENT FINANCING, FOR AN ANNUAL AMOUNT NOT TO EXCEED \$17,500.00 AND A TOTAL AMOUNT NOT TO EXCEED \$35,000.00.

Director Hobbs stated that in the past a similar contract was held with Kennedy & Graven for these services. The attorney staff had worked with in the past at Kennedy & Graven had moved to Kutak Rock.

Commissioner Kennedy asked if these contracts go out for bid. Director Hobbs stated that certain professional service agreements do go through bid process if required by the City purchasing policy. This particular contract did not require a bid as it did not reach the threshold amount.

President Randall asked if this amount is much different from what had been paid in the past and Director Hobbs stated that they were similar to what they had seen in the past.

Vote to approve Resolution 25D-26: (Randorf, Markham) Vote: Passed (7-0)

RESOLUTION 25D-27: RESOLUTION APPROVING A POLICY ON DEVELOPMENT INCENTIVES FOR TAX INCREMENT FINANCING

Director Hobbs stated that this item went before Council and was approved. This policy will provide staff and developers with expectations as to what is required of them and provide a better understanding of the process staff follow.

Commissioner Enemuoh asked if there may be situations in which developers could put in less than 10% under the policy statement, like for small businesses or non-profits. Director Hobbs stated that a conversation could be had to determine if any exceptions may need to be made. Director Hobbs stated that in certain cases, TIF is not the best funding choice for some developers, as the ones described.

Commissioner Kennedy asked if this policy would cover all kinds of TIF and Director Hobbs confirmed that was correct.

Commissioner Randorf thanked staff for their work on the policy, specifically calling out the section that clarified the expectations around vacation rentals.

Commissioner Forsman asked about the restriction in the policy regarding vacation rentals in these types of development projects. Director Hobbs stated that TIF is never meant to fund a full project. Restrictions can also be presented in the development agreements for these projects.

Commissioner Forsman asked about possibly creating an abatement policy. Director Hobbs stated that staff tends to not use abatement as a tool but are looking to create a broader policy around subsidy and may touch on abatement in this future policy. There are other resources available and potential for future programs that can be leveraged.

Commissioner Bailey asked if a small business is leading a mixed-use development and wanted to include vacation rentals in their project to help cashflow, would this policy be in the way of them potentially receiving TIF funds. Director Hobbs stated that it would not preclude a developer from applying. Staff would ask that the developer call that out at the front end in the uses and then any

increment that is generated would not go to any expenses in building the rental units. Clearly eligible expenses would be laid out in the development agreement for the project.

Commissioner Forsman stated with this policy, the portion of public benefit can be funded by TIF for a development with vacation rentals. Short term rentals may be needed for some projects to support cash flow, so this policy allows for certain flexibility. Director Hobbs stated this policy is to protect public interest while also not getting in the way of development.

Vote to approve Resolution 25D-27: (Kennedy, Enemuoh) Vote: Passed (7-0)

RESOLUTION 25D-28: RESOLUTION AUTHORIZING ACQUISITION OF CERTAIN TAX FORFEITED REAL PROPERTY FROM THE STATE OF MINNESOTA THROUGH ST. LOUIS COUNTY IN THE AMOUNT OF \$63,600.

******Commissioner Markham abstained from discussion and voting on this item.***

Hobbs stated that this action is requesting the board's consent to allow staff to go to St. Louis County to express interest in acquiring parcels out on Becks Road that are currently tax forfeit. A developer is looking to develop a soundstage potentially on these sites.

Vote to approve Resolution 25D-28: (Enemuoh, Bailey) Vote: Passed (6-1-0)

DISCUSSION

Elissa Hansen with Northspan presented to the board. Her presentation was in regard to the services Northspan provides, their mission and values, their programs and impacts, and how funding is used, and needed, to support their organization. Director Hobbs stated that a funding request for Northspan will come before DEDA at a future meeting.

Director Hobbs noted there is no new information to share about the Incline Village project at this time. In August, members of the housing team will be presenting the Housing Study and their plans for sharing the study with the public. A Duluth Housing Strategies Conference will be held by the City on November 14 at the DECC.

ADJOURN: President Randall adjourned the June 25, 2025 Meeting of DEDA at 6:06 p.m.

Respectfully submitted,

Signed by:

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Tricia Hobbs - Executive Director