

**MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY**  
**Wednesday, May 25, 2011 - 5:15 p.m.**  
**Room 303, City Hall**

**MINUTES**

- Call To Order:** The May 25, 2011, meeting of DEDA was called to order by President Heino at 5:15 p.m.
- Present:** Jeff Anderson, Nancy Aronson Norr, Tony Cuneo, Todd Fedora, John Heino, Don Monaco, Christine Townsend
- Others Present:** Bob Asleson, Dave Bjerkness, Joan Christensen, Dave Dunning, Christine Gradl Seitz, Brian W. Hanson, Adam Jagunich, Ken Johnson, Bronwyn Lipinski, Mark McShane, Peter Passi, Jena Pike, Jeff Quint, Candace Renalls, Kevin Scharnberg, Craig Schneuer, David Steininger, Heidi Timm-Bijold, Rob West, Greg Wegler

**APPROVAL OF MINUTES:** April 27, 2011. Accept as written. Vote: Unanimous (6-0)

**PUBLIC HEARINGS**

1. **RESOLUTION 11D-26: RESOLUTION AUTHORIZING A BUILDING IN DULUTH 2011 CONDITIONAL GRANT AGREEMENT WITH DEWITT-SEITZ MARKETPLACE LLC IN AN AMOUNT NOT TO EXCEED \$200,000**

No Public Input

**RESOLUTIONS FOR APPROVAL**

**NEW BUSINESS**

1. **RESOLUTION 11D-26: RESOLUTION AUTHORIZING A BUILDING IN DULUTH 2011 CONDITIONAL GRANT AGREEMENT WITH DEWITT-SEITZ MARKETPLACE LLC IN AN AMOUNT NOT TO EXCEED \$200,000**

**Staff:** Hanson explained that this project will provide expansion space in the DeWitt-Seitz building for GeaCom, the developer of the Phrazier, a hand held, interactive, multilingual medical communication system, and will provide 4 FTE construction jobs.

**Discussion:**

**Vote to Approve Resolution 11D-26:** Passed Unanimously (6-0)

- 2. RESOLUTION 11D-27: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO SHORT-TERM LICENSE AND LEASE AGREEMENTS RELATING TO DEDA-OWNED AND DEDA-LEASED PROPERTY**

**Staff:**

**Discussion:**

**Vote to Approve Resolution 11D-27:** Passed Unanimously (6-0)

- 3. RESOLUTION 11D-28: RESOLUTION AMENDING AND APPROVING THE 2011 DEDA BUDGETS**

**Staff:** Hanson pointed out the major changes in the current budget compared to the budget passed in November of 2010. In the operating fund there is additional grant revenue and additional investment at the Atlas site and Bayfront lot D site, and also marketing expenses added and a larger capital projects budget for BID 2011.

**Discussion:** Norr asked if any additional changes in this fiscal year are anticipated. Hanson replied no, but any other changes will come back to Commissioners in September. Heino asked if this reflects the payment of the \$500,000 Clyde loan, and Hanson said yes, it was planned in the original budget.

**Vote to Approve Resolution 11D-28:** Passed Unanimously (6-0)

## **DISCUSSION**

Hanson shared a plaque from Durbin Keeney of Minnesota Assistance Council for Veterans (MACV), as a show of appreciation to DEDA for the contribution to the Veteran's Housing project.

*(Cuneo arrives at 5:27)*

### **1. SKYWALK DESIGN – LHB**

Hanson introduced Dave Bjerkness and Craig Schneuer from LHB. They shared plans with preferred and optional skywalk routes through the Greysolon, NorShor, Temple Opera and Annex. They have worked collaboratively with Ken Johnson from LHB to coordinate plans for the skywalk. Bjerkness shared LHB's recommended route; it is the shortest and least expensive route, but if they encounter problems with this route, there are alternatives. Bjerkness went over the opinion of probable cost, including other costs



to extend to the Tech Village. A discussion was held about leasable space, skywalk access, and planning, financing and constructing skywalks.

**2. NORSHOR THEATRE RENOVATION PLAN – SJA & WESTLAKE REED LESKOSKY**

Hanson said that this plan is focused on protecting the building and getting it open. Ken Johnson of SJA gave a presentation for phase 1 and phase 2. Johnson indicated the priority should be that the shell/roof be secured before interior work begins. Phase 1 includes roof repair, parapet repair and tile edging. Phase 2 includes handicap accessible & operational restrooms, secure ticket booth, electrical that meets code, a manager's office, kitchen, small concession, and janitor's closet. Johnson indicated the main level theatre would become operational after phases 1 & 2, with one stage. A discussion was held about financing, bonding, fundraising and future planning discussions.

**3. NORSHOR BUSINESS PLAN – DULUTH PLAYHOUSE & STRATEGIC RESOURCES GROUP**

Dave Steininger from SRG led a discussion about the business plan, including the process, experience in other markets, competition, subsidies, revenue models, local arts groups usage, tourism, theatre design, and viewing the NorShor as an expense or investment in the community. Commitment for the skywalk with SMDC and Sherman, and financing options were also discussed.

**4. INVOLTA**

Rob West, CEO of Apex, discussed data centers and the fit with Duluth. West indicated that initial job creation from Involta would be 8 good paying jobs, and then each of these jobs can potentially bring 5-10 more jobs to Duluth, which will see an increase in tax base. Jeff Quint, CFO of Involta said this project has been 1 ½ years in the making. Involta exists to build Tier III data centers in midsize Midwest markets. They will spend \$13.6 million for phase 1. They have key accounts committing right away and a lengthy list of prospects. They will pull business out of larger markets like the Minneapolis metro. Quint said that if this project can get in a JOBZ zone, that will help. Hanson said they will recommend that the City Council create a new JOBZ subzone and TIF district. He then requested a motion from the floor to support this project. Fedora/Anderson motioned to support this project. Motion passed unanimously (7-0).

**5. MRO CONVENTION UPDATE**

Hanson and West met 18 prospects at the MRO convention in April. They are calling top prospects, and will continue calling, but need additional assistance to handle prospecting. Hanson anticipates a resolution in June for a contract with an organization to do this. A contract would likely include both a fixed cost and a success-based fee.

**6. DEDA BUSINESS SUBSIDY POLICY**

Hanson said DEDA will take one policy at a time over next few months to look at and

talk about them, and plan to have these issues resolved by year's end.

**7. BAYFRONT FESTIVAL PARK – LAND & PARKING**

Hanson said that DEDA actually owns a large part of the festival park land. He recommends that we work with the City to do a survey and separate parking from the festival park. The City is looking for a parking manager and DEDA should be part of the RFP process, with the Executive Director providing oversight on behalf of DEDA. The City is pursuing this direction to step back from the view of parking as only revenue and look at it as a tool for greater economic development. The parking manager would be an external consultant on contract. The Bayfront Task Force will probably recommend that the parking lot attached to Bayfront should belong to Bayfront.

A discussion was held about holding DEDA meetings in the Council Chambers for comfort and media access. Some people may miss watching DEDA meetings on television. Heino asked Commissioners to let Hanson or Heino know their thoughts on this subject.

**ADJOURNMENT:** President Heino adjourned the May 25, 2011 meeting of the DEDA at 8:12 p.m.

Respectfully submitted,



Brian W. Hanson  
Executive Director

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