

**SPECIAL MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY  
Wednesday, June 16, 2010 - 5:15 p.m.  
Duluth Entertainment Convention Center, 350 Harbor Drive  
Room 205, Harbor Side Convention Center  
MINUTES**

**Call To Order:** The June 16, 2010, special meeting of DEDA was called to order by President Heino at 5:24 p.m.

**Present:** Jeff Anderson, Nancy Aronson Norr, Todd Fedora, John Heino, Don Monaco, Christine Townsend

**Absent Excused:** Tony Cuneo

**Others Present:** Bob Asleson, Lisa Baumann (Duluth News Tribune), Joan Christensen, Don Douglas, Terri Fitzgibbons, Brian W. Hanson, Kevin Scharnberg, Heidi Timm-Bijold, Bob Zimmerman (Liscomb-Hood-Mason Co.)

**APPROVAL OF MINUTES:** May 19, 2010. Accept as written. Vote: Unanimous (6-0)

**RESOLUTIONS FOR APPROVAL**

**OLD BUSINESS**

- RESOLUTION 10D-27: RESOLUTION AUTHORIZING LEASE AGREEMENT WITH INFORMATION SYSTEMS LABORATORIES, INC., FOR SHORT TERM LEASE OF A PORTION OF MRO FACILITY** (*Tabled at the May 19, 2010, meeting of the Duluth Economic Development Authority*)

**Staff:** Hanson stated Information Systems Laboratories, Inc., (ISL) has been using the facility since at least August of last year initially under a sublease with Cirrus. Negotiations with ISL have resulted in a rental rate for storage space of \$1,500 per month. Hanson stated ISL was going to be using the space for production but this has not yet occurred due to ISL's client. However, ISL would like to have the ability to move into production quickly, which would increase the rate of \$9,200 per month reflecting use of a larger space within the facility.

**Discussion:** Monaco asked about rent calculation since ISL has been using the space for almost a year. Hanson stated the market rate of \$500 per month for the space since October would amount to \$4,500, and the agreed rate of \$1,500 per month since April would also amount to \$4,500.

**Vote to Approve Resolution 10D-27:** Passed Unanimously (6-0)

## NEW BUSINESS

1. **RESOLUTION 10D-28: RESOLUTION AUTHORIZING AN AGREEMENT WITH THE CITY OF DULUTH PROVIDING FOR PARTICIPATION BY DEDA IN THE CITY'S SELF-INSURANCE PROGRAM FOR 2010 IN THE AMOUNT OF \$6,500**

**Staff:** Hanson stated this is liability insurance for DEDA controlled properties. DEDA has never made a claim, and the dollar amount has not changed.

**Discussion:** Anderson asked why this is being presented at the June meeting and if properties have been covered. Hanson stated this is a cooperative agreement with the City of Duluth which is typically reviewed in January. Coverage has been in place.

**Vote to Approve Resolution 10D-28:** Passed Unanimously (6-0)

2. **RESOLUTION 10D-29: RESOLUTION AUTHORIZING AN AGREEMENT TO INSURE CERTAIN DEDA PROPERTY UNDER THE CITY OF DULUTH'S PROPERTY AND BOILER INSURANCE POLICIES IN AN AMOUNT NOT TO EXCEED \$12,358.83**

**Staff:** Hanson stated this policy would cover insurance for the MRO facility as well as Temple Opera, Norshor Annex, and Norshor Theatre at approximately 50 cents per thousand of insured value, which is an attractive rate for DEDA.

**Discussion:** Fedora asked about decreasing the value of the MRO facility on the DEDA asset list due to impairment. Heino concurred and feels it would be beneficial for an accurate representation of the facility's value. Monaco stated it would be prudent to review the value of all DEDA assets. Hanson agreed to examine the issue with staff and report back to Commissioners.

**Vote to Approve Resolution 10D-29:** Passed Unanimously (6-0)

3. **RESOLUTION 10D-30: RESOLUTION AUTHORIZING MANAGEMENT AGREEMENT WITH ONEIDA REALTY COMPANY FOR MANAGEMENT OF THE NORSHOR THEATER, THE NORSHOR ANNEX, AND THE TEMPLE OPERA BUILDINGS**

**Staff:** Hanson stated DEDA is now the owner of this building complex and plans are underway to make the most of this community asset. At an upcoming DEDA meeting, the first year operating budget and long-term plan will be presented to Commissioners. Hanson stated Oneida has been managing this building and has other contracts with DEDA. Oneida has historically been a trusted partner with DEDA. McShane confirmed 6% payment for services is a fair market rate. When costs arise greater than \$2,000, DEDA will be consulted for approval.

**Discussion:** Heino asked about the cost. Hanson stated it is approximately \$10,000 annually. Going forward, DEDA will consider a partnership agreement with the Playhouse, which will be managing programming. Monaco asked the intent with Oneida and other contracts going forward. Hanson stated a periodic RFP process for

agreements makes sense. In the current year, he has opted to renegotiate or extend contracts with parties who provide high quality services at costs that are reasonable when compared to market rates.

**Vote to Approve Resolution 10D-30:** Passed Unanimously (6-0)

**Other Business:** Hanson stated DEDA has received a grant for environmental work at Pier B in Bayfront and thanked Commissioners for their support and Heidi Timm-Bijold for her excellent work in securing the grant.

**ADJOURNMENT:** President Heino adjourned the June 16, 2010, meeting of the DEDA at 5:49 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Brian W. Hanson", written over a horizontal line.

Brian W. Hanson  
Executive Director

tmf