

**SPECIAL MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY**  
**Wednesday, November 17, 2010 - 6:00 p.m.**  
**Room 303, City Hall**

**MINUTES**

**Call To Order:** The November 17, 2010, special meeting of DEDA was called to order by President Heino at 6:00 p.m.

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

**Others Present:** Bob Asleson, Joan Christensen, Rosita Clarke-Moreno, Brooke Furio, Brian W. Hanson, Alan Hogle, (WDIO), Bronwyn Lipinski, Kevin Scharnberg, Gary Shafer, Heidi Timm-Bijold, Andy Yadon.

Heino asked for a motion to change order of agenda. Vote: Unanimous (7-0)

**APPROVAL OF MINUTES:** October 20, 2010. Accept as written. Vote: Unanimous (7-0)

**DISCUSSION**

**1. EPA REGION 5**

Clarke-Moreno gave a presentation about the EPA Region 5 Brownfield program. Norr asked if recent election results may affect future program funding. Shafer replied that there has been bi-partisan support in the past so has no reason to believe that may change. Hanson thanked Clarke-Moreno, Shafer and Furio for being problem solvers and for all their work with DEDA.

**2. DEDA STRATEGY**

Hanson gave a presentation about the DEDA Strategy Process and Results. Regarding slide 9, "DEDA Decision-Making Guidelines", Monaco thought that the impact on the community itself was missing from decision making guidelines, as a 7<sup>th</sup> bullet. Norr added that the return on investment could be added as a guideline, too.

Regarding slide 10, "Development Framework", Monaco wanted to know how leadership components 2 (Value & Embrace Business Growth) and 3 (Targeted Business & Industry Strategies) are accomplished and who is responsible for taking a leadership role. Norr added that sometimes it makes sense for DEDA to take control for strategies that are specific to Duluth. The economic development partners group is engaged in an ongoing process to address each of the five components.

Regarding slide 11, "Key Partner Roles/DEDA Support", Monaco wanted to know why tourism is listed as a separate bullet. Hanson said some partners focus in this industry, and used it as an example.

Heino discussed the need for a mission statement, and that the next step may be to provide a common framework or “elevator speech” to describe DEDA. Continuity is needed to become more aligned as a team with a common vision.

Cuneo asked if fiber remains a priority if we do not win the Google project. Hanson replied that it is an important part of the infrastructure and will continue to be a focus.

Monaco would like agreement about the leadership responsibility of DEDA, to act proactively instead of just transaction processing.

### **3. NORSHOR THEATRE RENOVATION STRATEGY**

Hanson noted that the NorShor Theatre Request For Qualifications (RFQs) were due today and eleven responses were received. The next step is to look at the RFQs and narrow them down to 4, then and ask for proposals and conduct interviews.

Anderson asked if the medical district skywalk to the Greysolon will it be done in 2010. Hanson said that it is progressing, but may not be completed in 2010.

Heino suggests a plan B or plan C, or considering a major sponsor as an option to get the theatre open.

Fedora suggested possibly moving 2010 budgeted money of \$90,000 for NorShor Capital Improvements to 2011. Norr asked if the \$90,000 will carry over to the 2011 budget.

Scharnberg explained that funds not used in 2010 will carry over to 2011.

## **RESOLUTIONS FOR APPROVAL**

### **NEW BUSINESS**

#### **1. RESOLUTION 10D-46: RESOLUTION AMENDING THE MANAGEMENT AGREEMENT WITH THE DULUTH PLAYHOUSE, INC FOR MANAGEMENT OF THE NORSHOR THEATRE**

**Staff:** Hanson said that this is a temporary deferral until operations resume. No payment will be made until the building opens.

**Discussion:** Cuneo asked who will be on the team working on the NorShor hiring team. Hanson said that it will be himself, Mark McShane, Terry Groshong, and Christine Gradl Seitz, along with Dennis Sears in the City Purchasing Department.

**Vote to Approve Resolution 10D-46:** Passed Unanimously (7-0)

#### **2. RESOLUTION 10D-47: RESOLUTION AUTHORIZING THE ACQUISITION OF CERTAIN PROPERTY FROM THE STATE OF MINNESOTA RELATED TO TITLE CLEARANCE OF ONEOTA INDUSTRIAL PARK FIRST ADDITION AT NO COST**

**Staff:**



**Discussion:**

**Vote to Approve Resolution 10D-47 as amended:** Passed Unanimously (7-0)

**3. RESOLUTION 10D-48: RESOLUTION ADOPTING THE 2011 DEDA BUDGETS**

**Staff:** Hanson gave a high level summary of the budget.

**Discussion:** Regarding Fund 860, Fedora asked about the details of a \$365,000 payment to the City for administrative charges and wants to see the cost allocation methodology. Scharnberg explained that a detailed cost allocation study for DEDA and for the City is planned for 2011. Norr pointed out that there are no dollars identified for branding and communication. Heino suggested putting resources into branding. Hanson said that he would be open to an amendment that would add \$15,000 or \$20,000 in general expenses for marketing for professional services. Heino added that depending on how much internal City staff can be utilized, this figure may be closer to \$40,000 or \$50,000.

Fedora asked if the Storefront Loan Program (SLP) is expecting some loans to be paid off.

Timm-Bijold responded that yes, Clyde Iron will repay a loan.

Fedora stated that DEDA continues to access SLP for various projects, and wanted to know what DEDA's long term strategy is for the SLP. Hanson said that dollars for an historic building in the historic district go back into the historic district fund, and the fund will continue to be used as it has been in the past.

Fedora wanted to know what DEDA is doing to boost net operating income in the Temple Opera building, if Oneida, the manager of the property, is a leasing agent and showing spaces, and what our leasing efforts are. Hanson stated that when the building was purchased, the existing leases stayed, and is currently 98% occupied. Most tenants are under long term leases but a few pay month to month.

**Vote to Approve Resolution 10D-48:** Passed Unanimously (7-0)

**ADJOURNMENT:** President Heino adjourned the November 17, 2010, meeting of the DEDA at 7:58 p.m.

Respectfully submitted,



Brian W. Hanson  
Executive Director

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