

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, October 28, 2015 - 4:45 p.m.
COUNCIL CHAMBERS, THIRD FLOOR CITY HALL**

MINUTES

Call To Order: The October 28, 2015 meeting of DEDA was called to order by President Norr at 4:46 p.m.

Present: Nancy Aronson Norr, Craig Chilcote, Jay Fosle, Megan Haserodt, Emily Larson, Tim McShane

Absent: Linda Krug

Others Present: Bob Asleson, Ron Brochu, Joan Christensen, Keith Hamre, Gail Levenson, Bronwyn Lipinski, David Montgomery, Kevin Scharnberg, Heidi Timm-Bijold

APPROVAL OF MINUTES: September 23, 2015. Accept as written. Vote: Unanimous McShane/Larson (5-0)

Norr recognized Timm-Bijold for being awarded the Mac Hyde award from the Minnesota Brownfields organization for her commitment to serving the community and the environment, and excellence in brownfield redevelopment.

RESOLUTIONS FOR APPROVAL

NEW BUSINESS

1. **RESOLUTION 15D-45: RESOLUTION AUTHORIZING CITY TO CONSTRUCT IMPROVEMENTS TO DEDA-OWNED PORTIONS OF THE SLIP 2 DOCK FACE AND AGREEING TO IMPOSITION OF STATE BOND REQUIREMENTS**

Staff: Timm-Bijold explained that even though this resolution was brought to the DEDA Board last month, this resolution includes more specific language required by the State.

Vote to Approve Resolution 15D-45: Passed Unanimously Larson/Chilcote (5-0)

2. **RESOLUTION 15D-46: RESOLUTION AMENDING AND APPROVING THE 2015 DEDA BUDGETS**

Staff: Montgomery and Scharnberg went over the updates to the 2015 budget.

Vote to Approve Resolution 15D-46: Passed Unanimously Larson/McShane (5-0)

3. **RESOLUTION 15D-47: RESOLUTION ADOPTING THE IRVING EXTERIOR HOUSING RENOVATION FORGIVABLE LOAN PROGRAM ("PROGRAM") GUIDELINES AND AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT**

WITH THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA TO IMPLEMENT AND ADMINISTER THE PROGRAM

Staff: Hamre explained that this is a \$180,000 forgivable loan program; \$24,000 is to compensate the HRA for the services of qualifying up to 13 properties in the Irving neighborhood. It is a dollar for dollar match up to \$12,000 maximum and the term of the forgivable loan is four years. The requirement is that the property must stay in that ownership for four years in order to be forgiven. If the property changes ownership within this time frame, the loan must be repaid.

Discussion: Larson asked if this is being used as match for the National Disaster Resiliency Competition (NDRC) grant, and Hamre said that it is. Haserodt asked how the properties were chosen. Hamre said that they are not chosen yet, but 30-35 parties are interested, and this is where the HRA will step in with an application process. Norr asked if the Resiliency Grant money will be added to this program. Hamre said that yes, it can possibly allow all interested parties to be included, instead of just the first 13, and if that happens, we would not pay more money to the HRA because it is capped at \$24,000.

Vote to Approve Resolution 15D-47: Passed Unanimously Haserodt/Larson (5-0)

4. **RESOLUTION 15D-48: RESOLUTION AUTHORIZING AN AGREEMENT WITH THE CITY OF DULUTH FOR THE DEMOLITION SERVICES IN CERTAIN WESTERN NEIGHBORHOODS**

Staff: Hamre explained that the City has approved \$200,000 for home demolition, but a total of \$340,000 is needed. This resolution is asking for an additional \$200,000 from DEDA to address ten of the 16 properties that the City Council has approved for demolition. This money is coming from TIF district No. 7, which can be used to take care of blighted properties.

Vote to Approve Resolution 15D-48: Passed Unanimously Haserodt/Chilcote (5-0)

5. **RESOLUTION 15D-49: RESOLUTION APPROVING THE DECERTIFICATION OF TAX INCREMENT FINANCING DISTRICT NO. 15**

Staff: Montgomery said that this district is just a small portion of the original Cirrus construction. All obligations and bonds have been paid off, and there is no further need or use for it.

Vote to Approve Resolution 15D-48: Passed Unanimously Larson/McShane (5-0)

DISCUSSION

1. **DIRECTOR'S REPORT**


- A) The NorShor project is moving along; still into documentation stage, but all financing is in place. The projected closing is scheduled for mid-December and should be ready for the November DEDA meeting, then to Council.

Fosle arrives 5:17 PM.

- B) Kenwood Arrowhead is wrapped up; the road issues have been worked out and the developer's \$200,000 commitment has been received for road reconstruction. There is also confirmation of financing for the project.
- C) There have been three credible parties inquiring about Lot D, and they have been told that an RFP process will take place, most likely in January. A geotechnical assessment of the property will happen with some available grant funds. Fosle asked how this property is zoned, and Timm-Bijold said it is Mixed-Use Waterfront, which is a result of the Bayfront Small Area Plan five years ago. Norr suggested that the DEDA Board be included in the details of what kind of development the RFP will attract. Montgomery agreed and said staff is also talking to the Port. Timm-Bijold added that the DNR, US Army Corp of Engineers and SHPO will also be involved.
- D) The search for an Executive Director/Director of Business & Economic Development continues with a possible decision coming soon. This is an appointed position by the Mayor.

ADJOURNMENT: President Norr adjourned the October 28, 2015, meeting of the DEDA at 5:28 PM.

Respectfully submitted,


David W. Montgomery
Acting Executive Director

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