

**MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY  
Wednesday, May 24 - 5:15 p.m.  
COUNCIL CHAMBERS, THIRD FLOOR CITY HALL**

**MINUTES**

**Call To Order:** The May 24, 2017 meeting of DEDA was called to order by President McShane at 5:15 p.m.

**Present:** Nancy Aronson Norr (arrived at 5:23pm), Craig Chilcote, Elissa Hansen, Zack Filipovich, Tim McShane, Barb Russ

**Others Present:** Heidi Timm-Bijold, Josh MacInnes, Ingrid Hornibrook, Bob Asleson, Kevin Scharnberg

**Absent:** Matt Cartier

**PUBLIC TO ADDRESS THE COMMISSION**

**PUBLIC HEARINGS**

**APPROVAL OF MINUTES:** Russ indicated she did not get the minutes, so did not feel it appropriate to vote to approve the minutes. Asleson suggested the April 26 approval of minutes be tabled until the next meeting.

**Vote to table the April 26, 2017 minutes:** Unanimous Chilcote/Filipovich (5-0)

**APPROVAL OF CASH TRANSACTIONS – April 01, 2017 – April 30, 2017**

Timm-Bijold said nothing out of the ordinary should be brought to attention this month.

**Vote to approve cash transactions:** Unanimous Filipovich/Hansen (5-0)

**NEW BUSINESS**

**RESOLUTIONS FOR APPROVAL**

1. **RESOLUTION 17D-10: RESOLUTION AUTHORIZING AGREEMENT WITH THE JAMAR COMPANY IN THE AMOUNT OF \$327,750 FOR THE REPAIR OF THE MRO BUILDING**

**Staff:** Timm-Bijold gave a brief description of the purpose of 17D-10. Josh MacInnes gave a presentation on the history of the MRO building and pointed out the four most problematic areas of the MRO and how those areas are leaking and causing further damage.

Aronson Norr arrived at 5:23pm. MacInnes said TKDA, an engineering and architecture planning firm, performed an assessment on the building and gave an estimate of what the repairs may cost. Jamar was the sole bidder for the project and provided a bid significantly lower than TKDA's estimate.

**Discussion:** Filipovich asked why the Jamar bid came in so much lower than TKDA's assessment. MacInnes answered that because Jamar received the entire job, they bundled their services and were able to reduce costs.

**Vote to Approve Resolution 17D-10:** Passed Unanimously (Filipovich/Aronson Norr 6-0)

2. **RESOLUTION 17D-11: RESOLUTION AMENDING AND APPROVING THE DEDA 2017 BUDGETS**

**Staff:** Timm-Bijold pointed out some of the transactions that represent the most significant changes as well as important investments. Scharnberg said the Temple Opera building is producing less revenue than expected. Timm-Bijold said the decision was made to lower rents during the time of the construction should there be disruptions for tenants. Asleson added that the lower rents were not included in the original budget because the rents were to be negotiated on a case-by-case basis depending on tenants' experiences. Scharnberg explained why some of the TIF funds budgeted came in higher or lower than projected. Aronson Norr asked how those fund differences affect our developers. Scharnberg said the developer is paid less in tax increment, but they likely paid less in taxes.

**Discussion:**

**Vote to Approve Resolution 17D-11:** Passed Unanimously (Filipovich/Chilcote 6-0)

3. **RESOLUTION 17D-12: RESOLUTION AUTHORIZING A LICENSE AGREEMENT WITH GRANDMA'S MARATHON-DULUTH, INC. FOR THE USE OF DEDA PARKING LOTS IN THE YEAR 2017**

**Staff:** Timm-Bijold noted the change in this agreement from a three-year agreement to a one-year agreement.

**Discussion:**

**Vote to Approve Resolution 17D-12:** Passed Unanimously (Filipovich/Chilcote 6-0)

4. **RESOLUTION 17D-13: RESOLUTION AUTHORIZING A RELEASE OF MORTGAGE RELATED TO THE BUILDING IN DULUTH 2012 CONDITIONAL GRANT AGREEMENT WITH A&L DULUTH RENAISSANCE, LLC**

**Staff:** Timm-Bijold summarized the history of this agreement. She explained that the release of this mortgage would allow for the Muffler Clinic lot be sold to a buyer. This resolution would support the redevelopment of one half of a city block.

**Discussion:**

**Vote to Approve Resolution 17D-13:** Passed Unanimously (Filipovich/Hansen 6-0)

**5. RESOLUTION 17D-14: RESOLUTION AUTHORIZING A MEMORANDUM OF UNDERSTANDING WITH AAR AIRCRAFT SERVICES, INC. RELATED TO THE MRO FACILITY**

**Staff:** Asleson explained what has been amended in the recommended Memo of Understanding agreement.

**Discussion:** Filipovich explained the process of approving this motion. Timm-Bijold asked about amending the Statement of Purpose in the resolution so that it reflects the amended agreement. Asleson explained that the approval of the resolution doesn't constitute approval of the Statement of Purpose. Staff will amend the Statement of Purpose so that it accurately reflects the intended agreement.

**Vote to Approve Resolution 17D-14 as amended:** Passed Unanimously (Filipovich/Hansen 6-0)

**Vote to Approve Amended Agreement:** Passed Unanimously (Filipovich/Hansen 6-0)

**DISCUSSION**

**DIRECTOR'S REPORT**

Timm-Bijold reported on the potential positive outcome of the bonding bill and the success of the recent Mayor's Small Business Resource Summit.

**ADJOURNMENT:** President McShane adjourned the May 24, 2017 meeting of the DEDA at 6:05 p.m.

Respectfully submitted



Heather Rand  
Executive Director

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