

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, February 28, 2018 - 5:15 p.m.
ROOM 303, THIRD FLOOR CITY HALL**

MINUTES

Call To Order: The February 28, 2018 meeting of DEDA was called to order by President McShane at 5:20 p.m.

Present: Nancy Aronson Norr, Matt Cartier, Craig Chilcote, Zack Filipovich, Elissa Hansen, Barb Russ, Tim McShane

Others Present: Ingrid Hornibrook, Heather Rand, Joan Christensen, Heidi Timm-Bijold, Bob Asleson, Housing Redevelopment Authority representative

Absent:

PUBLIC TO ADDRESS THE COMMISSION

PUBLIC HEARINGS

18D-07: RESOLUTION AUTHORIZING ADDENDUM TO THE DEDA CONTRACT NO. 17 860 858 WITH SUPERIOR INDUSTRIAL LLC AUTHORIZING REIMBURSEMENT OF \$105,000 FOR REMEDIATION

No comments

APPROVAL OF MINUTES: January 31, 2018 special meeting

Vote to approve the January 31, 2018 meeting minutes: Unanimous Filipovich/Hansen (7-0)

APPROVAL OF CASH TRANSACTIONS – January 01, 2018 to January 31, 2018

Rand pointed out that keeping Temple Opera building is costing DEDA money and staff is working on the sale of the asset. Filipovich asked if the rents are back at the level before construction started. Rand answered that they are but without first floor tenants still low all and leases are month to month. Aronson Norr asked if the financial package for the NorShor is ready to be closed out. Rand will get back to commissioners.

Vote to approve cash transactions: Unanimous Filipovich/Hansen (7-0)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

1. **RESOLUTION 18D-05: 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 \$17,574.65**

Staff: Rand explained the purpose of this annual resolution and how it allows DEDA to use the City of Duluth's insurance pool to keep annual premium costs down.

Discussion:

Vote to Approve Resolution 18D-05: Passed Unanimously (Chilcote/Filipovich 7-0)

2. **RESOLUTION 18D-06: RESOLUTION AMENDING RESOLUTION 18D-03 SUBSTITUTING CERTAIN PORTIONS OF THE RESOLUTION AND IDENTIFYING THE PRESIDENT AND SECRETARY OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY AS SIGNATORIES ON A CONTAMINATION INVESTIGATION AND RAP DEVELOPMENT GRANT CONTRACT WITH THE STATE OF MINNESOTA RELATING TO PROPERTY LOCATED AT 530 SOUTH 59TH AVENUE WEST**

Staff: Rand explained the State of Minnesota requires a different signatory line and this resolution would make that amendment.

Discussion:

Vote to Approve Resolution 18D-06: Passed Unanimously (Filipovich/Hansen 7-0)

3. **RESOLUTION 18D-07: RESOLUTION AUTHORIZING ADDENDUM TO THE DEDA CONTRACT NO .17 860 858 WITH SUPERIOR INDUSTRIAL LLC AUTHORIZING REIMBURSEMENT OF \$105,000 FOR REMEDIATION**

Staff: Rand explained this provides for lower sale price of the property, but placing the funds in an escrow account so those funds are available to use for soil corrective work if need be. Timm-Bijold added that most properties the commission deals with have some sort of remedial work and these funds will be available should the need arise.

Commissioners expressed concern about lowering the price of the land and setting a precedent. Asleson said the buyer did not conduct sufficient soil investigation in this case prior to sale, and the purchase agreement allowed for a certain amount of time for due diligence and the purchaser exercised that option to renegotiate sale price as proposed.

Discussion:

Vote to Approve Resolution 18D-07: Passed Unanimously (Filipovich/Cartier 7-0)

4. **RESOLUTION 18D-08: RESOLUTION AUTHORIZING AN EXTENTION OF THE AIRPORT GROUND LEASE AND AGREEMENT WITH THE DULUTH AIRPORT AUTHORITY REGARDING CERTAIN PROPERTY AT THE DULUTH INTERNATIONAL AIRPORT**

Staff: Rand explained that this resolution is to ensure Cirrus can continue to use their facility. Rand reported on the employment statistics of Cirrus and their business continues to exceed expectations in terms of employment opportunities and sales.

Discussion: Norr asked if the terms of this agreement remain the same and Christensen answered that they do.

Vote to Approve Resolution 18D-08: Passed Unanimously (Chilcote/Filipovich 7-0)

5. **RESOLUTION 18D-09: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO LAND SALE AGREEMENT WITH DULUTH HEIGHTS, LLC**

Staff: Rand explained this amendment allowed for some additional title work to ensure records reflect what is in the legal description.

Discussion:

Vote to Approve Resolution 18D-09: Passed Unanimously (Chilcote/Filipovich 7-0)

DISCUSSION

DIRECTOR'S REPORT

Rand updated the commissioners on a potential presentation by Hansi Johnson, Ramsey III, Lot D, a parking study, Pastoret Terrace, lower Spirit Mountain Kayak Bay project.

ADJOURNMENT: President McShane adjourned the February 28, 2018 meeting of the DEDA at 5:47 p.m.

Respectfully submitted



Heather Rand
Executive Director
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