

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, March 28, 2018 - 5:15 p.m.
COUNCIL CHAMBERS, THIRD FLOOR CITY HALL**

MINUTES

- Call To Order:** The March 28, 2018 meeting of DEDA was called to order by President McShane at 5:20 p.m.
- Present:** Nancy Aronson Norr, Craig Chilcote, Zack Filipovich, Tim McShane
- Others Present:** Ingrid Hornibrook, Heather Rand, Joan Christensen, Heidi Timm-Bijold, Bob Asleson, Hansi Johnson, Bill Burns, Ken Talle, Jan Talle, Jill Knutson-Kaske (HRA), John Raymos, Ron Brochu
- Absent:** Elissa Hansen, Matt Cartier, Barb Russ

PUBLIC TO ADDRESS THE COMMISSION

PUBLIC HEARINGS

APPROVAL OF MINUTES: February 28, 2018 special meeting

Vote to approve the February 28, 2018 meeting minutes: Unanimous Chilcote/Norr (4-0)

APPROVAL OF CASH TRANSACTIONS – February 01, 2018 to February 28, 2018

Vote to approve cash transactions: Unanimous Filipovich/Norr (4-0)

PRESENTATION: Hansi Johnson, Minnesota Land Trust

Hansi Johnson presented on the economic impact of the outdoor recreation industry in our region. Norr asked for more ideas specific to DEDA. Johnson said DEDA should think about development in the areas where outdoor customers would go after recreation activities. Filipovich asked for a copy of Johnson's presentation and also asked for clarification on local data surrounding around outdoor recreation. McShane asked that Johnson connect Rand with the owner of Quality Bike Parts.

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

1. **RESOLUTION 18D-10: RESOLUTION AUTHORIZING FIRST AMENDMENT TO THE DEDA CONTRACT NO.17 860 858 WITH SUPERIOR INDUSTRIAL LLC EXTENDING THE DATE FOR CLOSING**

Staff: Rand explained that this resolution extends the closing date for this agreement that has already been approved by DEDA board.

Discussion:

Vote to Approve Resolution 18D-10: Passed Unanimously (Chilcote/Filipovich 4-0)

2. **RESOLUTION 18D-11: RESOLUTION ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 30 (RAMSEY V) WITHIN DEVELOPMENT DISTRICT NO. 17 AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR**

Staff: Rand explained the need utilizing tax increment financing (TIF) when redeveloping blighted property due to additional costs as compared with greenfield development. Rand also explained that State Statute sets the qualification of where TIF dollars may be allocated so TIF as a tool is not overused.

Timm-Bijold gave an overview of the resolution that creates the TIF district and why there is a development agreement presented within that district. Timm-Bijold went over financial elements of the development agreement.

Ken Talle, the project developer, addressed the commission and gave a history of his projects in Duluth. Burns addressed the commission regarding the financial return of the project, which is quite low.

Discussion: Norr asked for more clarification on the financing and its uses. Timm-Bijold explained that TIF revenues will be reinvested within the TIF district. Filipovich confirmed there would be a Project Labor Agreement tied with the development agreement. Timm-Bijold confirmed that the 18D-12 development agreement would apply to all future development in the TIF district being created as well. McShane asked what the net gain would be. Talle answered that there would be an increase of more than thirty units in the city and expressed the importance of the elimination of sub-standard housing that currently exists on the redevelopment site.

Vote to Approve Resolution 18D-11: Passed Unanimously (Filipovich/Chilcote 4-0)

3. **RESOLUTION 18D-12: RESOLUTION AUTHORIZING AN AGREEMENT WITH RAMSEY III, LLC FOR THE DEVELOPMENT OF THE RAMSEY V TOWNHOME PROJECT**

Staff: Rand explained there is no additional information to add above and beyond what was shared while discussing Resolution 18D-11.

Discussion:

Vote to Approve Resolution 18D-12: Passed Unanimously (Filipovich/Chilcote 4-0)

DISCUSSION

DIRECTOR'S REPORT

Rand suggested commissioners have a real estate report presentation by the Northspan Group at the next DEDA meeting. Rand updated commissioners on the Kayak Bay site development, a \$180,000 MHFA workforce housing grant staff recently secured for the 104-unit City View Flats apartment complex to be constructed in fall, the creation of Opportunity Zones in Duluth, commencing with work to develop a EAW for the Pastoret Terrace property, and progress on DEDA's downtown parking study.

ADJOURNMENT: President McShane adjourned the February 28, 2018 meeting of the DEDA at 6:30 p.m.

Respectfully submitted



Heather Rand
Executive Director
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