

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, June 27, 2018 - 5:15 p.m.
COUNCIL CHAMBERS, THIRD FLOOR CITY HALL**

MINUTES

- Call To Order:** The June 27, 2018 meeting of DEDA was called to order by President McShane at 5:15 p.m.
- Present:** Matt Cartier, Elissa Hansen, Zack Filipovich, Tim McShane, Barb Russ
- Others Present:** Ingrid Hornibrook, Heather Rand, Joan Christensen, Heidi Timm-Bijold, Peter Passi, Kevin Scharnberg, Ian Vincent, Chrissy Johnson, Ron Brochu
- Absent:** Nancy Aronson Norr, Craig Chilcote, Matt Cartier

PUBLIC TO ADDRESS THE COMMISSION

APPROVAL OF MINUTES: May 23, 2018 meeting

Vote to approve the May 23, 2018 meeting minutes: Unanimous Filipovich/Hansen (4-0)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

6. RESOLUTION 18D-23: RESOLUTION AMENDING AND APPROVING THE DEDA 2018 BUDGETS

Staff: Rand gave an overview of DEDA's funds and went over lines within the budget requiring revision to reflect actuals.

Discussion:

Vote to Approve Resolution 18D-23: Passed Unanimously (Filipovich/Chilcote 4-0)

1. **RESOLUTION 18D-18: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE FORGIVABLE LOAN AGREEMENT WITH PALADIN PROPERTIES, LLC RELATED TO THE WEST THEATER CENTER FOR THE ARTS**

Staff: Timm-Bijold gave an overview of the reason for the amendment to extend the construction completion date due to delays out of the developer's control and summarized the original agreement.

Discussion:

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

2. **RESOLUTION 18D-19: RESOLUTION AUTHORIZING THE PURCHASE OF CERTAIN TAX-FORFEITED PROPERTY FROM THE STATE OF MINNESOTA**

Staff: Rand explained this pass-through would assist medical district redevelopment in downtown Duluth.

Discussion:

Vote to Approve Resolution 18D-19: Passed Unanimously (Hansen/Filipovich 4-0)

3. **RESOLUTION 18D-20: 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 this action would support Cirrus Aircraft's continued investment and operation in Duluth.

Discussion:

Vote to Approve Resolution 18D-20: Passed Unanimously (Russ/Hansen 4-0)

4. **RESOLUTION 18D-21: RESOLUTION AUTHORIZING THE DEDA EXECUTIVE DIRECTOR TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH AREA PARTNERSHIP FOR ECONOMIC EXPANSION (APEX) FOR MARKETING THE NORTHFORCE TALENT COMMUNITY DATABASE**

Staff: Rand gave an overview of the support and contributions from DEDA to NORTHFORCE thus far. Rand expressed the importance of talent acquisition and recommended approval. Ian Vincent of APEX and Chrissy Johnson of

Northspan/NORTHFORCE presented their report on the work done last year including result statistics.

Discussion: Filipovich asked about the individuals reported as being local hires. Ian Vincent explained they currently have no good way of tracking where new hires lived previously.

Vote to Approve Resolution 18D-21: Passed Unanimously (Filipovich/Russ 3-0)
Hansen abstained.

5. **RESOLUTION 18D-22: RESOLUTION AUTHORIZING THE DEDA EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT WITH NORTHSPAN GROUP INC. PERTAINING TO THE NORTHFORCE.ORG WEBSITE AND TALENT COMMUNITY DATABASE IN THE AMOUNT UP TO \$25,000**

Staff: See notes for 18D-21.

Discussion:

Vote to Approve Resolution 18D-22: Passed Unanimously (Filipovich/Russ 3-0)
Hansen abstained.

7. **RESOLUTION 18D-24: RESOLUTION ACCEPTING 2017 DEDA FINANCIAL AUDIT BY STATE AUDITOR**

Staff: Rand explained this annual audit is incorporated into the City's annual audit and performed by Minnesota Secretary of State office. Rand also reported no material issues and DEDA finances are in good order. The audit was not attached in the packet, but commissioners felt confident in voting as Commissioner Filipovich attended the audit review meeting with Rand and Secretary of State staff and he reported positive findings.

Discussion:

Vote to Approve Resolution 18D-24: Passed Unanimously (Filipovich/Russ 4-0)

8. **RESOLUTION 18D-25: RESOLUTION APPROVING EAW FOR PASTORET TERRACE AND ROBISON BUILDINGS**

Staff: Rand explained this EAW would be publicly noticed per Minnesota state regulations as part of an Environmental Quality Board process. Staff recommend this voluntary EAW because the Pastoret Terrace building is a place of blight and this would establish a public process and dialogue on potential demolition of building.

Discussion: Filipovich wanted to make sure there are not discrepancies between whether or not the Pastoret Terrace is a contributing building to the downtown historic district. Filipovich asked when it would be determined if the building is historically significant. Rand said the question would be posed over the next 30-60 days in the EAW process. Filipovich expressed concern about the language in the EAW and that it implies the building is not a contributing building to the downtown historical district. Russ commented on the potential controversy surrounding the building in general. McShane confirmed that other than the EAW process, commissioners are not committing to a decision about the building while voting on this item. Filipovich stated that the LHB report states the building is a contributing building and the EAW ambiguously states the historical significance. McShane asked if the resolution language must remain as stated and Rand confirmed that legal counsel recommends the language remains drafted.

Vote to Approve Resolution 18D-25: Passed Unanimously (Hansen/Russ 3-1)
Filipovich nay.

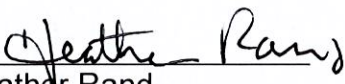
DISCUSSION

DIRECTOR'S REPORT

Rand updated commissioners on the land sale of 3800 W Superior Street and the expansion that will take place at that site, the hold on the creation of TIF district 30 Ramsey project, Lot D option agreement, Altec expansion and related job creation, Verso new investment, AAR and Cirrus growth, and the grant applications staff are working on. McShane thanked commissioner Hansen for her service. Hansen gave thanks for all who were supportive of her during her DEDA term.

ADJOURNMENT: President McShane adjourned the June 27, 2018 meeting of the DEDA at 6:12 p.m.

Respectfully submitted


Heather Rand
Executive Director
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