



City of Duluth

411 West First Street
Duluth, Minnesota 55802

Meeting Agenda

Duluth Economic Development Authority.

Wednesday, April 27, 2022

5:15 PM

CALL TO ORDER

PUBLIC TO ADDRESS THE COMMISSION

PUBLIC HEARINGS

[22D-21](#) RESOLUTION AUTHORIZING THE SALE OF LAND TO JESSICA BENSON

[22D-22](#) RESOLUTION AUTHORIZING THE SALE OF LAND TO JAMES A. FRY AND DEBORAH L. FRY

APPROVAL OF MEETING MINUTES

[**](#) MARCH 23, 2022 REGULAR MEETING MINUTES

Attachments: [03-23-22 DEDA Meeting Minutes](#)

APPROVAL OF CASH TRANSACTIONS

[***](#) MARCH 1, 2022 TO MARCH 31, 2022

Attachments: [DEDA Monthly Cash Activity March 2022](#)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

[22D-21](#) RESOLUTION AUTHORIZING THE SALE OF LAND TO JESSICA BENSON

[22D-22](#) RESOLUTION AUTHORIZING THE SALE OF LAND TO JAMES A. FRY AND DEBORAH L. FRY

[22D-23](#)

RESOLUTION AUTHORIZING A FIRST AMENDMENT TO A PROFESSIONAL SERVICES AGREEMENT WITH ENTRYPOINT LLC FOR ADDITIONAL PROFESSIONAL SERVICES TO EXPAND THE SCOPE OF WORK, INCREASE THE CONTRACT AMOUNT BY \$40,000 FOR A NEW TOTAL AMOUNT NOT TO EXCEED \$65,000 AND EXTEND THE TERMINATION DATE TO AUGUST 1, 2022.

Attachments:

[Entrypoint 1st Amend to PSA 1 4-13-22 \(002\)](#)

[22D-24](#)

RESOLUTION AUTHORIZING ACCESS AGREEMENT WITH CIRRUS DESIGN CORP. PERTAINING TO THE MRO

DISCUSSION

ADJOURN

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
WEDNESDAY, MARCH 23, 2022 – 5:15 P.M.
VIA ELECTRONIC MEANS PURSUANT TO MINNESOTA STATUTES
SECTION 13D.021
MINUTES**

Please take notice that the Duluth Economic Development Authority will hold a public hearing by other electronic means pursuant to Minnesota Statutes Section 13D.021 on Wednesday, March 23, 2022, at 5:15 p.m. All persons interested may monitor and participate in the hearing by visiting: <http://dulutheda.org/live-meeting> promptly at 5:15 p.m. on Wednesday, March 23, 2022, and written comments may be submitted to DEDA in advance of the meeting via the DEDA's web site at <http://dulutheda.org/contact-us/> or via email at cfleege@duluthmn.gov, and DEDA will decide if the conveyance is advisable.

The regular meeting place of DEDA is the Duluth City Council Chambers at City Hall, 411 West First Street, in Duluth, Minnesota. At this time board members of DEDA do not intend to attend the meeting in person; due to continually evolving restrictions and guidance from state and federal officials and agencies, the board members of DEDA will attend the meeting remotely via telephone or other electronic means pursuant to Minnesota Statutes Section 13D.021.

Present: Matt Cartier, Arik Forsman, Ellie Just, Renee Van Nett

Absent: ChaQuana McEntyre, Tim McShane, Roz Randorf

Others Present: Amanda Anderson, Robert Asleson, Chris Fleege, Jason Hale, Mark Laverty, Jennifer Moses

1. CALL TO ORDER: The March 23, 2022 meeting of DEDA was called to order by President Cartier at 5:15 p.m.

2. PUBLIC TO ADDRESS THE COMMISSION

No comment.

3. PUBLIC HEARINGS

APPROVAL OF MEETING MINUTES

FEBRUARY 23, 2022 REGULAR MEETING MINUTES

VOTE TO APPROVE THE FEBRUARY 23, 2022 MEETING MINUTES: (Forsman/Just) (Roll call vote: Cartier, Forsman, Just, Van Nett) Passed (4-0).

APPROVAL OF CASH TRANSACTION

FEBRUARY 1, 2022 TO FEBRUARY 28, 2022

No discussion or comments.

VOTE TO APPROVE THE FEBRUARY 1 to FEBRUARY 28, 2022 CASH TRANSACTIONS:

(Just/Forsman) (Roll call vote: Cartier, Forsman, Just, Van Nett) Passed (4-0).

NEW BUSINESS

4. RESOLUTIONS FOR APPROVAL

RESOLUTION 22D-16: RESOLUTION APPROVING AN AMENDED AND RESTATED DEVELOPMENT AGREEMENT AND A HUD RIDER TO RESTRICTIVE COVENANTS WITH SATURDAY ZENITH, LLC FOR THE DEVELOPMENT OF THE ZENITH HISTORIC OLD CENTRAL HIGH SCHOOL PROJECT

Staff: Director Fleege stated that HUD had specific requirements that needed to be incorporated to receive their financing so the development agreement had to be tweaked to accommodate those. Attorney Asleson confirmed the issue pertained to credits from the tax credit lenders and the main financing is through a HUD guaranteed bank loan. The requirements were principally from HUD. The largest issue was to ensure a subordination to HUD in the event of any issues.

Discussion: No discussion.

Vote to approve resolution 22D-16: (Just/Van Nett) (Roll call vote: Cartier, Forsman, Just, Van Nett) Passed (4-0).

RESOLUTION 22D-17: RESOLUTION CONSENTING TO ASSIGNMENT OF TIF NOTE WITH SATURDAY ZENITH, LLC AND COLLIERS MORTGAGE LLC PERTAINING TO THE ZENITH HISTORIC OLD CENTRAL HIGH SCHOOL PROJECT

Staff: Attorney Asleson explained the form of the financing required DEDA to sign off on the approval so the document had to be provided to DEDA for board approval.

Discussion: No discussion.

Vote to approve resolution 22D-17: (Van Nett/Forsman) (Roll call vote: Cartier, Forsman, Just, Van Nett) Passed (4-0).

RESOLUTION 22D-18: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO A SERVICES AGREEMENT WITH THE JAMAR COMPANY EXTENDING THE TERM THROUGH MARCH 31, 2022 AND INCREASING THE CONTRACT AMOUNT BY \$68,400.75 FOR A NEW TOTAL AMOUNT NOT TO EXCEED \$178,400.75.

Staff: Jennifer Moses provided that DEDA had a maintenance contract with Jamar for MRO facilities maintenance. DEDA and Jamar had a contract that was previously approved which ended last July. When Jamar gave their quote it stated that it would continue in perpetuity, but the DEDA contract did not state that. The contract was entered with the Finance office as an ongoing contract so it was not flagged. This is coming forward to ensure the board authorizes payment of the outstanding invoices. The amendment to the agreement goes through the end of April and after which, DEDA is hopeful that Cirrus will be leasing the building. Cirrus is interested in having Jamar continue to maintain the building, but would like to contract with them so they are able to oversee and manage it. Director Fleege added that an option agreement was executed February 1st so the Jamar expense is actually being paid for by Cirrus's retroactive pay. This extension will also be going to Council.

Discussion: President Cartier asked if some of the outstanding invoices have been paid. Jennifer Moses explained that because of the line item at the bottom of the Jamar quote, some of the invoices had been paid prior to board approval. This will be to clean up the DEDA contract and any invoices and make sure it is all official.

Vote to approve resolution 22D-18: (Van Nett/Just) (Roll call vote: Cartier, Forsman, Just, Van Nett) Passed (4-0).

RESOLUTION 22D-19: 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 \$24,481.90

Staff:

Discussion: President Cartier asked if this was for DEDA portion of the City Insurance Policy. Director Fleege noted that is correct and that the insurance is predominantly for the MRO and will be a pass thru to Cirrus who will be taking all of DEDA's ongoing costs.

Vote to approve resolution 22D-19: (Forsman/Van Nett) (Roll call vote: Cartier, Forsman, Just, Van Nett) Passed (4-0).

DISCUSSION

9. ADJOURN: President Cartier adjourned the March 23, 2022 meeting of DEDA at 5:35 p.m.

Respectfully submitted,

Chris Fleege--Executive Director

DRAFT

Duluth Economic Development Authority

March 2022 Cash Activity - all DEDA Funds

ACCUMULATED TRANSACTION LISTING, G/L Date Range 03/01/22 to 03/31/22 (as of 04/04/22)

G/L Date	Journal Number	Sub Ledg	Name	Net Amount	Description
FUND 860 - OPERATING FUND				Beginning Balance \$ 2,732,329.71	
03/01/22	2022-0000202	GL	Cost Allocation - DEDA	(33,333.33)	Cost Allocation - DEDA
03/02/22	2022-00001713	GL	Record Fed Ex DEDA Expense & Reimburse the General Fund	(7.54)	Record Fed Ex DEDA Expense & Reimburse the General Fund
03/02/22	2022-00001735	RA	Pay Group OReilly LLC	463.71	Building Rent
03/09/22	2022-00001942	RA	Housing & Redevelopment Authority of Duluth - HRA	4,289.60	Invoice #2022-00000051
03/11/22	2022-00001989	GL	Reimburse City Contingent Account - Checks #38493 - 39854	(1.65)	Reimburse City Contingent Account - Checks #38493 - 39854
03/14/22	2022-00001941	AP	Area Partnership for Economic Expan. (APEX)	(500.00)	Arrowhead Growth Alliance Annual Dues 2022
03/14/22	2022-00001941	AP	Matthew T Cartier	(35.00)	DEDA Meeting 2/23/22
03/14/22	2022-00001941	AP	Duluth Area Chamber of Commerce	(70.00)	Lets Do Lunch - Basco, Hobbs
03/14/22	2022-00001941	AP	Duluth News Tribune	(28.43)	DEDA Ad 2/19/22
03/14/22	2022-00001941	AP	Ehlers and Associates Inc	(337.50)	Financial Services DEDA Projects 21 860 132
03/14/22	2022-00001941	AP	ChaQuana McEntyre	(35.00)	DEDA Meeting 2/23/22
03/14/22	2022-00001941	AP	Timothy P McShane	(35.00)	DEDA Meeting 2/23/22
03/14/22	2022-00001941	AP	Northland Foundation	(20,000.00)	Small business and entrepreneur business support services
03/14/22	2022-00001941	AP	Rozalind Randorf	(35.00)	DEDA Meeting 2/23/22
03/14/22	2022-00002023	RA	Passport Labs	341.97	Parking Revenue for February 2022
03/15/22	2022-00002045	AP	US Bank	(375.85)	Feb 2022 USB
03/15/22	2022-00002062	RA	Interstate Parking	(9,753.18)	Parking Revenue for Feb 2022
03/17/22	2022-00002147	GL	DEDA Trsf for AMI Berthing Feasibility Study-DECC Seawall Ph II	(23,500.00)	DEDA Trsf for AMI Berthing Feasibility Study-DECC Seawall Ph II
03/28/22	2022-00002322	AP	Duluth Public Utilities - Comfort Systems	(1,706.57)	902 Railroad St 1/6/22-2/3/22
03/28/22	2022-00002322	AP	Duluth Public Utilities - Comfort Systems	(914.72)	335 W Superior St 1/29/22-2/28/22
03/28/22	2022-00002322	AP	Duluth Public Utilities - Comfort Systems	(914.72)	335 W Superior St 12/30/21-1/28/22
03/28/22	2022-00002322	AP	Duluth News Tribune	(12.88)	DEDA Ad 2/12/22
03/28/22	2022-00002322	AP	Duluth News Tribune	(25.77)	DEDA Ad 2/12/22
03/28/22	2022-00002322	AP	Duluth News Tribune	(14.22)	DEDA Ad 2/12/22
03/28/22	2022-00002322	AP	Duluth Seaway Port Authority	(393.56)	Workforce meeting - Barkers Island 2/17/22
03/28/22	2022-00002322	AP	Duluth Transit Authority	(40.00)	31 Day Adult
03/28/22	2022-00002322	AP	Arik Forsman	(35.00)	DEDA Meeting 2/16/22
03/28/22	2022-00002322	AP	St Louis County Recorder	(92.00)	Ordinance and QCD Docs 1052479 1052480
03/28/22	2022-00002322	AP	Northspan Group Inc	(15,000.00)	21 860 106 Consulting for Northland Connection
03/28/22	2022-00002322	AP	St Louis County Auditor	(6,146.80)	Purchase of tax forfeit parcel 010-0440-00650
03/28/22	2022-00002322	AP	Ehlers and Associates Inc	(2,250.00)	Cirrus Ind - MIF JCF Reviews
03/28/22	2022-00002322	AP	LHB Engineers & Architects	(6,900.00)	TIF Analysis Duluth Armory 22 860 101 DEDA
03/29/22	2022-00002427	AP	Craig S Chilcote	35.00	DEDA Meeting 8/25/20
03/29/22	2022-00002449	RA	521 West 2nd Development LLC	13,079.25	Invoice #2021-00000252 Invoice #2021-00000201
03/29/22	2022-00002465	GL	Reclass Voided Checks	(35.00)	Reclass Voided Checks
03/31/22	2022-00002554	GL	Investment Earnings for March	1,304.00	Investment Earnings for March
FUND 860 - OPERATING FUND				Ending Balance: 03-31-2022 2,629,314.52	TB
FUND 861 - DEBT SERVICE				Beginning Balance 1,004,787.09	
03/11/22	2022-00001994	GL	Clear Due To/Due From JE 2021-00010256	(16,549.74)	Clear Due To/Due From JE 2021-00010256
03/31/22	2022-00002554	GL	Investment Earnings for March	483.00	Investment Earnings for March
FUND 861 - DEBT SERVICE				Ending Balance: 03-31-2022 988,720.35	TB

G/L Date	Journal Number	Sub Ledg	Name	Net Amount	Description
<u>FUND 865 - CAPITAL PROJECTS</u>				<i>Beginning Balance</i>	878,844.81
03/31/22	2022-00002554	GL	Investment Earnings for March	426.00	Investment Earnings for March
FUND 865 - CAPITAL PROJECTS				Ending Balance: 03-31-2022	879,270.81 TB
<u>FUND 866 - MRO FACILITY</u>				<i>Beginning Balance</i>	425,343.71
03/14/22	2022-00001941	AP	CenturyLink - Phoenix	(199.61)	Data Services MRO
03/28/22	2022-00002322	AP	CenturyLink - Phoenix	(199.61)	Date Services
03/28/22	2022-00002322	AP	Minnesota Power	(14,347.15)	5447119029 1/31/22-2/28/22
03/28/22	2022-00002322	AP	Duluth Public Utilities - Comfort Systems	(1,745.66)	4600 Stebner Rd - Water 2/2/22-3/1/22
03/28/22	2022-00002322	AP	Duluth Public Utilities - Comfort Systems	(15,517.38)	4600 Stebner Rd - Gas 2/2/22-3/1/22
03/31/22	2022-00002554	GL	Investment Earnings for March	204.00	Investment Earnings for March
FUND 866 - MRO FACILITY				Ending Balance: 03-31-2022	393,538.30 TB
<u>FUND 867 - STOREFRONT LOANS</u>				<i>Beginning Balance</i>	375,290.68
03/02/22	2022-00001735	RA	The Duluth Playhouse, Inc	25,000.00	Acct #99002 Loan Payment
03/08/22	2022-00001884	RA	North Shore Bank	663.52	Women in Construction Loan #90012 payment
03/18/22	2022-00002190	RA	Alerus Financial	1,037.10	Payment on Loan 70003 Old City Hall LLP
03/31/22	2022-00002554	GL	Investment Earnings for March	194.00	Investment Earnings for March
FUND 867 - STOREFRONT LOANS				Ending Balance: 03-31-2022	402,185.30 TB

**FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
Duluth Economic Development Authority and EntryPoint, LLC, DBA
EntryPoint Networks**

THIS FIRST AMENDMENT TO AGREEMENT, entered into this ___ day of _____, 2022, is by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469, hereinafter referred to as “DEDA”, and EntryPoint, LLC, a Limited Liability Company, doing business as EntryPoint Networks, hereinafter referred to as “EntryPoint”.

WHEREAS, effective as of August 13, 2021, DEDA and EntryPoint entered into a professional services agreement bearing DEDA Contract No. 21-860 124 (the "Agreement") for technical services related to the development and implementation of a municipal broadband internet system in portions of the City of Duluth; and

WHEREAS, DEDA desires to amend the Agreement to expand the scope of services to be provided by EntryPoint and to extend the Term of the Agreement; and

WHEREAS, EntryPoint is willing to so amend the Agreement under the terms and conditions hereinafter contained.

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained.

1. That the category of "Planning, Analysis & Documentation of Exhibit A to the Agreement is hereby amended and augmented by the addition of those additional services set forth in Exhibit B, attached hereto and made a part hereof.

2. That Article II of the Agreement is hereby amended by striking therefrom the words and numbers "twenty-five thousand dollars (\$25,000) and substituting therefore the words and numbers "Sixty-five thousand dollars (\$65,000).

3. That Article IV of the Agreement is hereby amended by deleting the date "December 31, 2021" and by substituting therefore the date of "August 1, 2022."

4. In all other respects, the Agreement, together with all of its terms, covenants and conditions is hereby confirmed in its entirety.

IN WITNESS WHEREOF, the parties have hereunto set their hand the day and date first above shown.

DEDA

ENTRYPOINT, LLC

By _____
Its President

By _____
Devin Cox

Attest:

Title: EVP Business Development

Dated _____

Its Secretary

Approved:

Attorney

EXHIBIT B – SERVICES:

The following services to be added the Scope of Work outlined in Exhibit A.

EntryPoint will provide the following research and/or materials as required for the City of Duluth to make application for the Border to Border Grant application with the Minnesota Office of Broadband Development:

1. Work with the City to identify the estimated number of end users (at their respective speeds (downloading and uploading) within the proposed pilot area. Include the number of total passing's for households, businesses, and community anchor institutions and assist the City in estimating the number of customers likely served by coaxial cable and DSL within the proposed pilot area using existing and available data sources.
2. Complete a more detailed market analysis for identified business customers, community anchor institutions, and educational facilities in the proposed pilot project area.
3. Complete a detailed high-level fiber network architecture design in a standard Geospatial Information System (GIS) format, such as ESRI. The design must be capable of producing detailed drawings for the required fiber infrastructure elements as outlined in the grant application, including but not limited to location for fiber aggregation huts and switching devices, length and sizes of underground conduits, fiber cable and associated fiber counts, pull box locations, and cabinets, etc. It is understood that detailed construction drawings shall be identified as part of this work. These necessary drawings are to be extrapolated from the GIS design and typically include cross sectional details for various installations. It is also understood and agreed to by both parties that these necessary drawings are NOT included in this scope of work, but rather that the City will request such drawings, and as a part of this scope, EntryPoint will provide a cost to have a third party develop these detailed drawings using a third party. The City will approve this additional scope of work prior to the creation of these detail drawings. These should include the customer service drops to the premise. The deliverables will include drawings and specifications as needed for bidding and completed by October of 2022. The design will include but is not limited to diagrams, and associated documentation of network equipment that is scalable which could be fully incorporated and utilized in a City-Wide fiber deployment. The design shall leverage and optimize the existing Northeast Service Cooperative (NESC) fiber assets already deployed within the City of Duluth (where feasible). The pricing for the detailed design should include up to the 2,500 passing's anticipate for the pilot area but should also include the potential for up to a total of 10,000 passing's for preliminary design into adjacent areas to ensure that the pilot area detail design has been optimized for the future expansion of the fiber distribution network.
4. Provide a detailed estimate of materials and labor for installation for the pilot project area. (Please note: Due to market conditions, final costs will only be known after an RFP procurement process. We would recommend Duluth conduct an RFP process to validate all deployment estimates.)

5. Provide recommended speed tiers and associated market pricing for the pilot project. (Please note: In the automated open access model, these ISP service speeds, and pricing are set by the providers. We can estimate outcomes, but at a small scale we may need to artificially influence costs or seek providers who already have scale. The significant portion of this work will be to negotiate with providers.)
6. Documents as needed demonstrating EntryPoint's technical expertise, including resumes of key staff and narratives of past successful projects.
7. Assist in preparing the contract requirements and scope of services for inclusion for a third-party maintenance and operations (M&O) network service contract.
8. Provide City of Duluth budgetary anticipated expenses for a 5-year network service commitment.
9. Assist City of Duluth in an analysis demonstrating how improved broadband speeds and coverage will enable the project area to become and/or remain financially viable.