

**MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY  
WEDNESDAY, JUNE 22, 2022 – 5:15 P.M.  
COUNCIL CHAMBERS-CITY HALL  
MINUTES**

**Present:** Matt Cartier, Tim McShane, Roz Randorf, Terese Tomanek

**Absent:** Arik Forsman, Ellie Just, ChaQuana McEntyre

**Others Present:** Amanda Anderson, Brett Crecelius, Chris Fleege, Peter Passi, Mark Poirier, Heidi Timm-Bijold

**1. CALL TO ORDER:** The June 22, 2022 meeting of DEDA was called to order by President Cartier at 5:17 p.m.

**2. PUBLIC TO ADDRESS THE COMMISSION**

No comment.

**3. PUBLIC HEARINGS**

**APPROVAL OF MEETING MINUTES**

**MAY 25, 2022 MEETING MINUTES**

No discussion.

**VOTE TO APPROVE THE MAY 25, 2022 SPECIAL MEETING MINUTES:** (McShane/Randorf) Vote: Passed (4-0).

**APPROVAL OF CASH TRANSACTION**

**MAY 1, 2022 TO MAY 31, 2022**

Cirrus was invoiced back to February of 2022 because of the execution of the access agreement and the “true-up” is showing up on the 866 account as well. The funding from the St. Luke’s bond issuance for \$190,000 revenue is being noted for account 860.

**VOTE TO APPROVE THE MAY 1 to MAY 31, 2022 CASH TRANSACTIONS:** (Randorf/McShane) Vote: Passed (4-0).

**NEW BUSINESS**

#### 4. RESOLUTIONS FOR APPROVAL

##### **RESOLUTION 22D-29: RESOLUTION AUTHORIZING REDEVELOPMENT GRANT CONTRACT OF \$672,918 WITH MINNESOTA DEED FOR THE HISTORIC ARMORY PROJECT**

**Staff:** This grant was applied for in partnership with the Armory. This resolution along with resolution 22D-39 (for the sub-grant agreement) are paired for the reimbursement, as this is a matching grant. This is for the environmental cleanup prior to a larger redevelopment effort.

**Discussion:** Commissioner Randorf asked for an update on the state bonding. Mark Poirier updated Commissioners. The Amory was asking for a cash appropriation from the legislature in the amount of \$7.5 million and after discussions it was moved back to \$6 million. As of now the ask is stalled and they are hoping a special session will be called to help wrap up that work. George Sherman is committed to the project and if the request does not happen this year, they would bring it back again next year. If a second ask does not go through there are some private funding options which would change the dynamics of the project.

**Vote to approve resolution 22D-29:** (Tomanek/Randorf) Vote: Passed (4-0).

##### **RESOLUTION 22D-34: RESOLUTION AUTHORIZING THE ACQUISITION OF CERTAIN REAL PROPERTY IN THE FAIRMOUNT NEIGHBORHOOD FROM THE CITY OF DULUTH**

**Staff:** The next two resolutions are related. This resolution will be helping to aggregate a larger tract of land for development. This will be a mixed-income, multi-family project. This site will have up to 100 units of housing. Staff is working to leverage the infill options and support housing from market rate to affordable.

**Discussion:** N/A

**Vote to approve resolution 22D-34:** (McShane/Randorf) Vote: Passed (4-0).

##### **RESOLUTION 22D-35: RESOLUTION AUTHORIZING ACQUISITION OF CERTAIN TAX FORFEITED REAL PROPERTY FROM THE STATE OF MINNESOTA THROUGH ST. LOUIS COUNTY**

**Staff:** No additional comments.

**Discussion:** N/A

**Vote to approve resolution 22D-35:** (Randorf/Tomanek) Vote: Passed (4-0).

**RESOLUTION 22D-36: RESOLUTION AUTHORIZING ACQUISITION OF CERTAIN REAL PROPERTY FROM THE CITY OF DULUTH RELATED TO THE REBUILD DULUTH PROGRAM**

**Staff:** This is a legacy project that went through the competitive process and was delayed due to COVID and rising prices. They are asking for an extension out and the developer has full intentions of developing the site. It will be market-rate in the Raleigh area.

**Discussion:** N/A

**Vote to approve resolution 22D-36:** (McShane/Randorf) Vote: Passed (4-0).

**RESOLUTION 22D-37: RESOLUTION AUTHORIZING A FOURTH AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH LSC FLATS, LLC RELATED TO THE CONSTRUCTION OF STUDENT HOUSING NEAR LAKE SUPERIOR COLLEGE, EXTENDING THE CLOSING AND CONSTRUCTION DATE THEREUNDER**

**Staff:** The developer is working out some of the utility extensions and they fully anticipate being able to complete the transaction.

**Discussion:** President Cartier inquired on if the extension was moved far enough out. Brett Crecelius (City Staff) provided this date was set by the developer. The developer does not wish to extend the deadline any further. If they do not close by the proposed deadline they do not want to move forward. If the developer closes by the proposed deadline, they are confident they will finish the project by December 31, 2024.

**Vote to approve resolution 22D-37:** (Tomanek/Randorf) Vote: Passed (4-0).

**RESOLUTION 22D-38: RESOLUTION AUTHORIZING ACCEPTANCE OF \$1,600,000 FROM THE CITY OF DULUTH FOR ASSISTANCE TO HOUSING FOR PEOPLE EXPERIENCING HOMELESSNESS**

**Staff:** The ARPA funds are able to be offset with revenue shortfalls. This will be done in partnership with the County whom will be matching the \$1.6 million. There will be other funding streams for the project and some wrap around services. This will provide some relief for some of the most needy folks in our community. DEDA will not be taking any risk with this as it is just a pass through.

**Discussion:** President Cartier asked about the overall cost of the project. Director Fleege stated there are multiple sources of funding. Brett Crecelius provided staff is currently working

with One Roof and Salvation Army and pursuing grants to sustain the services long term. All in would be \$3.2 million once the development agreement is hashed out. Commissioner Tomanek asked if there is a structure that will be remodeled to have individual bedrooms and a community space or if it's a new build. Director Fleege added this is a build and it will be very modular. Brett Crecelius noted the project is a ground up build and they are working with the HRA to acquire the property. It is 24 units which are smaller and have communal space with kitchenette and bathroom areas. The model is cheaper construction for more communal living area. Commissioner Tomanek inquired on if this initiative is related to CHUM and their Five Step program or if it's separate. This is not an initiative of CHUM, but they are working alongside CHUM and AHC. This model came out of One Roof acting as the developer. The dates and deadline will be set out in the development agreement.

Commissioner Randorf asked for clarification around the number of units. \$1.6 million is coming from the City to fund 12 units and \$1.6 million from St. Louis County will fund 12 units to make 24 total units.

**Vote to approve resolution 22D-38:** (Randorf/McShane) Vote: Passed (4-0).

**RESOLUTION 22D-39: RESOLUTION AUTHORIZING SUB-GRANT AGREEMENT WITH THE ARMORY ARTS AND MUSIC CENTER FOR A GRANT REIMBURSEMENT**

**Staff:** Heidi Timm-Bijold, the owner of HTB project navigation addressed the commission on behalf of Sherman Associates. She provided clarification around the "reimbursement" language in the resolution. DEDA will never have to up front money and await a reimbursement. The project is approximately \$1.4 million. If invoices are submitted for \$50,000, half will be sought from the State. This will ensure the developer is capable and has intent to provide the other half.

**Discussion:** N/A

**Vote to approve resolution 22D-39:** (Randorf/Tomanek) Vote: Passed (4-0).

**RESOLUTION 22D-40: RESOLUTION AUTHORIZING DEVELOPMENT AGREEMENT WITH ISD NO. 709 RELATED TO THE NEW CENTRAL HIGH SCHOOL PROPERTY**

**Staff:** This resolution is being returned to staff for additional work and will likely come back to the Board in July.

**Discussion:** N/A

**No vote. This item was returned to Staff.**

**DISCUSSION**

Director Fleege gave an overview of the Lot D site visit with DEDA and Planning Commission. The seawall and existing slab will be some of the various areas of concern. There is no development agreement to bring forward at this time. The developer from Inland laid out a path of what it might take to get the lot pad ready--\$22 million. The site has clean up issues that will need to be addressed.


President Cartier and Director Fleege had the exit interview with the Office of the State Auditor and the exit letter will be forthcoming. DEDA was part of the City audit and there were no findings or recommendations. The audit was clean.

Director Fleege acknowledged and welcomed Commissioner Tomanek who is now serving as a DEDA Commissioner in a Councilor role.

The City and Cirrus will be working on a purchase agreement for the MRO building. Housing is a large concern for many of the employers in Duluth.

**9. ADJOURN:** President Cartier adjourned the June 22, 2022 meeting of DEDA 5:42p.m.

Respectfully submitted,

DocuSigned by:  
  
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Chris Fleege--Executive Director