

**SPECIAL MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, December 12, 2018 – 5:15 P.M.
Room 303, THIRD FLOOR, CITY HALL**

MINUTES

Call To Order: The December 12, 2018 meeting of DEDA was called to order by President McShane at 5:15 p.m.

Present: Craig Chilcote, Zack Filipovich, Noah Hobbs, Tim McShane, Barb Russ

Others Present: Bob Asleson, Amanda Auvinen, Joan Christensen, Brian Forcier, Jason Hale, Keith Hamre, Pakou Ly, Rob Robinson, David Ross, Kristi Stokes

Absent: Matt Cartier, Nancy Aronson Norr

PUBLIC TO ADDRESS THE COMMISSION

PUBLIC HEARINGS

- 1. RESOLUTION 18D-43: RESOLUTION ADOPTING A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 17, REMOVING PARCELS FROM TAX INCREMENT DISTRICT NO. 22 AND FROM A PLEDGE AGREEMENT, ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 31: VOYAGEUR LAKEWALK INN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR**

David Ross and the Duluth Area Chamber of Commerce are advocates for Resolution 18D-43 as it will benefit the community greatly. Kristi Stokes and the Greater Downtown Council are also in full support of the project as the community continues to look for additional housing opportunities. Public hearing as written on the agenda is to be amended to include setting wage and job goals at zero. Russ asked about the other districts that were referenced and what is included in those districts.

APPROVAL OF MINUTES: November 28, 2018. Accepted as written. Vote: Unanimous Chilcote/Hobbs (5-0)

APPROVAL OF CASH TRANSACTIONS- November 1, 2018 – November 30, 2018

Hamre noted that it was a standard month of cash transactions.

Vote to Approve Cash Transactions: Unanimous (5-0)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

- 1. RESOLUTION 18D-43: RESOLUTION ADOPTING A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 17, REMOVING PARCELS FROM TAX INCREMENT DISTRICT NO. 22 AND FROM A PLEDGE AGREEMENT, ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 31: VOYAGEUR LAKEWALK INN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR**

Staff: Hamre said 18D-43 and 18D-44 will be considered together as they are for the same project and reviewed the map that was included with the resolution. This is the first development within the community that is taking advantage of Opportunity Zones and is a spin-off of the Medical District project. Jason Hale presented the technical and financial pieces of the development. Brian Forcier, the owner of the land rights through the Hacienda, introduced Rob Robinson from Landmark Development who presented The Lakeview slideshow.

Discussion: Russ asked for clarification about the location in relation to Essentia. Hamre talked about the percentage of tax base that is dedicated towards TIF. Currently Duluth is at 4.1% compared to a tax base of 8-10% which is healthy. Filipovich asked if the 4.1% includes the project for Voyageur Lakewalk Inn. Hobbs asked what Rochester and St. Cloud's TIF district percentages were also.

Vote to Approve Resolution 18D-43: Passed Unanimously Filipovich/Chilcote (5-0)

- 2. RESOLUTION 18D-44: RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH NORTHSTAR DEVELOPMENT INTERESTS, LLC FOR THE DEVELOPMENT OF THE VOYAGEUR LAKEWALK INN MIXED USE PROJECT**

Staff: Hamre stated that there are 6 more years of paying on bonds for the ramp.

Discussion: Hobbs inquired about the parking ramp and if the City will retain ownership and if the intention is to lease it as long as the parking is useable.

Vote to Approve Resolution 18D-44: Passed Unanimously Filipovich/Chilcote (5-0)

- 3. RESOLUTION 18D-45: RESOLUTION AUTHORIZING AN AGREEMENT**

3. RESOLUTION 18D-45: RESOLUTION AUTHORIZING AN AGREEMENT WITH THE CITY OF DULUTH PROVIDING FOR PARTICIPATION BY DEDA IN THE CITY'S SELF-INSURANCE PROGRAM FOR 2019 IN THE AMOUNT OF \$7,350

Staff: Hamre stated that this is for the insurance on the property DEDA owns and operates and it covers liability insurance.

Discussion: No discussion.

Vote to Approve Resolution 18D-45: Passed unanimously. Filipovich/Russ (5-0)

DISCUSSION

DIRECTOR'S REPORT

ADJOURNMENT: President McShane adjourned the December 12, 2018 special meeting of the DEDA at 5:52 p.m.

Respectfully submitted



Keith Hamre
Executive Director
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