

**MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY  
WEDNESDAY, FEBRUARY 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, February 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, February 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](mailto: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, ChaQuana McEntyre, Tim McShane, Roz Randorf

**Absent:** Arik Forsman, Ellie Just, Renee Van Nett

**Others Present:** Amanda Anderson, Robert Asleson, Chris Fleege, Jason Hale, Shari Marshik, Jenn Moses, Emily Nygren

**1. CALL TO ORDER:** The February 23, 2022 meeting of DEDA was called to order by President Cartier at 5:33 p.m.

**2. PUBLIC TO ADDRESS THE COMMISSION**

No comment.

**3. PUBLIC HEARINGS**

**RESOLUTION 22D-12: RESOLUTION AUTHORIZING THE SALE OF LAND TO JESSICA BENSON**

No comment.

**RESOLUTION 22D-14: RESOLUTION AUTHORIZING A LAND SALE AGREEMENT WITH OFFICE HUGHES OLSEN LLC RELATED TO THE REBUILD DULUTH PROGRAM**

No comment.

## **APPROVAL OF MEETING MINUTES**

### **JANUARY 26, 2022 REGULAR MEETING MINUTES**

**VOTE TO APPROVE THE JANUARY 26, 2022 MEETING MINUTES:** (Randorf/McShane) (Roll call vote: Cartier, McEntyre, McShane, Randorf) Passed (4-0).

### **FEBRUARY 16, 2022 SPECIAL MEETING MINUTES**

**VOTE TO APPROVE THE FEBRUARY 16, 2022 SPECIAL MEETING MINUTES:** (McShane/McEntyre) (Roll call vote: Cartier, McEntyre, McShane, Randorf) Passed (4-0).

## **APPROVAL OF CASH TRANSACTION**

### **JANUARY 1, 2022 TO JANUARY 31, 2022**

Director Fleege didn't have anything to note.

**VOTE TO APPROVE THE JANUARY 1 to JANUARY 31, 2022 CASH TRANSACTIONS:** (Randorf/McEntyre) (Roll call vote: Cartier, McEntyre, McShane, Randorf) Passed (4-0).

## **NEW BUSINESS**

### **4. RESOLUTIONS FOR APPROVAL**

#### **RESOLUTION 22D-11: RESOLUTION AUTHORIZING ACQUISITION OF CERTAIN TAX FORFEITED REAL PROPERTY FROM THE STATE OF MINNESOTA THROUGH ST. LOUIS COUNTY**

**Staff:** Director Fleege stated this is the old Woodland Spur station property. It will be quitclaimed and there will be an RFP process to sell the property. DEDA can charge up to 120% of the EMV. There has been a lot of interest. Jason Hale added that there is an RFP process underway and it is set to close March 18<sup>th</sup>. Two to three proposals are anticipated and one or more of them will be mixed-use projects. DEDA staff has been working on the site with the County. A Phase 1 investigation has been done. Phase 2 has consisted of pulling the underground storage tanks and remediating the site. Staff is hoping for a mixed-use project with a retail/commercial operation on the first floor and some apartments above it.

**Discussion:** N/A

**Vote to approve resolution 22D-11:** (McEntyre/McShane) (Roll call vote: Cartier, McEntyre, McShane, Randorf) Passed (4-0).

**RESOLUTION 22D-12: RESOLUTION AUTHORIZING THE SALE OF LAND TO JESSICA BENSON**

**Staff:** This property was acquired to be used for the Rebuild Duluth Program. After doing a detailed survey, staff realized there were property line disputes and it would be deemed impractical to be able to build on the site. An alternate location was located for the developer (comparable lot). There were structures built on other people's property. DEDA is requesting that the adjacent landowner, Jessica Benson, be able to purchase because DEDA will not be able to redevelop or use for infill purposes. The purchase price is \$6,400 and some change.

**Discussion:** N/A

**Vote to approve resolution 22D-12:** (Randorf/McEntyre) (Roll call vote: Cartier, McEntyre, McShane, Randorf) Passed (4-0).

**RESOLUTION 22D-13: RESOLUTION AUTHORIZING REIMBURSEMENT OF CITY FOR TAX ABATEMENT PAYMENTS TO CIRRUS DESIGN CORP. FOR TAX ABATEMENT PAYMENTS IN 2022 OF UP TO \$60,000.**

**Staff:** Director Fleege provided that DEDA worked with Ehlers to find some tools to create incentives for Cirrus in relation to purchasing the MRO. Ehlers identified that tax abatement would be the best solution. A lot of the investment Cirrus will be doing to the building would not increase the square footage, but would rather be a reconfiguration (make the spaces more conducive, add smaller doors). The value of the property would not be increased, so tax increment would not be an available tool. The City will not have abatement capacity until 2024 so DEDA is going to reimburse the City. The City will go through the tax abatement process in conjunction with the county. DEDA is providing funding back to the City so the levy would not be negatively impacted. It is likely that there will be two years of payments. The payment would come out of the DEDA funds—there are adequate funds in the MRO fund to cover this payment.

**Discussion:** N/A

**Vote to approve resolution 22D-13:** (McShane/Randorf) (Roll call vote: Cartier, McEntyre, McShane, Randorf) Passed (4-0).

**RESOLUTION 22D-14: RESOLUTION AUTHORIZING A LAND SALE AGREEMENT WITH OFFICE HUGHES OLSEN LLC RELATED TO THE REBUILD DULUTH PROGRAM**

**Staff:** Director Fleege asked Jason Hale to speak to this resolution. The entity was not properly established in the state of Minnesota at the time the agreement was entered into. Mr. Hale provided that DEDA initially entered into an agreement with Hughes Olsen Workshop and they then changed their name to Office Hughes Olsen which is the formal entity that now exists. The rest of the agreement has stayed the same. The first project that the Commission approved on a skinny lot in Irving turned out well and they will soon be listing it.

**Discussion:** N/A

**Vote to approve resolution 22D-14:** (McEntyre/Randorf) (Roll call vote: Cartier, McEntyre, McShane, Randorf) Passed (4-0).

**RESOLUTION 22D-15: RESOLUTION APPROVING THE DULUTH PRODUCTION INCENTIVE PROGRAM TO INCENTIVIZE VISUAL MEDIA PRODUCTION IN DULUTH, ESTABLISH PROGRAM GUIDELINES FOR THE PROGRAM AND AUTHORIZING AGREEMENT WITH UPPER MIDWEST FILM OFFICE FOR PROGRAM ADMINISTRATIVE SERVICES.**

**Staff:** Director Fleege said \$100,000 was initially talked about and there was resounding support. This is a pilot program. IRRRB has provided funding up on the Iron Range and has seen a number of productions materialize. Shari Marshik from the Upper Midwest Film Office thanked the Commission for taking the step to make the Northland an independent film and tv production hub. Demand currently exceeds supply of incentives, infrastructure and workforce. Projections indicate over \$4.6 million in spending will have occurred in the region due to production by the end of 2022. There is a group traveling next week to explore the next steps in developing physical infrastructure and investments in Duluth.

The UMFO has certified over 90% of the funds that the office administrates for the year as of the end of February. Another application was received today and for the first time, a \$2 million dollar project had to be turned down because there is no funding available for them to shoot in Duluth. This program allows Duluth to be a choice in the production location process for the projects that are seeking what Duluth has to offer and for the local workforce to stay, to grow and to work here. There is a small project shooting right now in Chisholm called "Cash for Gold". This is a small incentive that will see small projects. There are four more projects following the current one in Chisholm that will be shot there because of available incentives.

**Discussion:** N/A


**Vote to approve resolution 22D-15:** (Randorf/McShane) (Roll call vote: Cartier, McEntyre, McShane, Randorf) Passed (4-0).

## DISCUSSION

Director Fleege shared that a term sheet was signed with Cirrus. Staff will be working to have a lease agreement ready for execution. There is a MIF loan and JCF that are moving through for Cirrus. There will be a number of housing items moving through soon.

**9. ADJOURN:** President Cartier adjourned the February 23, 2022 meeting of DEDA at 5:57 p.m.

Respectfully submitted,

DocuSigned by:  
  
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Chris Fleege--Executive Director