

**MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY  
WEDNESDAY, SEPTEMBER 28, 2022 – 5:15 P.M.  
COUNCIL CHAMBERS-CITY HALL  
MINUTES**

**Present:** Matt Cartier, ChaQuana McEntyre, Roz Randorf, Terese Tomanek

**Absent:** Arik Forsman, Ellie Just

**Others Present:** Amanda Anderson, Robert Asleson, Brett Crecelius, Lori Davey, Chris Fleege, Peter Passi

**1. CALL TO ORDER:** The September 28, 2022 meeting of DEDA was called to order by President Cartier at 5:15 p.m.

**2. PUBLIC TO ADDRESS THE COMMISSION**

No comments.

**3. PUBLIC HEARINGS**

**RESOLUTION 22D-55: RESOLUTION AUTHORIZING AN AGREEMENT WITH CLYDE INDUSTRIAL PARK, INC, FOR THE CONVEYANCE OF LAND IN LINCOLN PARK FOR \$1.00.**

No public comment.

**RESOLUTION 22D-56: RESOLUTION CONFIRMING RESOLUTION 22D-31 AUTHORIZING A LAND SALE AGREEMENT WITH SAIA, MOTOR FREIGHT.**

No public comment.

**RESOLUTION 22D-58: RESOLUTION AUTHORIZING A CONDITIONAL AGREEMENT WITH BIG HILL, LLC., FOR THE CONVEYANCE OF PROPERTY IN THE WOODLAND NEIGHBORHOOD FOR \$185,000.**

No public comment.

**RESOLUTION 22D-59: RESOLUTION AUTHORIZING CONVEYANCE OF UTILITY EASEMENT OVER OLD PARK PROPERTY NEAR WHEELER ATHLETIC COMPLEX TO THE CITY OF DULUTH.**

No public comment.

**RESOLUTION 22D-60: RESOLUTION AUTHORIZING CONVEYANCE OF UTILITY EASEMENT OVER DEDA OWNED PROPERTY TO THE CITY OF DULUTH**

No public comment.

## **APPROVAL OF MEETING MINUTES**

### **AUGUST 24, 2022 REGULAR MEETING MINUTES**

No discussion.

**VOTE TO APPROVE THE AUGUST 24, 2022 REGULAR MEETING MINUTES:** (Randorf/Tomanek)

Vote: Passed (4-0).

## **APPROVAL OF CASH TRANSACTIONS**

### **AUGUST 1, 2022 TO AUGUST 31, 2022**

Director Fleege noted the MRO transactions are being closed out as we are awaiting the final receipts of some items. TIF payments were made as well which is done twice a year. President Cartier asked when fund 866 is removed from the financial statement. The fund will be left open until the end of the year and then zeroed out.

**VOTE TO APPROVE THE AUGUST 1 TO AUGUST 31, 2022 CASH TRANSACTIONS:**

(McEntyre/Randorf) Vote: Passed (4-0).

## **OLD BUSINESS**

**RESOLUTION 22D-54: RESOLUTION ESTABLISHING THE BUSINESS BOOST MARKETING ASSISTANCE PROGRAM, APPROVING PROGRAM GUIDELINES AND ALLOCATING \$200,000 TO FUND SAID PROGRAM.**

Emily Nygren provided an update on the resolution since it had been table at the previous DEDA meeting. The new guidelines outline the amount of up to \$5,000 for businesses with eligible expenses due to COVID impacts. The increased amount for eligible businesses is due to the reduction in the number of allowed participants in the program. Eligible expenses are also to include 'working with a small business development counselor' to help design a marketing plan. This program is geared toward small businesses who were impacted by COVID and women, the BIPOC community and those who are under-represented. There will be two rounds of 20 participants. The first round will likely take place before the holidays and the second round would be spring of 2023. The language has been clarified to be for businesses "less than 25 employees" which is the intended target of the plan. An RFI that will be done to billboard providers, television and radio spots, not just print ads. There will be a scoring and selection process and the slate will be brought to the DEDA Board for approval.

**Vote to approve resolution 22D-54:** (Randorf/McEntyre) Vote: Passed (4-0).

## **NEW BUSINESS**

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

**RESOLUTION 22D-55: RESOLUTION AUTHORIZING AN AGREEMENT WITH CLYDE INDUSTRIAL PARK, INC, FOR THE CONVEYANCE OF LAND IN LINCOLN PARK FOR \$1.00.**

Commissioner Randorf inquired about the agreement and if it is part of a larger project that is being worked on for Clyde and how it impacts the Heritage Center. Director Fleege indicated this acquisition is part of a larger project which will include building a hotel in the future. This parcel was DEDA owned and is located on Michigan Street on the upper side and adjacent to a railroad siding. Mr. Giuliani will use this for parking in the interim. The site has some challenges and DEDA does not wish to hold property. Mr. Giuliani will be able to incorporate this into a broader development. Attorney Asleson added this parcel was part of a larger property acquisition at one time to allow for the construction of lower Michigan Street. A lot of the parcels in this area were very narrow and most of them were able to be sold off to adjacent property owners. The Board discussed the option for adjacent property owners to buy the parcel. This parcel was left over and is now being sold off to Clyde for use in their development.

**Vote to approve resolution 22D-55:** (McEntyre/Randorf) Vote: Passed (4-0).

**RESOLUTION 22D-56: RESOLUTION CONFIRMING RESOLUTION 22D-31 AUTHORIZING A LAND SALE AGREEMENT WITH SAIA, MOTOR FREIGHT.**

This was an oversight by Staff. A public hearing should have been held before this transaction was approved. This resolution is being brought forward to reaffirm the resolution after holding the public hearing earlier in the meeting.

**Vote to approve resolution 22D-56:** (Tomanek/Randorf) Vote: Passed (4-0).

**RESOLUTION 22D-57: RESOLUTION AUTHORIZING FIRST AMENDMENT TO AGREEMENT WITH MERGE LLC MODIFYING THE AMERICAN RESCUE PLAN DEVELOPMENT AGREEMENT.**

The affordability piece in this development agreement was modified. Brett Crecelius provided some background. This is for the Urbane Project in Lincoln Park. Earlier this year some funding was done with the City to help the developer buy down rents at 70%. The gap has increased in the project with rising construction costs. This resolution continues an income average of 70% so it continues to have that level affordability. This allows the developer to drop 20% of the units to 60% AMI for deeper affordability which allows them to access other pots of funding so their applications are eligible. This does not guarantee funding. Brett clarified that to make the project income averaging at 70%, 20% will drop to 60% AMI and another 20% will go up to 80% AMI, that's where the offset occurs. The rest of the 60% will remain at 70%. The duration of 10 years is maintained.

**Vote to approve resolution 22D-57:** (McEntyre/Randorf) Vote: Passed (4-0).

**RESOLUTION 22D-58: RESOLUTION AUTHORIZING A CONDITIONAL AGREEMENT WITH BIG HILL, LLC., FOR THE CONVEYANCE OF PROPERTY IN THE WOODLAND NEIGHBORHOOD FOR \$185,000.**

This is the property know as the “old spur station” in Woodland. It went through an RFP process. This was a tax forfeit property. The original thought was that this was going to be a housing development, but what came out of the RFP process was a small restaurant/drive-thru/coffee shop. They are going to renovate the building. Some of the EPA funds were used to do some Phase I and Phase 2 to ensure the site was not contaminated. The tanks were removed and the property was prepared for sale. The transaction is conditional on the build out and creation of jobs—2 to 3 permanent FTE’s and 6-8 part time employees.

**Vote to approve resolution 22D-58:** (Randorf/McEntyre) Vote: Passed (4-0).

**RESOLUTION 22D-59: RESOLUTION AUTHORIZING CONVEYANCE OF UTILITY EASEMENT OVER OLD PARK PROPERTY NEAR WHEELER ATHLETIC COMPLEX TO THE CITY OF DULUTH.**

This property is over by Wheeler Field. This is one of the ARPA sites and the easement supports the Holiday housing development.

**Vote to approve resolution 22D-59:** (Randorf/Tomanek) Vote: Passed (4-0).

**RESOLUTION 22D-60: RESOLUTION AUTHORIZING CONVEYANCE OF UTILITY EASEMENT OVER DEDA OWNED PROPERTY TO THE CITY OF DULUTH**

This is a utility easement on a site by Observation Park. A land sale agreement was done with OneRoof for a community land trust home months ago. As they were doing site prep, there is a gas line that is on the eastern side of the property that runs adjacent to our right of way. This easement is on a separate site that is a utility easement next to a right of way that allows access to the gas line.

**Vote to approve resolution 22D-60:** (Randorf/McEntyre) Vote: Passed (4-0).

Commissioner Randorf left at 5:57 p.m.

## **DISCUSSION**

- **DIRECTOR’S REPORT-2023 DEDA BUDGET**

Director Fleege and Lori Davey reviewed the proposed 2023 DEDA budget. No action was taken. Commissioners asked questions about the various funds.

**9. ADJOURN:** President Cartier adjourned the August 24, 2022 meeting of DEDA 6:09 p.m.

Respectfully submitted,

DocuSigned by:  
  
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Chris Fleege--Executive Director