

**SPECIAL MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
TUESDAY, MAY 23, 2023 – 12:00 P.M.
COUNCIL CHAMBERS-CITY HALL
MINUTES**

Present: Matt Cartier, Arik Forsman, Ellie Just, Connor Randall, Roz Randorf, Terese Tomanek

Absent: ChaQuana McEntyre

Others Present: Amanda Anderson, Jean Coleman, Chris Fleege, Elizabeth Tabor, Janna Hollingsworth, Peter Passi, Rebecca St. George, Theresa Bajda, Kelli Latuska, members of the public

CALL TO ORDER: The May 23, 2023 special meeting of DEDA was called to order by Vice-President Cartier at 12:00 p.m.

CLOSED SESSION

Vice President Cartier called for a closed session as noticed by the DEDA Board under the Attorney-Client Privilege to discuss pending and potential litigation. A closed session for this purpose is allowed under Minn. Stat. 13D.05. No votes will be taken during this session. Because litigation will be discussed the closed session will not be recorded. The public was asked to leave the meeting chambers until the closed session is over.

Closed session ended at 12:26 p.m.

PUBLIC TO ADDRESS THE COMMISSION

Ashlie Castaldo of 2614 W. 15th St. Duluth, MN 55806 addressed the commission regarding resolution 23D-24 (neutral).

PUBLIC HEARINGS

No public hearings.

APPROVAL OF MEETING MINUTES

No minutes for approval.

APPROVAL OF CASH TRANSACTIONS

No cash transactions for approval.

NEW BUSINESS

4. RESOLUTIONS FOR APPROVAL

RESOLUTION 23D-23: RESOLUTION AUTHORIZING UTILITY EASEMENT RESTORATION AGREEMENT BETWEEN DEDA AND THE CITY OF DULUTH RELATED TO VACATION OF PORTIONS OF TWO UNIMPROVED PLATTED ALLEYS BETWEEN 52ND AND 53RD AVENUES WEST NORTH OF WADENA STREET

Director Fleege provided this will facilitate the development of the Wadena West housing project that will be moving to Council.

Vote to approve resolution 23D-23: (Forsman/Tomanek) Vote: Passed (6-0)

RESOLUTION 23D-24: RESOLUTION TERMINATING THE DEVELOPMENT AGREEMENT, TIF NOTE, AND MINIMUM MARKET VALUE ASSESSMENT AGREEMENT FOR LINCOLN PARK FLATS OWNED BY DULUTH LINCOLN PARK1, LLC

Director Fleege explained this is a project that DEDA approved to provide public subsidy. This resolution terminates the development agreement, the TIF note and minimum market value assessment for Lincoln Park Flats. Director Fleege responded to earlier comments about minimum market value comments—the understanding is the minimum value is normally established by the County so the landowner cannot go back and petition at a lower amount and TIF could be negatively impacted. This will be taxed as set by the county. This resolution will address how the funds are used and the pay-go note would be extinguished. No further payments would be paid. The City and the Mayor stay committed to building housing of all kinds and affordable housing as well. This resolution allows both parties to walk away and preserve the opportunity to build other housing in the future.

Commissioner Forsman provided comment around affordable housing and the current scenario. Noted it was good to be able to have two years of affordable housing out of this scenario.

Commissioner Randorf asked if the developer was going to keep the 23 units for the next 12 months. The developer added the leases were all signed for another year. Vice-President Cartier added comment as well around the image of the City.

Commissioner Forsman asked Director Fleege how development agreements will be approached moving forward to clarify some of the gray issue areas. Director Fleege noted Council requested the department go back and look at all development agreements and ones going forward. Staff felt it was clear in the way the agreement was crafted, but have come up with the City Attorney's office to come up with more iron-clad language for agreements. The developer would have liked to have keep it as housing, but they could not cover their debt service and cash flow for the project to work. The City, the developer and Ehlers all worked closely together and went over financials to try to come up with a solution.

Vote to approve resolution 23D-24: (Tomanek/Just) Vote: Passed (6-0).

RESOLUTION 23D-25: RESOLUTION AUTHORIZING COOPERATIVE CONSTRUCTION AGREEMENT BETWEEN DEDA AND MnDOT FOR TWIN PORTS INTERCHANGE PARKING REPLACEMENT PROJECT

This is a project connected with the Twin Ports Interchange project with MnDOT. DEDA owns property

under the flyover bridge. This allows DEDA to develop the parcel into parking to support the Lincoln Park neighborhood.

Vote to approve resolution 23D-25: (Randorf/Forsman) Vote: Passed (6-0).

RESOLUTION 23D-26: RESOLUTION AUTHORIZING DEDA TO ENTER INTO A LICENSE AGREEMENT WITH THE CITY OF DULUTH FOR STORAGE OF MATERIALS ON LOT D

Director Fleege explained this resolution would support the seawall construction at the DECC and will be a laydown area for the contractor to stage materials for the project. This requires a license agreement as it will be longer than 6 months.

Vote to approve resolution 23D-26: (Forsman/Randorf) Vote: Passed (6-0)

DISCUSSION

9. ADJOURN: President McEntyre adjourned the May 23, 2023 special meeting of DEDA at 12:43 p.m.

Respectfully submitted,

DocuSigned by:

Adam Fulton

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Adam Fulton- Executive Director