

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, July 26 - 5:15 p.m.
COUNCIL CHAMBERS, THIRD FLOOR CITY HALL**

MINUTES

Call To Order: The July 26, 2017 meeting of DEDA was called to order by President McShane at 5:15 p.m.

Present: Craig Chilcote, Elissa Hansen, Zack Filipovich, Tim McShane, Barb Russ

Others Present: Heidi Timm-Bijold, Jason Hale, Ingrid Hornibrook, Joan Christensen, Bob Asleson, Heather Rand

Absent: Matt Cartier, Nancy Aronson Norr

PUBLIC TO ADDRESS THE COMMISSION

PUBLIC HEARINGS

1. **RESOLUTION 17D-16: RESOLUTION AUTHORIZING THE PURCHASE OF CERTAIN TAX-FORFEITED PROPERTY FROM THE STATE OF MINNESOTA THROUGH ST. LOUIS COUNTY AND AUTHORIZING THE SALE OF SAID PROPERTY TO LAUNCH PROPERTIES LLC**

No public comment.

APPROVAL OF MINUTES:

Vote to approve the June 26, 2017 special meeting minutes: Unanimous Hansen/Filipovich (5-0)

APPROVAL OF CASH TRANSACTIONS – June 01, 2017 – June 30, 2017

Vote to approve cash transactions: Unanimous Filipovich/Hansen (5-0)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

1. **RESOLUTION 17D-16: RESOLUTION AUTHORIZING THE PURCHASE OF CERTAIN TAX-FORFEITED PROPERTY FROM THE STATE OF MINNESOTA THROUGH ST. LOUIS COUNTY AND AUTHORIZING THE SALE OF SAID PROPERTY TO LAUNCH PROPERTIES LLC**

Staff: Rand gave an explanation of the intent of the developer should the land be acquired.

Discussion: Filipovich asked if there are unmarked waterways in this location. Rand said there will be a survey to delineate wetlands and a wetland plan must be approved by Duluth Planning Director Keith Hamre. Chilcote asked about the possibility of DEDA ending up with the property should the transaction fall through. Christensen confirmed DEDA would not take possession of the property. McShane wondered where the figure of 3500 square feet came from. Rand confirmed that number came from the developer and staff projected property tax impacts. McShane asked for clarification on the tax base calculation. Rand explained that the numbers are estimates. Rand will circle back with business developer Josh MacInnes to confirm and will provide detail to DEDA Commissioners. Filipovich asked if the developer was only thinking about commercial development or if they are incorporating housing. Rand confirmed they are only considering commercial.

Vote to Approve Resolution 17D-16: Passed Unanimously (Filipovich/Chilcote 5-0)

2. **RESOLUTION 17D-18: RESOLUTION AUTHORIZING AN AGREEMENT WITH VEIT COMPANIES, INC FOR STORM WATER AND EROSION CONTROL IMPROVEMENTS AT ATLAS INDUSTRIAL PARK**

Staff: Rand gave a history on the Atlas site. Timm-Bijold provided a background on the site and the work that has been done to improve Atlas. Timm-Bijold explained the storm water management and soil erosion issues that continue to surround the site and explained this resolution would allow for the most cost-effective long-term solution. Timm-Bijold explained that this investment would make the site more desirable to potential developers. Timm-Bijold explained the ongoing work and resources required for ongoing maintenance of the site.

Discussion:

Vote to Approve Resolution 17D-18: Passed Unanimously (Filipovich/Chilcote 5-0)

2. **RESOLUTION 17D-19: RESOLUTION AUTHORIZING A TERMINATION AGREEMENT TO DEDA CONTRACT NO. 17 860 843 RELATED TO THE SALE OF SAID PROPERTY TO LOTUS REALTY SERVICES, INC**

Staff: Rand gave a history on why this land sale agreement requires termination.

Discussion: McShane asked if St. Louis County plans to continue to deny pass-through transactions. Rand explained that this is an isolated event and St. Louis County still supports tax-forfeit pass-through land transactions. Hansen acknowledged her continued confidence in working with the County this way.

Vote to Approve Resolution 17D-19: Passed Unanimously (Filipovich/Hansen 5-0)

3. **RESOLUTION 17D-20: RESOLUTION AUTHORIZING AN AMENDMENT TO DEDA CONTRACT NO. 17 860 844 RELATED TO THE SALE OF PROPERTY TO ONE ROOF COMMUNITY HOUSING**

Staff: Rand explained that One Roof needs this extension in order to allow for more time to pursue additional funding to bring the property up to code and add more affordable housing units.

Discussion:

Vote to Approve Resolution 17D-20: Passed Unanimously (Chilcote/Russ 5-0)

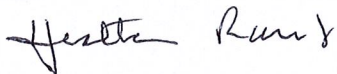
DISCUSSION

DIRECTOR'S REPORT

Rand gave an update on potential items that may be included on the August DEDA meeting. Chilcote asked for an update on Pastoret Terrace. Rand said she is continuing to follow up with developers and gave an update on the possible demolition of the building this winter. Russ acknowledged the ongoing litigation surrounding the Pastoret building. Rand agreed that the lawsuit could affect the timeline.

ADJOURNMENT: President McShane adjourned the July 26, 2017 meeting of the DEDA at 5:51 p.m.

Respectfully submitted



Heather Rand
Executive Director

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