

**SPECIAL MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, October 5, 2016 - 5:15 p.m.
LARGE CONFERENCE ROOM, FOURTH FLOOR CITY HALL**

MINUTES

Call To Order: The October 5, 2016 special meeting of DEDA was called to order by President Norr at 5:15 p.m.

Present: Matt Cartier, Craig Chilcote, Zack Filipovich, Tim McShane, Nancy Aronson Norr, Barb Russ

Excused: Elissa Hansen

Others Present: Bob Asleson, Joan Christensen, Jason Hale, Ingrid Hornibrook, Heather Rand, Kevin Sharnberg

APPROVAL OF MINUTES: August 24, 2016. Accept as written. Vote: Unanimous
McShane/Filipovich (6-0)

NEW BUSINESS

APPROVAL OF CASH TRANSACTIONS – August-September 2016

Deferred to our next regularly scheduled meeting

Vote: Unanimous Hansen/Filipovich (6-0)

RESOLUTIONS FOR APPROVAL

1. RESOLUTION 16D-33: RESOLUTION AMENDING AND APPROVING THE DEDA 2016 BUDGETS

Staff: Rand explained that budget updates happen 2-3 times per year to reflect actual business transactions. Rand pointed out major changes in various DEDA funds.

McShane left the room at 5:30

Vote to Approve Resolution 16D-33: Passed Unanimously (Chilcote/Filipovich 5-0)
McShane Absent

McShane entered the room at 5:32.

2. RESOLUTION 16D-34: RESOLUTION AUTHORIZING A LEASE AGREEMENT WITH O'REILLY AUTO ENTERPRISES, LLC

Staff: Rand explained that this is DEDA property that has a potential development opportunity. Hale explained that leasing it as a parking lot will be a good use in the interim as DEDA can't do anything with it as is. O'Reilly has no interest in buying the property since they lease their space.

Discussion: Filipovich wondered about public waterways for storm water services. Hale has spoken with City engineering. The site is not substantial enough to cause a concern for runoff and there is no City standard. Hale is going to double check and ensure the imperviousness is up to City code. McShane asked who owns the building to see if the owner wants to buy the landlocked parcel. Hale is going to check with the building owner.

Vote to Approve Resolution 16D-34: Passed Unanimously Filipovich/McShane (6-0)

3. RESOLUTION 16D-35: RESOLUTION AUTHORIZING PURCHASE OF HANGAR DOOR PANELS FOR THE MRO BUILDING FROM JAMAR, INC. FOR AN AMOUNT NOT TO EXCEED \$39,278

Staff: Rand explained that after the July 5th, 2016 storm the hangar doors were repaired as a short term fix. This resolution would approve a complete and permanent replacement of the doors. Rand went over the lease interpretation as to who is responsible for replacing the door panel. DEDA and AAR will come to an agreement as to whose responsibility it is to pay for the doors over the coming months. Right now, the doors need to be replaced before winter. Asleson explained that this resolution does not set the precedent that DEDA is responsible for paying for the doors.

Discussion: Russ acknowledged that the dollar amount in the Statement of Purpose reflects the lease. Norr acknowledged that this doesn't set a precedence to pay for the doors but wants to encourage the proper maintenance of the building. Rand agreed to convey that to AAR.

Vote to Approve Resolution 16D-35: Passed unanimously Cartier/Filipovich (6-0)

4. RESOLUTION 16D-36: RESOLUTION RATIFYING EMERGENCY REPAIR AGREEMENT FOR THE MRO BUILDING WITH JAMAR, INC. FOR \$15,546.34

Staff: Rand explained the emergency nature of this expenditure, which entails roof repair. Two bids were not requested as this was an emergency repair after the July 5th, 2016 storm. That's why this issue is being brought to the commission to ratify after the fact.

Vote to Approve Resolution 16D-36: Passed Unanimously Chilcote/Filipovich (6-0)

5. RESOLUTION 16D-37: RESOLUTION AUTHORIZING AN AMENDMENT TO THE AGREEMENT WITH THE CITY OF DULUTH FOR DEMOLITION SERVICES IN CERTAIN WESTERN NEIGHBORHOODS ADDING PROPERTY 5907 GRAND

AVENUE

Staff: Rand explained that we are still waiting for the deed. As soon as it arrives, Rand can move forward with the process of demolishing this building. Rand indicated that construction services said demolition would be under \$40,000.

Vote to Approve Resolution 16D-37: Passed Unanimously McShane/Filipovich (6/0)

6. RESOLUTION 16D-38: RESOLUTION AUTHORIZING AGREEMENT WITH ALESSANDRO GIULIANI FOR THE PURCHASE OF PROPERTY IN LINCOLN PARK FOR \$14,500

Staff: Hale explained that DEDA doesn't own the property. The State owns the property and the County manages it as it's a tax-forfeit parcel. The DEDA is acting as a pass through conveyor of property ownership. Giuliani indicated he was interested in the property when staff notified him of its availability. The idea is to get the property back on the tax rolls and support business growth.

Discussion: Filipovich asked who owns the Garfield Newspaper building. Hale said Giuliani owns it, so that's why it makes sense for him to buy it. Filipovich asked if there are any waterways. Hale indicated he hasn't looked into that, said he doesn't know if there are any nearby, but all surfaces near the lot are impervious. Filipovich wondered what Giuliani's plan is with the lot. Hale said his plan is to pave and stripe lot for parking.

Vote to Approve Resolution 16D-38: Passed Unanimously Filipovich/McShane (6/0)

7. RESOLUTION 16D-39: RESOLUTION AUTHORIZING AGREEMENT WITH MEMBERS COOPERATIVE CREDIT UNION FOR THE PURCHASE OF PROPERTY IN DENFELD FOR \$16,750

Staff: Hale explained that MCCU is in need of employee parking, which is their intended purpose of purchasing this property. Hale indicated he hasn't checked out the waterways. Norr made mention to strike the word 'lot' in the property description in the statement of purpose.

Discussion: McShane inquired about how we are going to monitor the improvement of this property. Cartier wondered what the recourse would be should they not improve the property. Asleson said there is language in the agreement ensuring we would get the property back.

Vote to Approve Resolution 16D-39: Passed Unanimously Cartier/Chilcote (6/0)

DISCUSSION

DIRECTOR'S REPORT

Rand said the budget and Lot D option agreement will be the most significant agenda items on the October 26, 2016 DEDA meeting. Rand explained the reasons why the Lot D option agreement could be postponed. NorShore project continues to move forward on schedule. Pastoret Terrace RFP is in draft form. She also reported that the City of

Duluth is undertaking a comprehensive land use plan with a focus on changing some past economic development policies and encourages DEDA Commissioner participation. Rand mentioned her and Mayor Larson's trip to Minneapolis this coming Friday to network with large scale real estate developers.

ADJOURNMENT: President Aronson Norr adjourned the October 5, 2016 special meeting of the DEDA at 6:39 p.m.

Respectfully submitted

A handwritten signature in black ink, appearing to read "Heather Rand", written over a horizontal line.

Heather Rand
Executive Director

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