

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, May 25, 2016 - 5:15 p.m.
COUNCIL CHAMBERS, THIRD FLOOR CITY HALL**

MINUTES

- Call To Order:** The May 25, 2016, meeting of DEDA was called to order by Commissioner McShane at 5:17 p.m.
- Present:** Zack Filipovich, Craig Chilcote, Elissa Hansen, Megan Haserodt, Tim McShane
- Excused:** Nancy Aronson Norr, Barb Russ
- Others Present:** Bob Asleson, Bill Burns, Joan Christensen, Ingrid Hornibrook, Rick Klun, John Ramos, Heather Rand, Kevin Scharnberg, Heidi Timm-Bijold

APPROVAL OF MINUTES: April 27th, 2016. Accept as written. Vote: Unanimous Hansen/Filipovich (5-0)

NEW BUSINESS

APPROVAL OF CASH DISBURSEMENTS – JANUARY-APRIL 2016

Rand explained the purpose of the cash disbursements is to regularly update DEDA commissioners on the DEDA budget.

RESOLUTIONS FOR APPROVAL

1. **RESOLUTION 16D-19: RESOLUTION APPROVING A LEASE AGREEMENT BETWEEN MARINE IRON & SHIPPING COMPANY AND INTERSTATE PARKING COMPANY OF MINNESOTA, LLC RELATED TO A PORTION OF THE IRVIN LOT**

Staff: Rand explained that the purpose of this agreement is to properly indicate ownership of the lot and establish a reasonable rental rate. Current signage labels the stalls to be for Red Lobster patrons and Rand explained that there would be updated signage in the parking lot.

Vote to Approve Resolution 16D-19: Passed Unanimously (Filipovich/Hansen 5-0)

2. **RESOLUTION 16D-20: RESOLUTION AMENDING AND APPROVING THE DEDA 2016 BUDGETS**

Staff: Scharnberg explained the DEDA 2016 budget update.

Discussion: Rand explained that DEDA should expect repairs repair costs to the MRO facility in coming months.

Vote to Approve Resolution 16D-20: Passed Unanimously Hansen/Filipovich (5-0)

3. RESOLUTION 16D-21: RESOLUTION AUTHORIZING LOAN AGREEMENT WITH HRA FOR THE PURCHASE OF THE GARFIELD SQUARE PROPERTY IN THE AMOUNT OF \$43,000

Staff: Rand explained that the approval of this agreement will support the development of a new supportive, affordable housing project on Garfield Avenue called Garfield Square which, when completed, will provide opportunity for Seaway Hotel/Esmond Building SRO tenants to relocate.

Discussion: Filipovich inquired about the terms of the forgivable loan. Rand explained that the terms are being finalized and asked for the DEDA's patience on this matter. Filipovich was wondering why DEDA was the one loaning money. Bill Burns, an attorney representing Center City Housing, explained that they won't get the project funded unless they have local support. Chilcote wondered why it was forgivable. Mr. Burns explained that MHFA tax credits are necessary because they provide 90% of the funding and the project is also contingent upon DEDA's assistance in the form of this forgivable loan to HRA. Bill Burns explained that this is an in-process project and the HRA will be approving a development agreement that will have all project parameters clarified. The only variance is that since that agreement was first discussed, the building has since changed to 51 bedroom units. The Executive Director of Center City Housing, Rick Klun, explained the discrepancy between 70 units at the Seaway versus 50 at Garfield is because some closets at the Seaway had room numbers on them and were used as lodging. In order to make the application deadline on June 16, Center City must have in hand the HRA's agreement to purchase the land from the county with DEDA funds. If the timing doesn't work out, then they'll have to pass on the project for at least one year.

Vote to Approve Resolution 16D-21: Passed Unanimously Hansen/Filipovich (5-0)

DISCUSSION

1. DIRECTOR'S REPORT

- A. Rand announced Haserodt's resignation and asked for suggestions for a replacement.
- B. Update on Lot D RFP - the City received three proposals and have chosen to advance two of them. Staff plans to bring recommendation to DEDA Board in July.

ADJOURNMENT: Commissioner McShane adjourned the May 25, 2016 meeting of the DEDA at 6:07 p.m.

Respectfully submitted,

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

Heather Rand
Executive Director

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