

**MINUTES OF THE  
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS  
OF THE HOUSING AND REDEVELOPMENT AUTHORITY  
OF DULUTH, MINNESOTA  
HELD ON THE 31<sup>st</sup> DAY OF OCTOBER, 2023**

The Commissioners of the Housing and Redevelopment Authority of Duluth, Minnesota, met in a Scheduled Regular Meeting at 3:30 P.M. on the 31<sup>st</sup> day of October 2023.

Chair Glumac called the meeting to order and on roll call, the following members were present: Commissioners Awal, Cich, Glumac, Hanek, Meyer, Nephew, and Talarico. The Chair declared a quorum present.

Also present were Jill A. Keppers, Executive Director; staff members Anna Carlson, Rachel Downs, Brandon Engblom, Jacob Morgan, Traci Nindorf, Lenelle Hrabik, Sarah Pierce, Rob Johnson, and Maureen Zupancich; Tom Church, City of Duluth/HRA Senior Housing Developer; Dan Olson, Derek Pederson, and Stan Paczynski, LIUNA Local 1091 Members; John Ramos, Duluth Monitor; and Community Members Clare Cutler and Rachael Anderson.

**SCHEDULED PUBLIC HEARINGS**

None.

**UNFINISHED BUSINESS**

None.

**CONSENT AGENDA:**

The following items were introduced by Chair Glumac:

**MINUTES OF THE SCHEDULED REGULAR MEETING OF SEPTEMBER 26, 2023**

**FINANCIAL REPORT FOR PERIOD ENDING SEPTEMBER 2023**

**RESOLUTION NO. 4466-23  
RESOLUTION DETERMINING EXCESS LAND**

Commissioner Hanek requested to pull the minutes from the Consent Agenda.

Commissioner Meyer moved that the remaining foregoing items be approved as introduced.  
Commissioner Talarico seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Glumac, Hanek, Meyer, Nephew, and Talarico

Nays: None

Chair Glumac declared the motion carried and said items approved as introduced and read.

**DISCUSSION ITEMS**

**APPROVAL OF THE MINUTES OF THE SCHEDULED REGULAR MEETING OF SEPTEMBER 26, 2023**

Commissioner Hanek asked that the minutes for September include more detail regarding the recording of minutes. She also would like to see the September 26, 2023 meeting minutes show the discussion regarding the new procedure for time limits for visitors to be heard and Commissioners being acknowledged by the Chair, or whomever is acting as Chair, before speaking.

Commissioner Awal suggested a friendly amendment to add language around the cessation of the recording of the minutes, and a vote was called. Results were unanimous and the friendly amendment was approved as introduced.

Commissioner Awal moved to add the addition of what Commissioner Talarico read explaining the procedure for visitors to be heard and for Commissioners to be acknowledged by the Chair before speaking as a second friendly amendment. This was seconded by Commissioner Meyer, and a vote was called. Results were unanimous and the second friendly amendment was approved as introduced.

Commissioner Meyer moved that the minutes be approved as amended.  
Commissioner Talarico seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Glumac, Hanek, Meyer, Nephew, and Talarico

Nays: None

Chair Glumac declared the motion carried and said item approved as introduced and amended. Amended minutes attached as Exhibit A.

#### **RESOLUTION APPROVING THE REMOVAL OF A PARCEL FROM HARBORVIEW PHASE II TAX INCREMENT FINANCING DISTRICT**

The Executive Director explained that this resolution and the next resolution are part of the Authority's attempt to bridge the \$3,000,000.00 gap for Harbor Highlands Phase VI Townhomes. Resolution 4467-23 removes the parcel where Harbor Highlands VI will be located from the existing TIF District and Resolution 4468-23 then approves the intent to create a new TIF District called Harborview 3 for the townhome development. Because of the new 4d tax laws, the TIF district will not generate a lot of revenue for the project – approximately \$200,000.00. However, the Authority needs to look at all of the options to bridge the funding gap and make the development possible.

Commissioner Talarico moved approval of resolution 4467-23.  
Commissioner Awal seconded the motion.

No vote was had. Instead, the Board discussed holding off on removing this parcel until City Council can approve it. If a new TIF district can't be created, removing this parcel will cause a loss of approximately \$40,000.00. However, if the plan goes through and a new TIF district is created, removing the parcel will generate around \$200,000.00 for the project. Concerns were raised not only regarding the loss of money if a new TIF District is not approved by Council, but also concerns about Council approving the new TIF District if the parcel is still in the old TIF District. Commissioner Talarico suggested changing the resolution to be a resolution of intent. After lengthy discussion, the Board agreed that this resolution along with resolution 4468-23 would be tabled.

#### **RESOLUTION NO. 4467-23 APPROVING THE REMOVAL OF A PARCEL FROM HARBORVIEW PHASE II TAX INCREMENT FINANCING DISTRICT**

Commissioner Awal moved to table both resolution 4467-23 and 4468-23.  
Commissioner Meyer seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Glumac, Hanek, Meyer, Nephew, and Talarico

Nays: None

Chair Glumac declared the motion carried and said items tabled.

**RESOLUTION OF INTENT TO ESTABLISH HARBORVIEW 3 TAX INCREMENT FINANCING DISTRICT**

This resolution was tabled with the previous resolution.

**RESOLUTION NO. 4468-23  
RESOLUTION OF INTENT TO ESTABLISH HARBORVIEW 3 TAX INCREMENT FINANCING DISTRICT**

Tabled with the previous resolution.

**RESOLUTION AUTHORIZING ADDITIONAL FUNDING FOR THE FAIRMOUNT COTTAGES DEVELOPMENT**

The Executive Director explained that this resolution is a request for additional funds for the Fairmount Cottages project. As the Authority gets to the final payments for this project, it is anticipated to be approximately \$150,000.00 short. Most of this shortfall will be able to be paid with sales tax and energy rebates. The additional ask is for \$65,000.00 of general funds in case there are additional unforeseen items as project invoices are finalized.

A discussion was had regarding what items put the project over budget and changing the wording of the resolution to remove the Project Labor Agreement (PLA) language.

Commissioner Hanek made a motion to suspend the rules to allow Dan Olson of the LIUNA Local 1091 to speak. This motion was seconded by Commissioner Awal. A vote was taken and all Commissioners in attendance were in favor.

Dan Olson expressed frustration in the wording of this resolution and would like the all PLA wording to be removed. A lengthy discussion was had regarding the overages and the PLA. Commissioners were in agreement that the language in the resolution should be revised. Executive Director Keppers agreed and was happy to revise the resolution by omitting the second and third whereas and adding a whereas that stated, "the project had extra costs totaling approximately \$165,000." Dan Olson accepted her agreement to change the language.

Commissioner Awal made a motion for a friendly amendment to strike the second and third whereas' and replace with the language recommended by the Executive Director.  
Commissioner Talarico seconded the motion.

Original motion makers agreed to the friendly amendment.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Glumac, Hanek, Meyer, Nephew, and Talarico

Nays: None

Motion carries.

Commissioner Hanek would like the resolution further revised to have exact amounts added to the statement of purpose.

Commissioner Hanek made a motion for a friendly amendment for the statement of purpose to say “a total of”. Commissioner Awal asked for clarification if Commissioner Hanek’s motion was for adding a total to the statement of purpose “for a total of \$165,000” and if that is what Commissioner Hanek is asking she will second the motion.

Original motion makers agreed to the 2<sup>nd</sup> friendly amendment.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Glumac, Hanek, Meyer, and Nephew

Nays: Commissioner Talarico

Motion carries.

Chair Glumac introduced the twice amended resolution for approval.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Glumac, Hanek, Meyer, and Nephew

Nays: Commissioner Talarico

Motion carries.

A short discussion was had by Commissioners regarding the opportunity to discuss the resolution and friendly amendments.

Commissioner Hanek made a motion to reconsider Resolution 4468-23.

Commissioner Talarico had issue with re-writing the statement of purpose. He would like the resolution to have a not to exceed option as it was not discussed and the resolution needed the word “approximately” added in the statement of purpose. Commissioner Awal suggested a 3<sup>rd</sup> friendly amendment to add this.

After another lengthy discussion, it was decided that the last whereas of the resolution would be copied and pasted to the statement of purpose for more clarification.

Commissioner Hanek made a motion to approve the 3<sup>rd</sup> friendly amendment copy and paste the last whereas into the statement of purpose.

Commissioner Awal seconded the motion to the reconsidered motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Glumac, Hanek, Meyer, Nephew, and Talarico

Nays: None

Chair Glumac declared the 3<sup>rd</sup> friendly amendment passed as introduced.

There being no further discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4469-23  
AUTHORIZING ADDITIONAL FUNDING FOR THE FAIRMOUNT COTTAGES DEVELOPMENT**

Commissioner Cich moved that the foregoing item be approved as amended.  
Commissioner Meyer seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Glumac, Hanek, Meyer, Nephew, and Talarico

Nays: None

Chair Glumac declared the motion carried and said item approved as introduced and three times amended.  
Amended resolution attached as Exhibit B.

**RESOLUTION ESTABLISHING A REVISED PRICING SCHEDULE FOR 808 N 6<sup>TH</sup> AVE E, DULUTH, MN 55805**

The Executive director explained that this resolution authorizes a reduction in the price of the Authority's construction training home at 808 N 6th Ave E. No offers have been received to date, and the Director of Rehab and Real Estate recommended a price reduction. There is no off street parking so a price reduction makes sense after having received no offers.

After the Executive Director answered Commissioner's questions, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4470-23  
ESTABLISHING A REVISED PRICING SCHEDULE FOR 808 N 6<sup>TH</sup> AVE E, DULUTH, MN 55805**

Commissioner Hanek moved that the foregoing item be approved as introduced.  
Commissioner Nephew seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Glumac, Hanek, Meyer, Nephew, and Talarico

Nays: None

Chair Glumac declared the motion carried and said item approved as introduced and read.

The following resolution was introduced by Chair Glumac:

**RESOLUTION AUTHORIZING THE SELECTION OF ROCHON CORPORATION AS THE  
GENERAL CONTRACTOR FOR HARBOR HIGHLANDS PHASE VI TOWNHOMES**

The Executive Director explained that this resolution authorizes the selection of Rochon Corporation as the general contractor for Harbor Highlands Phase VI Townhomes. The re-bid of the project saved approximately \$800,000.00. This resolution also states signing the contract is contingent on bridging the funding gap for the project.

After answering Commissioner's questions about funding the gap and making budget, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4471-23  
AUTHORIZING THE SELECTION OF ROCHON CORPORATION AS THE GENERAL  
CONTRACTOR FOR HARBOR HIGHLANDS PHASE VI TOWNHOMES**

Commissioner Awal moved that the foregoing item be approved as introduced.  
Commissioner Meyer seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Glumac, Hanek, Meyer, Nephew, and Talarico

Nays: None

Chair Glumac declared the motion carried and said item approved as introduced and read.

The following resolution was introduced by Chair Glumac:

**RESOLUTION AUTHORIZING CONTRACT FOR LEGAL SERVICES WITH FRYBERGER LAW FIRM**

The Executive Director explained that this resolution authorizes a contract with Fryberger Law Firm. Legal contracts are for one year with four one year options for extension. Fryberger was the only law firm to respond to the RFP. Their pricing included a 15% discount off their typical hourly rates. The Executive Director said she felt the Authority is very fortunate to have a comprehensive law firm like Fryberger to assist them.

Legal Counsel answered Commissioner Hanek's question regarding a breakdown of what he does for the Authority vs. what Fryberger does.

There being no further discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4472-23  
AUTHORIZING CONTRACT FOR LEGAL SERVICES WITH FRYBERGER LAW FIRM**

Commissioner Nephew moved that the foregoing item be approved as introduced.  
Commissioner Awal seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Glumac, Hanek, Meyer, Nephew, and Talarico

Nays: None

Chair Glumac declared the motion carried and said item approved as introduced and read.

**COMMUNICATIONS/CORRESPONDENCE**

Board members received monthly reports and correspondence prior to the meeting.

**REPORTS OF COMMITTEES**

*Finance Committee:* The Finance Committee has not met since the last Board meeting.

**OPPORTUNITY FOR VISITORS TO BE HEARD**

Rachael Anderson, Duluth Resident spoke on issues she had with Midtowne Manor.

**BUSINESS BY COMMISSIONERS**

None.

**REPORT OF THE EXECUTIVE DIRECTOR**

Nothing additional to report.

**REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES**

Legal Counsel submitted a written report, and, in addition, updated the Board on current litigation including one instance of substantial damage to an Authority unit.

No Closed Session was needed.

**OTHER BUSINESS**

None.

**ADJOURNMENT**

There being no further business to come before the Board, Chair Glumac declared the meeting adjourned at 4:50 P.M.



Chair

ATTEST:



Secretary

Next Scheduled Regular Meeting – November 28, 2023.