

**SPECIAL MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, April 6, 2016 - 5:15 p.m.
ROOM 303, THIRD FLOOR CITY HALL**

MINUTES

Call To Order: The April 6, 2016, Special meeting of DEDA was called to order by President Norr at 5:15 p.m.

Present: Nancy Aronson Norr, Craig Chilcote, Zack Filipovich, Elissa Hansen, Tim McShane

Excused: Megan Haserodt

Others Present: Bob Asleson, Ron Brochu, Bill Burns, Joan Christensen, Diana Dyste, Susan Fauver, Christine Gradl Seitz, Jason Hale, Brian Hanson, Howie Hanson, Ingrid Hornibrook, Sandy Johnson, Pam Kramer, Bronwyn Lipinski, Herb Minke, David Montgomery, Peter Passi, John Ramos, Heather Rand, Kevin Scharnberg, Benjamin Smith, Heidi Timm-Bijold, Chris Virta

PUBLIC HEARINGS

1. **RESOLUTION 16D-09: RESOLUTION AUTHORIZING A LAND SALE AGREEMENT WITH ABH ACQUISITIONS, LLC.**

No public comment.

2. **RESOLUTION 16D-11: RESOLUTION AUTHORIZING AGREEMENTS WITH VARIOUS PARTIES PERTAINING TO THE DEVELOPMENT OF THE NORSHOR THEATRE PROJECT**

No public comment.

APPROVAL OF MINUTES: February 24, 2016. Accept as written. Vote: Unanimous
Filipovich/Hansen (5-0)

RESOLUTIONS FOR APPROVAL

NEW BUSINESS

1. **RESOLUTION 16D-09: RESOLUTION AUTHORIZING A LAND SALE AGREEMENT WITH ABH ACQUISITIONS, LLC.**

Staff: Hale gave a brief description of the land history on this site. Wesco, operating in Duluth since 1923, approached ABH to build a new facility on this site. This expansion would allow for 6 more full time employees, and the structure will be a total of 15,000 square feet with a project cost of \$1.7 M.

Vote to Approve Resolution 16D-09: Passed Unanimously Filipovich/McShane (5-0)

2. **RESOLUTION 16D-10: RESOLUTION APPROVING THE REISSUANCE AS TAX EXEMPT OF THE OUTSTANDING \$6,600,000 TAXABLE EDUCATIONAL FACILITIES REVENUE NOTE, SERIES 2015B (HEALTH SCIENCES EDUCATION FACILITY CORPORATION PROJECT)**

Staff: Rand reported that the project construction is in progress in the Bluestone complex by the College of St. Scholastica. This resolution is finalizing the financing transaction.

Vote to Approve Resolution 16D-10: Passed Unanimously Hansen/Chilcote (5-0)

3. **RESOLUTION 16D-11: RESOLUTION AUTHORIZING AGREEMENTS WITH VARIOUS PARTIES PERTAINING TO THE DEVELOPMENT OF THE NORSHOR THEATRE PROJECT**

Staff: Montgomery gave a presentation describing the NorShor Theatre project. There are two incorrect numbers in the development agreement definition section; the project costs should be listed as \$30.5 M, and the hard construction costs should be \$18.6 M.

Discussion: Filipovich asked if the Superior Street re-construction project could affect the NorShor project timeline. Montgomery explained that the Superior Street construction will begin on the west side and should not impede the NorShor project. Norr acknowledged Assistant City Attorney Asleson's great contribution to this project, as well as Montgomery's time and effort to see this project to completion. Asleson briefly went over each agreement included in this resolution, including the Development Agreement, Guaranty Agreement, TIF Payment Agreement, Playhouse Loan Agreement, 2nd Avenue West Egress Easement (Grant of Egress Agreement), Bus Shelter Bill of Sale, Agreement Pertaining to Temporary And Permanent Easement Pertaining to the Temple Opera Building, Master Subordination Agreement, General Fund Grant Agreement from the State of MN, Conditional Sub-Grant Agreement, Collateral Assignment of Subgrant Agreement, Party Wall Agreement between the NorShor Annex and Temple Opera, and Agreement Terminating Party Wall Agreement. There will be additional City agreements for the Skywalk and Greysolon Building that do not need DEDA approval but will go to the City Council for approval.

McShane asked if the Temple Opera Building will be an unrestricted asset of DEDA when construction is completed. Asleson confirmed that as true. Hansen asked if the agreements will transfer to any new owners if the Temple Opera Building is sold, and Asleson said that they would. Minke reported that the Playhouse has been involved in this project for eight years and are looking for room to grow and how best to fit into the community.

Vote to Approve Resolution 16D-11: Passed Unanimously McShane/Filipovich (5-0)

4. **RESOLUTION 16D-12: RESOLUTION AUTHORIZING EXECUTIVE DIRECTOR TO PROVIDE RELOCATION ASSISTANCE TO TEMPLE OPERA TENANTS IN AMOUNTS TALLING UP TO \$35,000**

Staff: Rand explained that there will be tenants effected by the construction of the elevator and stair tower, and this resolution will enable the Executive Director to financially assist those affected.

Discussion: Filipovich asked how the money will be distributed among the tenants, and if there is a time limit to spend the money. Rand reported that she budgeted with current building manager, Oneida Realty, for lost rent, for relocation costs of some tenants, or to provide deferred rent; there is no time limit to spend the money.

Vote to Approve Resolution 16D-12: Passed Unanimously Hansen/Chilcote (5-0)

5. RESOLUTION 16D-13: RESOLUTION TERMINATING THE DOWNTOWN HOUSING/BUILDING PRESERVATION LOAN PROGRAM AND RE-APPROPRIATING FUNDS

Staff: Rand reported that this program was created 13 years ago, but there has only been one loan. Staff believe this money could be better used for other projects.

Vote to Approve Resolution 16D-13: Passed Unanimously Filipovich/McShane (5-0)

6. RESOLUTION 16D-14: RESOLUTION AUTHORIZING AN AMENDMENT TO THE AGREEMENT WITH THE CITY OF DULUTH FOR DEMOLITION SERVICES IN CERTAIN WESTERN NEIGHBORHOODS

Staff: Rand explained that this amendment allows the property demolition list to be amended, removing four properties and adding one. The dollars stay the same and will be used for the same purpose.

Vote to Approve Resolution 16D-14: Passed Unanimously Hansen/Filipovich (5-0)

DISCUSSION

1. DIRECTOR'S REPORT

- A) Strategic planning session will be planned for June.
- B) Financial reports will be given quarterly.

ADJOURNMENT: President Norr adjourned the April 6, 2016 Special meeting of the DEDA at 7:05 p.m.

Respectfully submitted,


Heather Rand
Executive Director

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