

**SPECIAL MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
WEDNESDAY, DECEMBER 20, 2023 – 12:00 P.M.
COUNCIL CHAMBERS-CITY HALL
MINUTES**

Present: Matt Cartier, Arik Forsman, Ellie Just, ChaQuana McEntyre, Connor Randall, Roz Randorf

Absent: Terese Tomanek

Others Present: Amanda Anderson, Chad Ronchetti, Jean Coleman

CALL TO ORDER: The December 20, 2023 Special meeting of DEDA was called to order by President McEntyre at 12:00 p.m.

PUBLIC TO ADDRESS THE COMMISSION

No comments.

PUBLIC HEARINGS

RESOLUTION 23D-48: RESOLUTION APPROVING DEDA TO ENTER INTO AN OPTION FOR THE SALE OF LESTER PARK PROPERTY TO OPPIDAN INVESTMENT COMPANY

APPROVAL OF MEETING MINUTES

September 27, 2023 MEETING MINUTES

No comments.

Vote to approve September 27, 2023 Meeting Minutes: (Cartier/Just) Passed (6-0)

APPROVAL OF CASH TRANSACTIONS

NOVEMBER 1, 2023 TO NOVEMBER 30, 2023

No discussion.

Vote to approve cash transactions-November 1, 2023 to November 30, 2023: (Randorf/Forsman) Passed (6-0)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

RESOLUTION 23D-48: RESOLUTION APPROVING DEDA TO ENTER INTO AN OPTION FOR THE SALE OF LESTER PARK PROPERTY TO OPPIDAN INVESTMENT COMPANY

An RFP was released in August of 2022 and two proposals were received. There was a committee that reviewed the proposals and Oppidan was chosen. The development would be three phases of mixed-use development to be completed over the next 7-10 years on the 37 acres of Lester Park. The option would not be able to be enacted until January 1, 2024 because of a standing access agreement between the City of Duluth and DEDA. Another requirement of the option agreement is that there is a fully negotiated and in place development agreement. The option agreement has a sunset of two years, but can be extended or amended as necessary within that timeframe, upon agreement by both parties. Within the option agreement, the developer will pay the appraised value of \$50,048 per acre. The developer commits to develop the property in the manner that adheres to what the RFP proposed. The proposal was a conceptual drawing. With the option agreement, Oppidan can begin to enter into full site planning and design. If a development agreement cannot be agreed upon, this option cannot be exercised.

Commissioner Randorf inquired on if anything had changed since the Oppidan presentation. The concept has not changed. Staff was fully engaged in negotiating the option agreement, but not the concept. There is great flexibility in where the development could go and what form it could take.

Commissioner Forsman emphasized, the option is still contingent upon the yet to be negotiated development agreement. Director Ronchetti confirmed that is correct. A development agreement would have to be mutually agreed upon by both parties in order to exercise the option. This is not the end of the development process related to this property and there will be more touch points with the City. Mayor Elect Reinert, Commissioner Forsman and the developer have all sat down to ensure they are aligned. There is still a lot of interest in maintaining public recreation.

Vote to approve resolution 23D-48: (Cartier/Just) Passed (6-0)

RESOLUTION 23D-49: RESOLUTION AUTHORIZING TERMINATION AGREEMENT WITH HUGHES OLSEN WORKSHOP, LLC RELATED TO THE REBUILD DULUTH PROGRAM

The City transferred some smaller parcel to DEDA who held them for the Rebuild Duluth program. Properties were conveyed through an RFP process where staff was looking for creative construction to bring housing online on some in-fill lots. Due to a multitude of reasons (changing construction environment, challenging sites with no pre-development work, increase interest rate environment) some of the projects did not work out. Staff is currently evaluating a new way to move forward with the parcels that would result in either housing or some other community benefit and get these off of the DEDA books. Same as with resolution 23D-50 & 23D-51.

Vote to approve resolution 23D-49: (Randorf/Randall) Passed (6-0)

RESOLUTION 23D-50: RESOLUTION AUTHORIZING TERMINATION AGREEMENT WITH NORTHERN AQ, LLC RELATED TO THE REBUILD DULUTH PROGRAM

No discussion.

Vote to approve resolution 23D-50: (Cartier/Just) Passed (6-0).

RESOLUTION 23D-51: RESOLUTION AUTHORIZING TERMINATION AGREEMENT WITH SIMPLY TINY DEVELOPMENT, LLC RELATED TO THE REBUILD DULUTH PROGRAM

No discussion.

Vote to approve resolution 23D-51: (Forsman/Randall) Passed (6-0).

DISCUSSION

Commissioner Forsman thanked staff for their work on the Lester property project and for their work during the 2023 year.

9. ADJOURN: President McEntyre adjourned the Special December 20, 2023 meeting of DEDA at 12:14 p.m.

Respectfully submitted,

Chad Ronchetti- Executive Director