

MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
WEDNESDAY, APRIL 22, 2026 – 5:15 P.M.
COUNCIL CHAMBERS-CITY HALL
MINUTES

Present: Arik Forsman, Janet Kennedy, Connor Randall, Roz Randorf

Absent: Anna Bailey, Chiamaka Enemuoh, Dan Markham

Others Present: Amanda Mangan, Tricia Hobbs, Ariana Dahlen, Sam Smith, Tom Church, Ben VanTassel, Nick Bax, Steve Schwanke, Katie Hagglund, Justin Peck, Chris Virta, Carolyn Sundquist, Tia Jacobs, Deb Schaber, Dan Collison

CALL TO ORDER: This meeting was called to order at 5:15 P.M.

PUBLIC TO ADDRESS THE COMMISSION

No comments.

PUBLIC HEARINGS

[RESOLUTION 26D-06: RESOLUTION AUTHORIZING SUBRECIPIENT FUNDING AGREEMENT WITH INLAND DEVELOPMENT PARTNERS, LLC FOR THE CONTAMINATION CLANUP OF LOT D IN THE AMOUNT OF \\$2,134,320](#)

No comments.

[RESOLUTION 26D-07: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO AN OPTION AGREEMENT WITH UNION GOSPEL MISSION, INC. RELATED TO DEVELOPMENT OF AN ENGAGEMENT CENTER SERVING PEOPLE EXPERIENCING HOMELESSNESS IN THE DOWNTOWN NEIGHBORHOOD](#)

No comments.

APPROVAL OF MEETING MINUTES

[MINUTES FROM FEBRUARY 25, 2026 MEETING](#)

No comments.

Vote to approve February 25, 2026 Meeting Minutes: (Randorf, Kennedy) Vote: Passed (4-0)

APPROVAL OF CASH TRANSACTIONS

[FEBRUARY 1, 2026 TO FEBRUARY 28, 2026](#)

No comments.

Vote to approve Cash Transactions – February 1, 2026 to February 28, 2026: (Kennedy, Forsman) Vote: Passed (4-0)

MARCH 1, 2026 TO MARCH 31, 2026

No comments.

Vote to approve Cash Transactions – March 1, 2026 to March 31, 2026: (Forsman, Kennedy) Vote: Passed (4-0)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

RESOLUTION 26D-06: RESOLUTION AUTHORIZING SUBRECIPIENT FUNDING AGREEMENT WITH INLAND DEVELOPMENT PARTNERS, LLC FOR THE CONTAMINATION CLEANUP OF LOT D IN THE AMOUNT OF \$2,134,320

Director Hobbs explained that the subrecipient agreement outlines the terms under which Inland Development Partners will receive and use contamination cleanup grant funds awarded by DEED. She noted that, in February, the board approved a separate agreement between DEED and DEDA, establishing the conditions DEED placed on DEDA for administering these funds.

Steve Schwanke of Inland Development Partners provided an overview of the project, including the cleanup process and how the grant funds will be utilized.

Commissioner Kennedy inquired about the required matching funds for the project and sought clarification on responsibility for any unforeseen costs. Director Hobbs responded that the developer would be responsible for any cost overruns and confirmed that neither DEDA's matching contribution nor DEED's grant award would be increased.

Vote to approve Resolution 26D-06: (Forsman, Kennedy) Vote: Passed (4-0)

RESOLUTION 26D-07: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO AN OPTION AGREEMENT WITH UNION GOSPEL MISSION, INC. RELATED TO DEVELOPMENT OF AN ENGAGEMENT CENTER SERVING PEOPLE EXPERIENCING HOMELESSNESS IN THE DOWNTOWN NEIGHBORHOOD

Director Hobbs explained that in December 2024, DEDA approved an option agreement with Union Gospel Mission for the Second Street parking lot owned by DEDA, intended for development of the Mission Heights project. She noted that the timeline of the original agreement was aligned with the Minnesota Housing Finance Agency's funding cycle. Although Union Gospel Mission submitted a highly competitive application, it was not selected for funding in the most recent round and plans to reapply in the upcoming cycle. The proposed amendment updates the agreement to reflect this revised timeline.

Katie Hagglund of Union Gospel Mission provided additional details on the project and discussed plans to resubmit the application in the next funding cycle.

Vote to approve Resolution 26D-07: (Randorf, Forsman) Vote: Passed (4-0)

RESOLUTION 26D-08: RESOLUTION AUTHORIZING A THREE-YEAR PROFESSIONAL SERVICES AGREEMENT WITH EHLERS AND ASSOCIATES, INC. FOR GENERAL SERVICES RELATED TO FINANCIAL CONSULTING INA YEARLY AMOUNT OF \$100,000

Director Hobbs stated that this item is a routine renewal of the professional services agreement with Ehlers, which serves as DEDA's municipal financial advisor.

Vote to approve Resolution 26D-08: (Forsman, Kennedy) Vote: Passed (4-0)

RESOLUTION 26D-09: RESOLUTION ADOPTING A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 17, ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 39: REDEVELOPMENT DISTRICT THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR

Director Hobbs explained that this agenda item requests DEDA approval of the Armory TIF plan and authorization to proceed with establishing a TIF district for the parcels associated with the project. She highlighted the anticipated public benefits, including job creation and retention.

Dan Collison and Carolyn Sundquist, representatives of the Armory redevelopment project, spoke about the project's impact on the community.

Commissioner Forsman requested a breakdown of the projected net increase in property taxes. Director Hobbs stated that the city's portion is estimated at \$667,000 and noted that she would follow up with figures for the county and school district.

Vote to approve Resolution 26D-09: (Kennedy, Forsman) Vote: Passed (4-0)

RESOLUTION 26D-10: RESOLUTION APPOINTING ALYSSA DENHAM, CITY CLERK, AS THE RESPONSIBLE AUTHORITY FOR PURPOSES OF THE MINNESOTA GOVERNMENT DATA PRACTICES ACT

Director Hobbs explained that this item formalizes DEDA's existing process for handling data requests and designates Alyssa Denham, Duluth City Clerk, as the responsible authority.

Vote to approve Resolution 26D-10: (Kennedy, Forsman) Vote: Passed (4-0)

RESOLUTION 26-11: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO LOAN AGREEMENT WITH DULUTH PLAYHOUSE, INCORPORATED MODIFYING THE LOAN TERM AND PROVIDING FORGIVENESS TERMS

Director Hobbs explained that when the NorShor Theater was redeveloped in 2016 in partnership with Sherman Associates, DEDA played a significant role by providing loans to support the project. She noted that the Duluth Playhouse was significantly impacted by the pandemic, and DEDA has since been working with the organization to identify a path forward that allows for repayment of the loans without jeopardizing the Playhouse's long-term financial stability. As required under the loan agreement, the Playhouse made good-faith efforts to refinance the remaining balance and accrued interest but was unable to do so on reasonable terms. Under the proposed amendment, and in exchange for forgiveness of accruing interest, the Duluth Playhouse has agreed to make an economic development commitment in Downtown Duluth, including an investment of no less than \$1 million in the Annex property.

Commissioner Kennedy asked about the terms of the proposed loan forgiveness. Director Hobbs stated that accrued interest beginning in 2026 would be forgiven, while the Playhouse would remain responsible for repayment of the loan principal. Commissioner Kennedy also inquired about the timeline for the proposed investment in the Annex property. Director Hobbs explained that the amended terms align with another loan DEDA holds with the Playhouse, extending the repayment schedule based on monthly payments and allowing time for both repayment and the required investment. In response to additional questions, Director Hobbs stated that the interest rate is approximately 5 percent, compounded annually, with forgiveness beginning in 2026.

Commissioner Randorf asked about plans for interior lighting and exterior improvements at the Annex property. Justin Peck spoke to the proposed economic development efforts, noting that the building's first level is currently operational and that staff are actively maintaining and cleaning the property. Commissioner Forsman requested clarification on the loan structure and the rationale for the additional 30-year term included in the amendment. Director Hobbs explained that the original loan term extended through December 31, 2025, with interest compounding annually at 5 percent until fully repaid. The amended 30-year term aligns with another existing DEDA loan to the Playhouse and reflects the projected timeline for full repayment.

President Randall asked whether there is a required timeline for fulfilling the economic development commitment. Director Hobbs stated that the investment must be completed within the term of the agreement, through 2055, and that the Playhouse will provide regular progress reports to DEDA.

Commissioner Kennedy asked about the timeline for development of the School of Performing Arts and whether a strategic plan is in place. Justin Peck responded that while a formal timeline and strategic plan have not yet been finalized, the Playhouse remains committed to advancing the project and is actively exploring next steps. He noted that the organization is currently undergoing a leadership transition, which may influence future planning, and affirmed that updates will be provided as the project progresses.

Vote to approve Resolution 26D-11: (Randorf, Forsman) Vote: Passed (4-0)

RESOLUTION 26-12: RESOLUTION AUTHORIZING CHANGE ORDER TO CONSTRUCTION CONTRACT NO. 24 860 043 WITH CARLETON COMPANIES, INC. FOR DEMOLITION OF THE SHOPPER'S RAMP FOR A NEW TOTAL NOT TO EXCEED \$3,045,430.84

Director Hobbs stated that urban fill was discovered during demolition, likely originating from the previous theater structure that existed on the site prior to construction of the New Garrick/Shopper's Ramp. She explained that the urban fill must be removed promptly in accordance with current environmental standards. She further noted that the contractor identified a small presence of asbestos within the material. The proposed change order reflects the costs associated with the removal and proper disposal of the contaminated urban fill.

Commissioner Kennedy asked about Brownfield funding and the source of those funds. Director Hobbs responded that the funding is provided through the EPA for the remediation of Brownfield sites and is available to developers. However, she noted that because the urban fill requires immediate attention, those costs fall to DEDA as the current site owner rather than a future developer. Commissioner Kennedy also asked how much Brownfield funding the City has received. Director Hobbs stated that

approximately \$1 million is expected to become available in the coming months, with a total of roughly \$3 million available through a combination of grants and revolving loan funds.

Commissioner Randorf asked for the total project cost. Director Hobbs stated that the total is \$3,045,430.84.

Commissioner Forsman inquired about the decision-making process regarding whether to rebid the project or proceed with the current contractor. Director Hobbs explained that project management is overseen by the City's Facilities Department, and that upon discovery of the urban fill, the project team met to determine appropriate next steps. The City's Purchasing Agent noted that the work covered under the change order falls within the existing contractor's scope of work. A rebid was not recommended due to potential legal and logistical complications, including risks associated with multiple contractors working on the same site and the potential for coordination issues. Commissioner Forsman asked whether this change order is expected to be the final one. Director Hobbs stated that it is the hope that this will be the final change order, though due to the nature and complexity of the work, additional unforeseen issues cannot be ruled out. She added that she will provide an updated project timeline.

Commissioner Kennedy asked when the City or DEDA would no longer be responsible for unforeseen site issues. Director Hobbs responded that responsibility will transfer once demolition is complete and the site is secured noting that as the site owner, DEDA is responsible for permits and site maintenance until the property is sold.

Vote to approve Resolution 26D-12: (Forsman, Randorf) Vote: Passed (4-0)

COMMUNICATIONS

LESTER PARK GOLF COURSE MEMOS – MARCH & APRIL

Director Hobbs provided an update on the existing site conditions at Lester Park Golf Course, as well as recent open house and public engagement efforts, as outlined in the attached memo.

Commissioner Randorf asked about attendance at the engagement events to date. Director Hobbs stated that only one open house has been held so far, which was attended by approximately 200 community members.

Commissioner Kennedy asked about themes emerging from community discussions, including potential interest in affordable housing. Director Hobbs responded that feedback has been mixed regarding future uses of the site, though senior housing has been a commonly identified priority. She added that affordable housing needs have been recognized citywide, and discussions will continue regarding appropriate housing options for the site.

Commissioner Forsman asked about the process for reviewing survey results. Director Hobbs explained that the consultant removed duplicate responses and compiled the data into a summarized report format.

Commissioner Randorf inquired about potential environmental abatement needs at the site. Director Hobbs stated that once potential development areas are identified, further evaluation and testing for possible contamination will be conducted as needed.

Commissioner Kennedy asked about the demographics of survey respondents. Director Hobbs stated that the survey was open to the public but noted she would need to confirm whether demographic data was collected and follow up with that information. Commissioner Kennedy also asked whether focus groups would be part of the engagement process. Director Hobbs responded that staff intend to coordinate with relevant City commissions to ensure broad stakeholder involvement throughout the planning process.

DISCUSSION

Director Hobbs also provided an update on the ongoing RFP process for the DWP site in the Fairmount neighborhood. She additionally summarized the developer roundtable meeting held by staff earlier in the month. Staff will also be participating in upcoming community engagement events in West Duluth, as well as the Grandma's Marathon Fitness Expo.

ADJOURN: President Randall adjourned the April 22, 2026, Meeting of DEDA at 6:10 P.M.

Respectfully submitted,

Tricia Hobbs - Executive Director