

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, January 20, 2010 - 6:00 p.m.
City Council Chambers, 3rd Floor City Hall**

Call To Order: The January 20, 2010, meeting of DEDA was called to order by President Anderson at 6:00 p.m.

Present: Jeff Anderson, Tony Cuneo, Todd Fedora, John Heino, Don Monaco

Absent Excused: Christine Townsend

Others Present: Bob Asleson, Terri Fitzgibbons, Brian W. Hanson, Kevin Scharnberg, Heidi Timm-Bijold; Mary Frances Skala, Hanft Fride; Robert (Bert) Norman, CFO of Essentia.

APPROVAL OF MINUTES: December 16, 2009. Accept as written.
Vote: Unanimous (5-0)

RESOLUTIONS FOR APPROVAL

NEW BUSINESS

1. RESOLUTION 10D-06: RESOLUTION APPROVING BRIAN W. HANSON AS EXECUTIVE DIRECTOR

Vote on Resolution 10-06: Passed Unanimously (5-0)

Fedora asked about the vacant commissioner position. Anderson stated he believes there will be an application process but will report back. Anderson welcomed our new Executive Director Brian W. Hanson and thanked former Interim Executive Director Heidi Timm-Bijold for her excellent work.

2. RESOLUTION 10D-01: RESOLUTION ELECTING OFFICERS FOR THE YEAR 2010

The following officers were elected:

President: Heino

Vice President: Monaco

Secretary: Cuneo

Treasurer: Townsend

Vote on Resolution 10-01: Passed Unanimously (5-0)

Commissioner Anderson left the meeting at 6:09 p.m.

3. RESOLUTION 10D-02: RESOLUTION APPROVING THE REFUNDING OF BONDS BY THE MINNESOTA AGRICULTURE AND ECONOMIC DEVELOPMENT BOARD AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS

Staff: Hanson deferred to Attorney Mary Frances Skala with Fryberger Law Firm. Skala stated these bonds were issued in 1993 for improvements to St. Mary's Medical Center as well as more recent bonds. The statute indicates the original issuing authority must authorize the refunding of bonds, and this authority is DEDA.

Discussion: Fedora asked about the term "Board" in paragraph 3 of the resolution and Skala clarified.

Vote on Resolution 10-02: Passed Unanimously (4-0)

4. RESOLUTION 10D-03: RESOLUTION ACCEPTING A CONTAMINATION INVESTIGATION AND RESPONSE ACTION PLAN (RAP) DEVELOPMENT GRANT IN THE AMOUNT OF \$48,000 FROM THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT (DEED) RELATING TO PROPERTY ADJACENT TO SLIPS 2 AND 3 AT THE BAYFRONT AND COMMITTING A LOCAL MATCH IN THE AMOUNT OF \$16,000

Staff: Timm-Bijold stated the purpose of this grant is to investigate potential contamination on Bayfront's Lot D.

Discussion: Monaco asked about the development timeline and if any other testing will be conducted prior to development. Timm-Bijold stated this investigation only includes land on Lot D and the work would begin late spring with results by late summer. The funding deadline for transient boat funding is October 1, 2010.

Vote on Resolution 10-03: Passed Unanimously (4-0)

5. RESOLUTION 10D-04: RESOLUTION AUTHORIZING AN ADDENDUM TO THE COOPERATIVE AGREEMENT WITH THE STATE OF MINNESOTA RELATED TO LAND USE AND PLANNING EFFORTS REGARDING SLIPS 2 AND 3 AND ADJACENT PROPERTY IN BAYFRONT

Staff: Timm-Bijold stated this agreement is for the transient boat facility project. The addendum delineates that DEDA would be the party to execute and administer professional service agreements.

Discussion: Monaco requested a presentation or document in outline form to provide details of the Bayfront plan. Timm-Bijold stated the Planning Division is conducting a Small Area Plan for Bayfront and a public meeting will be held January 27 at 6:30 p.m. at the Depot. Cuneo echoed Monaco's sentiments and would like a historical context as well.

Vote on Resolution 10-04: Passed Unanimously (4-0)

6. RESOLUTION 10D-05: RESOLUTION AUTHORIZING SHORT-TERM LEASE WITH INFORMATION SYSTEMS LABORATORIES CORPORATION FOR USE OF FORMER NORTHWEST AIRLINES MRO FACILITY

Staff: Timm-Bijold stated Cirrus had previously subletted a portion of the space to this corporation which wishes to use the space for a short additional time of up to five months. The corporation would utilize the space to inflate and test a dirigible. The rent would be \$9,200 per month plus utilities.

Discussion: Fedora asked if there are FAA issues with testing the dirigible. Timm-Bijold stated the actual testing would be conducted at the time of delivery. She advises the lease could stipulate FAA approval of proposed activities. Timm-Bijold stated the rent would cover DEDA's holding costs. Fedora wished the FAA clause to be included in the agreement. Monaco asked about the status of our lease with Cirrus. Timm-Bijold stated there has been no final settlement with Cirrus. At this time the lease is in effect. Asleson stated Cirrus has declared an intention to terminate their lease but the Administration has not agreed to this. At this time we are attempting to mitigate damages, and City/DEDA continues to maintain that Cirrus is responsible for the lease. Monaco asked if this short-term lease will affect our negotiations with Cirrus. Asleson stated at this time we have not accepted the termination from Cirrus and consider the lease to be in full force and effect. From a negotiating standpoint Asleson feels it will not make a difference and in fact this would mitigate damages.

Vote on Resolution 10-05: Passed Unanimously (4-0)

Heino asked about a DEDA strategic planning session. Hanson stated Commissioners will receive correspondence later this week regarding this.

Timm-Bijold reported costs for maintaining the former Northwest Airlines maintenance facility have been lower than anticipated due to aggressive efforts by staff to reduce the building's operating systems to the lowest level allowed. This is good news for this interim period during which the DEDA will develop a strategic plan for this facility.

ADJOURNMENT: President Heino adjourned the January 20, 2010, meeting of the DEDA at 6:36 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Brian W. Hanson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Brian W. Hanson
Executive Director

tmf