

**MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY  
WEDNESDAY, SEPTEMBER 25, 2024 – 5:15 P.M.  
COUNCIL CHAMBERS-CITY HALL  
MINUTES**

**Present:** Arik Forsman, Ellie Just, Janet Kennedy, Dan Markham, ChaQuana McEntyre, Connor Randall, Roz Randorf

**Absent:** None

**Others Present:** Amanda Mangan, Tricia Hobbs, Ariana Dahlen, Thomas Church, Sam Smith, Nick Anderson, Ben Van Tassel

**CALL TO ORDER:** This meeting was called to order at 5:15 p.m.

**PUBLIC TO ADDRESS THE COMMISSION**

No public comment was made to the commission.

**PUBLIC HEARINGS**

**RESOLUTION 24D-41: RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH SOFIDEL AMERICA CORP. FOR THE DEVELOPMENT OF THE DULUTH PAPER MILL**

No comment.

**RESOLUTION 26D-42: RESOLUTION AUTHORIZING THE CONVEYANCE OF PROPERTY TO ONE ROOF COMMUNITY HOUSING FOR DEVELOPMENT OF AFFORDABLE HOUSING**

No comment.

**RESOLUTION 26D-43: RESOLUTION AUTHORIZING THE CONVEYANCE OF PROPERTY TO ONE ROOF COMMUNITY HOUSING FOR DEVELOPMENT OF AFFORDABLE HOUSING**

No comment.

**APPROVAL OF MEETING MINUTES**

**MINUTES FROM AUGUST 28, 2024, MEETING**

No comments.

*Vote to approve August 28, 2024, Meeting Minutes:* (Markham, Forsman) Vote: Passed (7-0)

**APPROVAL OF CASH TRANSACTIONS**

### **August 1, 2024, to August 31, 2024**

Tricia Hobbs made note of the \$470,000 transaction for remediation services for the MRO sales agreement with Cirrus. DEDA had agreed to pay for some of the remediation costs up to that amount.

Commissioner Forsman asked about the higher than usual investment earnings and if this was from the money that was held in DEDA for the ARP money. Hobbs confirmed this was correct.

*Vote to approve cash transactions-August 1, 2024, to August 31, 2024: (Randorf, McEntyre) Vote: Passed (7-0)*

### **NEW BUSINESS**

### **RESOLUTIONS FOR APPROVAL**

#### **RESOLUTION 24D-41: RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH SOFIDEL AMERICA CORP. FOR THE DEVELOPMENT OF THE DULUTH PAPER MILL**

Hobbs gave a brief background on Sofidel and their purchase and expansion of the Duluth Paper Mill. This development agreement will be used to dictate the amount Sofidel is receiving from the TIF district establishment and provides the terms to the agreement tied to public subsidies as well. Sofidel is currently in a tax abatement agreement with the City of Duluth and St. Louis County that allows for \$600,000 of abated taxes from the City of Duluth, so as of now, there are no taxes that Sofidel is paying on that property. As the city enters the TIF agreement, it allows for those taxes to be captured. Both DEDA and City Council approved the establishment of the TIF district in late August/early September of this year. Sofidel is receiving support and subsidies from the State of Minnesota that is \$3.1 million from the Minnesota Investment Fund, \$1.7 million from the Job Creation Fund, and will be considering \$2.4 million from the DEED Clean Up Grant.

Commissioner Forsman asked what would happen if one of the conditions of the agreement was not followed through. Attorney Amanda Mangan stated that in the event of default, there would be an option to terminate the agreement, terminate the TIF agreement so that no additional TIF payments are paid out, seek an injunction for specific relief to demand Sofidel follow through with their obligations, or seek damages in court if needed.

President Randall asked if Sofidel is to start paying real estate taxes right away. Hobbs confirmed this is correct.

*Vote to approve Resolution 24D-41: (Forsman, Randorf) Vote: Passed (7-0)*

#### **RESOLUTION 26D-42: RESOLUTION AUTHORIZING THE CONVEYANCE OF PROPERTY TO ONE ROOF COMMUNITY HOUSING FOR DEVELOPMENT OF AFFORDABLE HOUSING**

Hobbs stated that she has a significant other who works with One Roof Community Housing and is stating such to be transparent with the commission. Because of this, Senior Housing Developer Tom Church, who takes lead on these projects, will give background and details on 24D-42 and 24D-43.

Church explained that the two agenda items relating to One Roof are standard transactions in which two DEDA parcels will be conveyed to One Roof for their community land trust construction

program. He stated this program is one of the main drivers of new infill development for single-family detached homes in Duluth.

Commissioner Kennedy asked if this construction is for one single-family dwelling unit. Church explained that one single family detached home will be constructed on each plot of land, so two units are to be constructed in total.

Commissioner Kennedy also asked about the process for public hearings and notifying the public. Attorney Mangan stated that the State EDA has a statute that mandates the notice of public hearing as being 10 days prior to the scheduled meeting. The notice is published in the Duluth News Tribune. Notices are available on the city website as well as through the Clerk's office. There is no prohibition on making an action on the same day as a public hearing, but the option to table is available to commissioners, however there would not be another option for a public hearing on a later meeting date for that tabled item. There is also no requirement for postings or zoning notices under state statute for EDAs.

Commissioner Markham asked for a brief history of One Roof Housing and how many deals they have done in the past with DEDA and what their success rate has been. Church stated that One Roof completes dozens of these projects each year and DEDA and the City of Duluth have been regular partners in supporting their various programs.

Commissioner McEntyre gave a comment of support for One Roof stating that these projects are important because it helps to support home ownership for young individuals in the community.

*Vote to approve Resolution 24D-42: (Markham, McEntyre) Vote: Passed (7-0)*

**RESOLUTION 26D-43: RESOLUTION AUTHORIZING THE CONVEYANCE OF PROPERTY TO ONE ROOF COMMUNITY HOUSING FOR DEVELOPMENT OF AFFORDABLE HOUSING**

Church noted that this item is for the same kind of transaction as in 24D-42, but simply with a different property.

*Vote to approve Resolution 24D-43: (Randorf, McEntyre) Vote: Passed (7-0)*

**AMENDED RESOLUTION 24D-30: RESOLUTION AUTHORIZING THE ACQUISITION OF CERTAIN REAL PROPERTY IN THE DOWNTOWN DISTRICT FROM GARRICK LAND, LLC**

Commissioner Roz Randorf moved to amend previously approved resolution 24D-30 due to a recently discovered error in the legal description of the parcels described in that resolution regarding the New Garrick Project. Specifically, Commissioner Randorf moved to replace existing legal descriptions of the parcels 1 and 2 in resolution 24D-30 with the following description: "Parcel 1 – The Northerly 75 feet of Lots 26, 28, 30, and 32, WEST FIRST STREET, DULUTH PROPER FIRST DIVISION, and Parcel 2- Lots 26, 28, 30, and 32, WEST FIRST STREET, DULUTH PROPER FIRST DIVISION, less and except the Northerly 75 feet thereof".

Hobbs gave some context to this item, stating that in July, the DEDA Commission had approved this same resolution, however the original resolution included an incorrect legal description of the property, and this amendment would clarify the properties.

*Vote to approve proposed amendment to Resolution 24D-30: (Randorf, McEntyre) Vote: Passed (7-0)*

## **DISCUSSION**

Hobbs reminded commissioners that staff is in the process of hiring for the Director of Economic Development position.

Commissioner Kennedy asked staff how movement was going for the Reimagine West Duluth Business Corridor, more specifically the Kmart site. Interim Director Ben Van Tassel stated that there are Core Investment Plans in the works for Spirit Valley neighborhood. He stated that staff has been doing more outreach in the community, starting with Spirit Valley Days. This Fall, staff will be doing 'Strolls' in the community, in which members of the community are invited to join planning staff on walking tours of the neighborhood to point out issues or opportunities they see to get direct input.

Church stated that he has met with the Olivers, the owners of the option agreement for the Kmart site, and they are eager to see what will come with the Core Investment Area plan and will work with city planners. They are potentially planning on doing some type of mixed-use development on that site.

Commissioner Forsman noted that City Council had allocated the DEDA money which has been earning interest. This had three buckets that were stipulated by allowable uses when it came from Council to DEDA and some of that money is allocated to go to Stepping on Up. He stated that there will be a DEDA resolution at some point to revert that money to Stepping on Up to remain in compliance. Hobbs noted that this is being tracked by staff.

**9. ADJOURN:** President Randall adjourned the September 25, 2024, meeting of DEDA at 5:40 p.m.

Respectfully submitted,

Signed by:  
  
9662CB816C3F44D...  
Tricia Hobbs- Interim Executive Director