

**MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY  
WEDNESDAY FEBRUARY 26, 2025 – 5:15 P.M.  
COUNCIL CHAMBERS-CITY HALL  
MINUTES**

**Present:** Arik Forsman, Janet Kennedy, Dan Markham, Connor Randall, Roz Randorf

**Absent:** None

**Others Present:** Amanda Mangan, Tricia Hobbs, Ariana Dahlen, Sam Smith, Tom Church, Ben VanTassel

**CALL TO ORDER:** This meeting was called to order at 5:16 p.m.

**PUBLIC TO ADDRESS THE COMMISSION**

No comments.

**PUBLIC HEARINGS**

**APPROVAL OF MEETING MINUTES**

**MINUTES FROM JANUARY 22, 2025, MEETING**

No comments.

*Vote to approve January 22, 2025, Meeting Minutes:* (Markham, Randorf) Vote: Passed (5-0)

**APPROVAL OF CASH TRANSACTIONS**

**JANUARY 1, 2025, to JANUARY 31, 2025**

Hobbs noted a few items related to the New Garrick/Shopper's Ramp demolition.

*Vote to approve cash transactions – January 1, 2025, to January 31, 2025:* (Kennedy, Markham)  
Vote: Passed (5-0)

**NEW BUSINESS**

**RESOLUTIONS FOR APPROVAL**

**RESOLUTION 25D-10: RESOLUTION APPROVING TRICIA HOBBS AS EXECUTIVE DIRECTOR**

Hobbs noted some departmental changes for Planning and Economic Development to better support PED projects and staff.

*Vote to approve Resolution 25D-10: (Randorf, Forsman) Vote: Passed (5-0)*

**RESOLUTION 25D-11: RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN QUALIFIED REDEVELOPMENT COSTS IN CONNECTION WITH PROPOSED REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT**

Hobbs stated that Minnesota State Statute authorizes DEDA to encumber eligible costs within a redevelopment TIF district from the general fund as an advance to be later reimbursed using TIF. This item is in regard to Shopper's Ramp. Back in 2022, DEDA approved a blight finding for the Shopper's Ramp which would allow for the future creation of a TIF district with the goal of future redevelopment. This resolution allows DEDA to cover the cost of the demolition now and have the option of reimbursement for any eligible expenses using TIF funds.

Commissioner Kennedy asked in what instance the cost would not be recovered and if that had ever been done before. Hobbs stated that DEDA has done interfund loans in the past. DEDA would only be requesting anything that would be an eligible cost, like acquisition and demolition.

*Vote to approve Resolution 25D-11: (Randorf, Kennedy) Vote: Passed (5-0)*

**RESOLUTION 25D-12: RESOLUTION AUTHORIZING A CONSTRUCTION CONTRACT WITH UTILITY SYSTEMS OF AMERICA, INC FOR PHASE 2 DEMOLITION AT THE FORMER PASTORET TERRACE SITE IN AN AMOUNT NOT TO EXCEED \$252,200.**

President Randall read in the resolution. Hobbs noted that the bid for demolition wrapped up the day before, prompting edits to be made to the resolution prior to the meeting. The lowest and most responsible bid was selected for this project which went to Utility Systems of America. The scope of this work includes the hauling of materials off site as well as site stabilization for redevelopment.

Commissioner Randorf asked what the site will look like after Phase 2. Hobbs stated that the site will be flatter and cleared of debris. The site will be seeded as well. Commissioner Randorf asked if the site will remain fenced off. Hobbs stated that the site will remain fenced.

Commissioner Forsman noted that this process will trigger the PLA provision under the Community Benefits Agreement. Hobbs stated that this is correct and is being tracked by Purchasing.

*Vote to approve Resolution 25D-12: (Forsman, Markham) Vote: Passed (5-0)*

**RESOLUTION 25D-13: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO A PROFESSIONAL SERVICES AGREEMENT WITH EHLERS AND ASSOCIATES, INC TO INCREASE THE CONTRACT AMOUNT BY \$75,000 FOR A NEW TOTAL NOT TO EXCEED \$300,000**

Hobbs stated that this is an amendment to the two-year professional service agreement with Ehlers for their TIF evaluation services.

Commissioner Forsman asked how much has been spent on Ehlers services in the past. Hobbs stated that the base amount is fairly consistent year-to-year with a slight increase added for any pricing adjustments.

Commissioner Randorf asked how the contracts with Ehlers are determined. Hobbs stated that Ehlers and City staff work together to determine the amount based on potential opportunities and forecasts for the coming years.

*Vote to approve Resolution 25D-13: (Forsman, Kennedy) Vote: Passed (5-0)*

**RESOLUTION 25D-14: RESOLUTION AUTHORIZING THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY TO ENTER INTO A SUBORDINATION AGREEMENT REGARDING THE WELCH PLACE PROJECT**

Hobbs noted that this is a common item for housing projects that are also supported by the Minnesota Housing Finance Agency. This is a requirement of their mortgage financing which means that their liens and encumbrances on the property take priority over DEDA's.

*Vote to approve Resolution 25D-14: (Kennedy, Randorf) Vote: Passed (5-0)*

**DISCUSSION**

Hobbs stated that two potential DEDA commissioners, Anna Bailey and Dr. Chiamaka Enemuoh, have been interviewed by the City Council with the official vote for their appointment to occur on March 10<sup>th</sup>. Hobbs gave an update on the Shopper's Ramp as barriers have been put up around the site. All necessary abatement for the site has been completed. Currently they are working on stabilizing the New Garrick building which is required prior to receiving the demolition permit.

Commissioner Randorf asked if there will be two phases in this demolition like with the Pastoret Terrace site. Hobbs stated that there will likely be two phases due to additional stabilization that may need to happen.

Commissioner Kennedy asked for updates on the Kmart and Amazon sites as well as other Spirit Valley Corridor work. Hobbs stated that Amazon is nearing their opening date. For the Kmart site, Tom Church noted that there is an active conversation ongoing with the owners of the site. They are looking to proceed with redevelopment following the completion of the Spirit Valley Small Area Planning work and after they review the comprehensive housing study that will complete this Spring to better understand community needs before finalizing plans. Commissioner Kennedy asked if the litigation on the site has concluded. Church stated that he has no update at this time. Hobbs stated that staff is pacing with the project and are part of the ongoing conversations with the owners of the option agreement.

**ADJOURN:** President Randall adjourned the February 26, 2025, Meeting of DEDA at 5:36 p.m.

Respectfully submitted,

Signed by:  
  
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Tricia Hobbs - Executive Director