

**MEETING OF THE
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
WEDNESDAY April 23, 2025 – 5:15 P.M.
COUNCIL CHAMBERS-CITY HALL
MINUTES**

Present: Anna Bailey, Chiamaka Enemuoh, Janet Kennedy, Connor Randall, Roz Randorf

Absent: Arik Forsman, Dan Markham

Others Present: Amanda Mangan, Tricia Hobbs, Ariana Dahlen, Sam Smith, Amanda Anderson

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

PUBLIC TO ADDRESS THE COMMISSION

John Ramos with the Duluth Monitor addressed the commission in regard to the Lakeview 333 development. Ramos expressed his concerns with DEDA's support of the project and the state of housing in Duluth.

PUBLIC HEARINGS

RESOLUTION 25D-16: RESOLUTION AUTHORIZING THE CONVEYANCE OF PROPERTY TO ABC DULUTH, LLC FOR DEVELOPMENT

No comments.

RESOLUTION 25D-18: RESOLUTION AUTHORIZING A CLEANUP GRANT APPLICATION TO THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT FOR THE GOODWILL PROJECT

No comments.

APPROVAL OF MEETING MINUTES

MINUTES FROM MARCH 26, 2025 MEETING

No comments.

Vote to approve March 26, 2025 Meeting Minutes: (Randorf, Enemuoh) Vote: Passed (5-0)

APPROVAL OF CASH TRANSACTIONS

MARCH 1, 2025 TO MARCH 31, 2025

Vote to approve cash transactions – March 1, 2025, to March 31, 2025: (Kennedy, Bailey) Vote: Passed (5-0)

NEW BUSINESS

RESOLUTIONS FOR APPROVAL

RESOLUTION 25D-16: RESOLUTION AUTHORIZING THE CONVEYANCE OF PROPERTY TO ABC DULUTH, LLC FOR DEVELOPMENT

Hobbs stated that this item is transacting the final parcel at the Atlas Industrial Park. ABC Supply will develop one of the parcels to create a 30,000 square foot building to house their building supply business. ABC Supply is committed to creating 12 new jobs.

Emily Bickford with ABC Supply spoke on the project and gave background on the company.

Commissioner Kennedy asked if they would be storing supplies on the site and if they have a waste management plan. Bickford confirmed that they would be storing supplies on site however because they are a whole sale business, they do not have much material waste. Hobbs stated that project staff is also working with the planning team to ensure that any necessary plans or permits are noted and underway for this project.

Commissioner Randorf asked if this is a phased project. Bickford stated that this will not be a phased project.

Vote to approve Resolution 25D-16: (Randorf, Enemuoh) Vote: Passed (5-0)

RESOLUTION 25D-18: RESOLUTION AUTHORIZING A CLEANUP GRANT APPLICATION TO THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT FOR THE GOODWILL PROJECT

Hobbs stated that this item is to seek approval to submit an application to DEED for the contamination and cleanup grant for the True North Goodwill project.

Commissioner Kennedy asked for clarification regarding the housing of transportation at the site. Hobbs stated that Goodwill will be using the site to house their transportation services. Amanda Anderson stated that Goodwill will use the space to store some of their semi-trucks as well as other vehicles they use regularly to support their services.

Vote to approve Resolution 25D-18: (Bailey, Enemuoh) Vote: Passed (5-0)

RESOLUTION 25D-19: RESOLUTION AUTHORIZING REDEVELOPMENT GRANT CONTRACT OF \$250,000 FROM MINNESOTA DEED FOR THE TRUE NORTH GOODWILL PROJECT

Hobbs stated that this item is tied to the authorization provided to staff to submit the grant application to DEED back in January. Staff and Goodwill were successful in seeking out this grant and received \$250,000 to help with pre-development work for the project.

Commissioner Kennedy asked if the grant had been received by Goodwill. Hobbs stated that the grant has been awarded and once staff goes through the necessary next steps, staff will work with DEED to get the funds added to DEDA's budget and work with Goodwill on future disbursements. Commissioner Kennedy asked about the eligible costs of the project. Anderson stated that \$250,000 is the 50% match for the project. The grant is for \$250,000 and the request for the project was \$500,000 for full eligible costs. Staff is working on another agreement for the remaining match. Attorney Mangan noted that the board will see the subgrant agreement from DEDA to Goodwill for the disbursement of funds and will take into account the match as well.

Vote to approve Resolution 25D-19: (Randorf, Bailey) Vote: Passed (5-0)

RESOLUTION 25D-20: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO ENGINEERING PROFESSIONAL SERVICES AGREEMENT (CONTRACT NO. 24 860 009) WITH AMI CONSULTING ENGINEERS P.A. FOR PERFORMING MAINTANACE DREDGING BEHIND THE DULUTH ENTERTAINMENT CONVENTION CENTER (DECC) TO INCREASE THE AMOUNT BY \$59,319.00 FOR A NEW TOTAL NOT TO EXCEED \$133,419.00

Hobbs stated that this item is to request an amendment to the current professional services agreement with AMI for dredging work being performed behind the DECC in preparation for cruising. The construction window for this project grew tight due to ice as well as with the restrictions from the DNR's fishing window. Hobbs gave background on DEDA's support of the cruising industry in Duluth.

Commissioner Randorf asked if the delay was mainly weather related. Hobbs stated that they were unable to start on the initial timeline that was hoped for. The ice came off later than anticipated and lower water levels pushed the timeline as well. Due to complexities with the dredging, construction management costs increased. Commissioner Randorf asked if dredging will be needed annually. Hobbs stated that it is estimated that the dredging will be good for 15-20 years before it needs to be performed again.

Commissioner Kennedy asked what the estimated amount to be recouped from cruising headcount may be. Hobbs stated that based on the projections from the UMD study, the full payment should be recouped in 10 years.

Vote to approve Resolution 25D-20: (Enemuoh, Randorf) Vote: Passed (5-0)

RESOLUTION 25D-21: RESOLUTION AUTHORIZING LEASE AGREEMENT WITH LITTLE RED POPCORN LLC FOR THE LEASE OF SPACE IN THE LIGHTHOUSE LOT FOR OPERATION OF A VENDING BUSINESS

Hobbs stated this is an annual lease for the lighthouse lot with Little Red Popcorn Wagon. DEDA receives an annual \$500 administrative fee, \$50/month for electricity and 10% of annual gross receipts from the vendor's operations.

Commissioner Kennedy asked why this agreement is done yearly rather than in multiple year terms. Hobbs stated that this allows staff to better determine the needs of the vendor.

Commissioner Bailey stated that as a small business owner, she appreciates the work being done to support the growth of this vendor and would like to know what else can be done to support other small businesses in the area. Hobbs stated that staff is working closely with the Parks Department to help promote more visibility and opportunities for small businesses.

Vote to approve Resolution 25D-21: (Bailey, Enemuoh) Vote: Passed (5-0)

RESOLUTION 25D-22: RESOLUTION AUTHORIZING A LICENSE AGREEMENT BETWEEN DEDA AND THE CITY OF DULUTH RELATED TO TEMPORARY STORAGE OF LIGHT POLES FOR THE RAILROAD STREET RECONSTRUCTION PROJECT AT DEDA LOT D

Hobbs stated the COD Engineering department is doing construction on Railroad Street this summer and is requesting to store light poles at Lot D during that time. The light poles will be stored on a concrete slab at Lot D.

Commissioner Enemuoh asked how long they estimate the poles will be stored at Lot D. Hobbs stated that they estimate between 4-5 months.

Commissioner Randorf noted in the past, DEDA has worked with Altec for the storage of their trucks on the site and asked if DEDA could expect a similar agreement for this year. Hobbs stated that staff has not heard from Altec, so they assume they have found other accommodations for this year. Commissioner Randorf asked if Altec did request the space again, would any space be available for their storage. Hobbs stated that it would depend on their needs.

Vote to approve Resolution 25D-22: (Randorf, Enemuoh) Vote: Passed (5-0)

RESOLUTION 25D-23: RESOLUTION AUTHORIZING ACQUISITION OF CERTAIN TAX FORFEITED REAL PROPERTY FROM THE STATE OF MINNESOTA THROUGH ST. LOUIS COUNTY

President Randall read in the following for resolution 25D-23:

“RESOLVED, by the Duluth Economic Development Authority (“DEDA”), that the proper DEDA officials are hereby authorized to acquire by quit claim deed the below-described tax-forfeited properties from the State of Minnesota through St. Louis County for purposes of economic development for the amount of \$132,230.07, payable from Fund 860-860-8640-5510, located in St. Louis County, Minnesota legally described as:

Lots 1 through 8, Block 005, Randalls Division of Duluth, EXCEPT all mineral rights

AND

Lots 1 through 8, Block 006, Randalls Division of Duluth, EXCEPT all mineral Rights

AND

Lots 1 through 8, Block 007, Randalls Division of Duluth, EXCEPT all mineral rights

AND

Lots 1 through 8, Block 008, Randalls Division of Duluth, EXCEPT all mineral rights”.

Hobbs stated that this will be the first step to facilitate and assist with the acquisition of tax forfeited property for a private developer looking to create 6 to 8 single-family homes in the Duluth Heights neighborhood. This approval will allow the county to seek approval from their county board to transact this land. In May, there will be two related items on the DEDA agenda, one which will authorize a purchase agreement between DEDA and the county for this land and the other will be for a simultaneous purchase and development agreement between DEDA and the developer, Dirt, Inc.

President Randall asked if the developer has background in developing single-family homes. Hobbs confirmed this.

Vote to approve Resolution 25D-23: (Randorf, Bailey) Vote: Passed (5-0)

DISCUSSION

Hobbs stated that deconstruction of the Shopper's Ramp is underway. Hobbs gave an update on the Merge Urbane project. Since their term sheet was approved, Merge has achieved their April and May deadlines on time.

President Randall asked if Merge is aiming for completion by the summer. Hobbs stated that near the end of year was the term given which is what Merge is looking to accomplish.

Hobbs noted that staff is planning to provide more information on the Housing Study and the core investment area work in coming months. Northspan will be presenting in May and will be putting forth a request in June for support from DEDA for their various programs.

Commissioner Kennedy asked for an update on the Lakeview project regarding the TIF funding as concerns have been raised by members of the community. Hobbs stated that Commissioner Randorf and Commissioner Forsman have met with the developer to speak through concerns that have arisen and to clarify how they are defining the needs and expectations of the community. Staff is working on a TIF policy which will be presented to DEDA which will express clear and shared understanding of how TIF will be utilized. The developers are working on the 10th floor and are installing windows and doors.

Commissioner Randorf asked for clarification on how many units will be created. Hobbs stated that 190 units was what was agreed upon in the TIF agreement and 210 units is what the developer will be delivering. Commissioner Randorf asked for clarification on the 14 units that are supposed to be used for extended stay rentals. Hobbs stated that there was confusion surrounding the definition of short-term rentals and extended stays. The TIF Policy will provide clarity on these definitions and conversations are being had to ensure understanding between developers, boards, and staff. Commissioner Randorf asked if the developer will be able to use those 14 units for only extended stays or will the developer be able to use the units for 1–2-day vacation rentals. Hobbs stated that Vacation Dwelling Units are defined via the Planning Commission as a rental that is under 30 days. Staff is working with the developer to see if they can get those rentals to be above 30 days and if not, building code will require them to have that license. Randorf asked if the license would need to be approved by Planning Commission and Council. Hobbs confirmed that it would require Planning Commission and Council approval.

Commissioner Kennedy asked for specific details regarding extended stay license requirements. Hobbs stated that if the term of the rental is under 30 days, the license would be required. Anything over 30 days would be considered a typical rental lease. Attorney Mangan noted that COD Life Safety is responsible for licensing long term rentals, so anything over 30 days is in their purview.

ADJOURN: President Randall adjourned the April 23, 2025 Meeting of DEDA at 5:57 p.m.

Respectfully submitted,

Signed by:



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Tricia Hobbs - Executive Director