

Cook County-Grand Marais Economic Development Authority
March 9, 2021 – meeting conducted via Zoom

Present: Board members Scott Harrison, Howard Hedstrom, Bev Green, Carol Mork, Ann Sullivan, Virginia Palmer, Anton Moody

Others present: Executive Director Mary Somnis, Small Business Development Center Representative Pat Campanaro, County Administrator James Joerke, and minute taker Rhonda Silence

Meeting called to order by EDA President Howard Hedstrom at 4:00 p.m.

Public Comment – none

Agenda & Minutes

Agenda reviewed. Executive Director Mary Somnis asked to add two items to the agenda— appointment of an EDA member to the personnel committee and discussion of the EDA website. *Motion by Carol Mork second by Scott Harrison to approve the agenda with those additions. Motion carried, all ayes.*

Minutes of February 9, 2021 meeting reviewed. *Motion by Carol Mork, second by Ann Sullivan to approve February 9, 2021 minutes. Motion carried, all ayes.*

Minutes of February 23, 2021 minutes reviewed. *Motion by Bev Green, second by Carol Mork, to approve the February 23 minutes. Motion carried, all ayes.*

NEW BUSINESS

Consider rescheduling April 13 meeting

Director Somnis asked the EDA board to consider rescheduling the April 13 meeting to April 6. The board agreed and the meeting will be held on April 6 at 4 p.m.

Consider request for Business Development Funds

Director Somnis said this is pending and will be brought back before the EDA at the April meeting.

Consider adding a board member to the finance committee

Director Somnis said an EDA member needs to be added to the finance committee. Former Commissioner Heidi Doo-Kirk previously served on the committee. New Commissioner and EDA Board Member Ann Sullivan agreed to serve on the committee. She will be on the committee with Howard Hedstrom and Scott Harrison. The EDA board thanked her for taking on that position.

An EDA board member is also needed for the personnel committee. New Board Member Virginia Palmer agreed to serve on the committee. She will serve along with Howard Hedstrom and Carol Mork. The EDA board thanked her for taking on that position.

EDA website

Somnis said that Sandra Schutte of Two Dogs in the Web is no longer doing website work and maintenance. The EDA needs to make other arrangements for website hosting. Somnis recommended WA Fisher, a company she has worked with, and had good experience with, in the past. She said the cost for hosting is \$300 for a year. It will cost \$3,500 to convert the website to the WordPress format. Updating content would be \$18/hour.

The board directed Somnis to proceed with moving and updating the website, working with WA Fisher for one year.

Director Exit Strategy

Somnis reminded the EDA board that it is time to begin succession planning. She provided the 2016 job description and announcement of a job opening for review. The EDA board will consider approval of the information at their next meeting, on Tuesday, April 6. Once approved, an advertisement will go out and interested parties will be asked to submit resumes. The board discussed how this should be handled and whether they should hire someone to facilitate posting, interviews, etc. The board agreed the current director should not be directly involved in the hiring process. They asked Somnis to set up a Zoom meeting for the personnel committee so they can decide how to proceed.

Somnis said she hopes that a successful candidate could be found and orientation started at the beginning of June. Somnis reassured the board that she will stay on until the board is comfortable with the transition. And, she agreed to stay on in some capacity, as needed to finish some current EDA projects.

FINANCIALS

The EDA board reviewed the Superior National at Lutsen financials. Treasurer Scott Harrison said the golf course had good liquidity, but reminded the board that these funds need to cover payroll and expenses until after the golf course is up and running. But he commended the golf course staff for keeping expenses down and as an example said he had asked Heath Ekstrom to keep pro shop inventory low. Ekstrom dropping that budget item by \$24,000.

Harrison also reminded the board that the Grounds Superintendent Mike Davies is retiring. He said the golf course has talked to some interested people and they are hoping to get the top two up for a visit to the course.

Howard Hedstrom asked if the salary being offered is enough to entice quality applicants. Harrison said Mike Davies believes the salary is comparable, but benefits are not. However, Harrison said there is quality of life to be considered.

Harrison said the golf course will present its budget in April. He also reminded the EDA that there would be a time when the course will be paying two grounds supervisors. Somnis said the EDA budget is usually presented in March, but the EDA can wait until April by making a motion.

Motion by Ann Sullivan, second by Bev Green, to postpone review and approval of the Superior National at Lutsen budget until April. Motion carried, all ayes.

The EDA also reviewed the Cook County/Grand Marais Economic Development Authority financials for February 2021.

The golf course and EDA financial reports will be filed for the annual EDA audit.

The board reviewed the checks to be written for the invoices for the month. Somnis asked the EDA to approve one check that was not in the EDA packet, for \$4,000 to James Hammer. The EDA had previously approved a business development fund award to Hammer to establish a chimney sweep business. Hammer has purchased the necessary equipment and completed training and submitted the appropriate documentation.

Motion by Bev Green, second by Carol Mork to approve checks for the January 2021 invoices as presented, with the addition of the check for James Hammer. Motion carried, all ayes.

Old and Ongoing Business

Grand Marais Fire redevelopment

Howard Hedstrom said there has been discussion with some developers. He said White Pine North is very anxious to get back in business with a storefront. There has been interest from another retailer and restaurateur. Hedstrom will continue to work on this.

Taconite Area Business Relief Loans

The loan application deadline for the Taconite Area Business Relief Loans is March 15. Small Business Development Center Consultant Pat Campanaro said 12 applications had been received so far. Scott Harrison suggested that the EDA committee reviewing the applications meet as soon as possible so decisions can be presented at the April 6 meeting. Campanaro will set up a meeting with Scott Harrison, Howard Hestrom, Ann Sullivan and Mary Somnis as soon as possible.

Housing and Redevelopment Authority

Somnis said exploration of setting up an HRA continues. This was discussed at the last local government leadership meeting. Somnis, County Administrator James Joerke and City Administrator Mike Roth continue to meet with Minnesota Housing Partners.

Assisted Living

Scott Harrison asked if progress on an assisted living facility had come to a halt. Somnis said she had received information on a grant opportunity for construction that she is pursuing. She said

from what she has been hearing, many seniors just want a simple apartment-style facility, not one with nursing care. She said this may be a more attainable goal.

EDA Board Member Bev Green agreed that is what many people want. She said another issue is finding people to work in such a facility. She said Cook County's home health program is struggling to find staff. Green said worker housing continues to be a problem.

Cook County Workforce Solutions –Pine Ridge, South Dakota

Local business owner Sarah Hamilton is still working on recruiting workers from Pine Ridge. The EDA will work with her on this and can contribute \$13,000 to the effort. Somnis said the Lloyd K. Johnson Foundation has approved using the funding previously granted for this effort. A website is being set up and should be launched soon.

Cedar Grove Business Park

Somnis said she continues to look for ways to help potential buyers with the cost of developing a storm water plan. She and City Administrator Mike Roth met with Ilena Hansel of Cook County Soil & Water. They recommended that the EDA work with Keith Anderson of Beaver River Consultants, who has done storm water work in Cook County.

Somnis said the EDA is applying for a DNR Coastal Zone grant to pay for his work. Somnis said a match is required, so the EDA may have to pay \$3,000.

Howard Hedstrom said he feels it is worth it, as Anderson will build a template for each lot, so a buyer will have some idea what to expect. The board agreed this would be really helpful.

Virginia Palmer noted that the Cedar Grove Business Park lots have not been marketed in the MLS system. She asked if the price of the lots could be increased, so the EDA could have funding to assist buyers with storm water plans.

Howard Hedstrom said there may be more interest in lot sales if the EDA can get the legislation passed to allow more owner-occupied lots. Board Member Anton Moody pointed out that the EDA has two owner-occupied lots available now and no one has expressed interest. Director Somnis said that is true, but she has had similar requests for lots that do not allow owner-occupied. She said the EDA has also had to say no to potential buyers because they do not meet the industrial/manufacturing/warehousing restrictions for lot sales. If passed, the legislation would also allow the EDA to change that covenant.

No matter what happens with the legislation, Palmer said the EDA could do a better job marketing the business park lots.

Arrowhead Animal Rescue/dog pound

Somnis said there have been some comments on social media stating that a new dog pound, to replace the one being taken down at the Grand Marais Recreation Park, will be built in Cedar Grove Business Park. Somnis said this has been discussed, but no decisions have been made. Board Member Bev Green, who also serves on the board of Arrowhead Animal Shelter, said Sheriff Pat Eliassen has been working on this. She said there has been some design work and a

contractor consulted. She said Arrowhead Animal Rescue is putting up a third of the money to build a new shelter.

For now, stray animals will be kept in the garage at the law enforcement center.

Somnis said she had talked to City Administrator Mike Roth and he said because of the storm water costs, the city may find another location.

Creative Economy Collaborative

Somnis said the CEC has reached out to the Arrowhead Regional Development Center (ARDC) to see if that agency can provide staff support. Someone from ARDC will come to the next CEC meeting to discuss.

Small Business Development Center Report

Small Business Development Center Consultant Pat Campanaro shared a written report for activities in February. She said much of her work has been with the team that developed the Minnesota Business Relief Grant Program and the Taconite Business Relief Loan Program.

Campanaro said the Success(ion) Planning workshop she is facilitating is going well, with seven businesses actively participating. She expressed appreciation to the EDA and Cook County Higher Education for helping to subsidize the workshop.

She reported that she had 35.25 regular consulting hours and 61 COVID-related hours.

EDA Executive Director Report

In addition to the agenda items already discussed, Somnis provided a memo with highlights of various committee, board, and community meetings she had attended or facilitated.

OTHER BUSINESS

The next EDA meeting will be April 6 at 4 p.m.

Mary Somnis will be available for an interview on WTIP on March 10.

Meeting adjourned at 5:42 p.m.

Respectfully submitted by

Rhonda Silence

Minutes & More