

Cook County-Grand Marais Economic Development Authority
December 14, 2021 – 4:00 PM
Cook County Courthouse, Commissioners’ Room

Present: Board members Howard Hedstrom, Anton Moody, Carol Mork, Ann Sullivan

Absent: Bev Green, Virginia Palmer

Others present: Board Member Scott Harrison online; Executive Director Beth Drost, Small Business Development Center Consultant Pat Campanaro, County Administrator James Joerke, Kjersti Vick and Linda Jurek of Visit Cook County, Dennis Rysdahl, Janelle Frick, Andrew Yates 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. *Motion by Carol Mork, second by Ann Sullivan to approve the December 14, 2021, meeting agenda. Motion carried, all ayes.*

Minutes of the October 12, 2021, meeting were reviewed. Board Member Ann Sullivan noted that there is no “e” at the end of her name. Minutes will reflect the proper spelling in the future (apologies from the minute taker!)

Motion by Carol Mork, second by Ann Sullivan to approve the November 9, 2021, meeting minutes. Motion carried, all ayes.

NEW BUSINESS

Superior National Golf Course Marketing Plan

In follow-up to the report on marketing last month from John Kohlhase and Sarah Taylor, the EDA board discussed the Superior National Golf Course Marketing Plan, which must be approved by the EDA board annually.

Motion by Anton Moody, second by Carol Mork, to approve the \$70,000 Superior National at Lutsen Marketing/Media Plan for 2022. Motion carried, all ayes.

EDA Conflict of Interest Policy

Director Drost presented a draft conflict of interest policy for the EDA, based on research of similar policies among other entities. It was noted a reference to MPR needed to be removed. Sullivan suggested a change to the section on “gifts and entertainment,” saying it was vague. Sullivan, who is a Cook County commissioner, said the county has a set amount of \$5 in its policy. She suggested adding that to the EDA policy as well.

Motion by Ann Sullivan, second by Anton Moody, to adopt the Cook County/Grand Marais Joint Economic Development Authority Policy on Conflicts of Interest and Disclosure of Certain Interests with the addition of a set amount of \$5 for gifts and entertainment and the removal of the MPR reference. Motion carried, all ayes.

Minnesota Housing Finance Agency Affirmative Fair Housing Marketing Plan

Director Drost told the EDA board that the Minnesota Housing Finance Agency has asked the EDA to develop an Affirmative Fair Housing Marketing Plan policy. She said the EDA needs this to ensure that any developers who work with the EDA are following the Minnesota Affirmative Fair Housing Marketing Plan.

Dennis Rysdahl, at the meeting representing the Tofte Downtown Mixed-Use Project, noted that there is a tight deadline for this of January 11, 2022. He reminded the EDA that the project he is working on, as well as the Sawbill Village project, have submitted grant applications to the MHFA. He said the EDA policy should be in place when those grants are reviewed.

Drost and Ann Sullivan agreed to work on the policy.

Motion by Ann Sullivan, second by Carol Mork, directing EDA Director Beth Drost to create an Affirmative Fair Housing Marketing Plan policy for the Cook County/Grand Marais Economic Development Authority. Motion carried, all ayes.

Business and Housing Subsidy Applications

The board reviewed business and housing subsidy applications from two Tofte developments, the Tofte Downtown Mixed-Use Project being developed by Bluefin Bay Resorts and the Sawbill Village, being developed by landowner Rob Dieter.

Before considering the requests, Director Drost announced that the EDA had received word that both projects had received approval from the Iron Range Resources and Rehabilitation Board (IRRRB) for funding. The Sawbill Village project was approved for \$500,000 and the Bluefin Bay project for \$450,000.

Dennis Rysdahl thanked the EDA for its endorsement and assistance on these IRRRB grants, with extra thanks to Director Drost. Drost noted that much of the work had been done by previous Director Mary Somnis.

The EDA then discussed the requests from the two Tofte projects. Ann Sullivan described the process of the Business and Housing Subsidy committee to evaluate the requests.

Motion by Ann Sullivan, second by Carol Mork, to adopt Resolution No. 2021-18 affirming application requirements for the Cook County/Grand Marais Economic Development Authority for the workforce housing development program in support of the Sawbill Village Development Project, contributing \$50,000 from the EDA Business and Housing Subsidy fund. Motion carried, all ayes.

Motion by Carol Mork, second by Anton Moody to adopt Resolution No. 2021-17 affirming application requirements for the Cook County/Grand Marais Economic Development Authority for the workforce housing development program in support of the Tofte Mixed-Use Development project, contributing \$50,000 from the EDA Business and Housing Subsidy fund. Motion carried, all ayes.

Drost reminded the EDA that these EDA grants, as well as the IRRRB grants are contingent on the developers receiving funding from the Minnesota Housing Finance Agency.

FINANCIALS

Superior National at Lutsen financials

EDA Treasurer Scott Harrison gave a report on the financial status of the golf course via Zoom. He reviewed financial information from January through November 2021. Harrison said there is

no question, the golf course had a very good year. He said there is a 25% increase in sales and the course was able to do some catch-up on golf course capital items.

The golf course financial information will be filed for review at the next audit.

Harrison also reported changes to the Superior National at Lutsen board of commissioners. Thom McAleer is now the Lutsen-Tofte Tourism Association representative and Beth Drost has replaced previous director Mary Somnis. He said other members on the board with him are Cook County Auditor Braidy Powers, and Mike Larson.

EDA financials

Harrison shared the Balance Sheet and Profit and Loss versus Actual statements for the EDA for November 2021. The financial information will be filed for review at the next EDA audit.

EDA payments

The board reviewed the list of bills to be paid for November. *Motion by Anton Moody, second by Carol Mork to pay the bills as presented. Motion carried, all ayes.*

OLD AND ONGOING BUSINESS

Cedar Grove Business Park – Counter offers on two lots

The EDA was asked to consider a counteroffer on Cedar Grove Lot 7 Block 4 from Forrest Parson. Parson originally made an offer of \$30,000 for the lot. At the last meeting, the EDA discussed the overall prices in the business park. Board Member Virginia Palmer, who is a realtor, said in recent years lot prices have increased 50%. Considering that, and the fact that this is a large lot, the EDA asked Director Drost to make a counter-offer of \$39,000.

Parson responded with a counteroffer of \$35,000. The EDA board noted that Parson was very motivated to complete this sale and that the storage service he plans to offer is needed in the community.

Motion by Ann Sullivan, second by Howard Hedstrom, to accept \$35,000 for Cedar Grove Lot 7 Block 4 from Forrest Parson, Hungry Jack LLC. Motion carried, all ayes.

At the last EDA meeting, the board also received an offer from Chris and Carmen Skildum, of Lynx Fit, of \$26,000 for Cedar Grove Business Park Lot 8, Block 5. The EDA made a counteroffer of \$28,000 and the Skildums accepted that offer.

A public hearing will be held on both proposed sales on Tuesday, January 11 at 4:00 p.m. in the Cook County Courthouse commissioner's room. Drost said she expects the closings to be finalized in February 2022.

Cedar Grove Business Park – Cascade Vacation Rental TABR loan request

The board reviewed a letter from Cascade Vacation Rental (CVR) asking for authorization to modify its Taconite Area Business Relief loan agreement from the IRRRB. CVR planned to use the TABR funds for construction of its new laundry operations, however the company has determined that the funds would be better used to remodel an existing pole building used in maintenance operations. CVR received \$13,500 from TABR.

Howard Hedstrom asked if the EDA, which oversees the distribution of the IRRRB TABR funds, has the authority to make that change. EDA Treasurer Scott Harrison will find out and return with that information.

Child Care Coalition update

Drost and Small Business Development Consultant Pat Campanaro continue to be involved with this coalition. They want to keep this in the forefront as lack of childcare is a barrier to economic development. The coalition is seeking ideas from a broad range of community members. A question that has come up is, should a building be constructed or is there a building that could be used to provide childcare? Campanaro said if it is determined that is something the community needs, there could be funding through 1st Children's Finance, an organization working with the coalition.

Housing study RFP

As directed by the EDA board at the last meeting, Director Drost is working on an RFP for a housing needs study. When seeking grants for housing projects, a current housing needs study is needed. The last one performed for the EDA was about five years ago by North Span.

HRA update

Ann Sullivan said the second meeting of the Cook County Housing and Redevelopment Authority (HRA) is coming up on December 15. The HRA board has been working on the job description for the HRA director.

Small Business Development Center report

Small Business Development Center Consultant Pat Campanaro shared a written report on her activities, noting that she had booked 9.5 hours on COVID-related counseling and 24.5 hours in business consulting on non-COVID business planning.

Campanaro said she and EDA Director Drost had met with Michael Colclough and Vicki Hagberg of the Northland Foundation to discuss the SBDC contract for 2022. She said more hours have been requested.

Campanaro also asked the EDA to congratulate Marja Erickson of the Grand Marais State Bank on her recognition as one of the "Top Women in Finance in MN." Campanaro nominated her for her work with the PPP loans for Cook County businesses.

EDA Director Report

In addition to matters already discussed, EDA Director Drost told the EDA that the Cedar Grove Business Park zoning ordinance amendment request went before the Grand Marais Planning Commission. She said former Director Mary Somnis and an enthusiastic lot owner added a lot to the discussion. She said the planning commission endorsed the language change that will allow "Accessory residential use" and will forward the proposed ordinance amendment to the city council.

One of the concerns that was brought up regarding residential use in the business park was the need for infrastructure, such as sidewalks or paths. Drost said this is something the EDA should consider in future planning.

OTHER BUSINESS

EDA office/ADA ramp

The board discussed concerns about the width and placement of the ADA ramp leading to the EDA office. Howard Hedstrom or Director Drost will work with the building owner on solutions.

Cook County Real Estate Fund

Howard Hedstrom said a group called the Cook County Real Estate Fund has been meeting and researching properties in the county. The group is working with an entity called Rebound. The goal is community impact investing. Hedstrom said he has also talked to Jeff Corey of One Roof Housing about their housing efforts. He said there is a local motel owner who is considering converting a property to housing. He will share more information on that when it is available.

Visit Cook County

VCC Director Linda Jurek said she was just in attendance to observe EDA activities. This is of special interest to VCC since it has joined forces with the Cook County Chamber. Jurek reminded the EDA that VCC supports Superior National at Lutsen golf course with \$50,000 in marketing, an agreement which will end in 2023.

The next regular EDA meeting is Tuesday, January 11 at 4:00 p.m. in the Cook County Commissioner's Room.

Director Beth Drost agreed to do an EDA update interview with WTIP.

Meeting adjourned at 5:10 p.m.

Respectfully submitted by
Rhonda Silence – Minutes & More