

**Cook County-Grand Marais Economic Development Authority**  
**February 11, 2020 – Grand Marais City Hall**

**Present:** Board members Heidi Doo-Kirk, Bev Green, Hal Greenwood, Carol Mork

**Others present:** Mary Somnis, Carrie Johnson, Marja Erickson, Alta McQuatters, Dean Farnam, Barb Backlund, and Rhonda Silence

**Absent:** Anton Moody, Howard Hedstrom, Scott Harrison

Meeting called to order by Doo-Kirk at 4:00 p.m. There was no Public Comment.

**Agenda & Minutes**

*Motion by Green, second by Mork to approve the agenda. Motion carried, all ayes.*

*Motion by Greenwood, second by Mork to approve January 14, 2020 minutes. Motion carried, all ayes.*

**NEW BUSINESS**

**Request from Cook County Historical Society for lot at Cedar Grove Business Park**

Carrie Johnson, executive director of the Cook County Historical Society (CCHS), along with a number of historical society members, were in attendance to answer questions about their request for use of Cedar Grove Business Park, Lot 5, Block 7.

Johnson said new storage is desperately needed for the 25,000+ items in the museum collection because the archival area in the basement of the museum has flooded twice in recent storms. She said an appropriate storage area, away from the lake, is needed. CCHS has items stored at a variety of different areas that are not properly climate controlled. They had a collections assessment completed by the Midwest Arts Conservation Center, which came up with some recommendations.

Doo-Kirk asked if the building would be staffed. Johnson said no, only when someone needed to access materials.

CCHS asked to purchase the lot for \$1. Greenwood asked what price other lots had been sold for. Somnis said lots have been sold for \$28,000 - \$35,000. She said the lot in question is 1.86-acres, so it is a bit bigger than some of the lots that have been sold and it is dry. She noted that there are special assessments on all of the Cedar Grove Business Park. Out of the proceeds from each sale, the EDA pays \$10,000 to \$15,000 toward those assessments. She said any such sale would have to be approved by the city and county. Doo-Kirk said city and county approval is not required but would be good to communicate with them before this moves forward.

Greenwood said selling a lot at \$1 would be a mistake. He said it would reflect badly on the EDA, which is tasked with selling the lots at full price to get businesses on the tax rolls.

Greenwood said he wasn't sure the EDA could sell to a nonprofit entity. Discussion that the church is a non-profit so that does not seem to be problematic.

Mork said she was sympathetic to the CCHS concerns and she supports historical societies.

However, she said she was surprised by the historical society's request to purchase the lot for \$1. Mork suggested they look for funds to purchase the lot at a more reasonable price.

Green agreed. She said she fully understands the flooding situation and the need for better storage. However, she said the EDA needs to be careful as there are other entities who would also like to have lots sold to them for \$1. She said there has been some talk of a request coming

from the dog park group and the dog pound, seeking a lot. Green said a sale like this to the historical society could set a precedent.

Somnis reminded the EDA that the Grand Marais Public Utilities Commission had also asked the EDA for a lot to erect a solar garden.

The board agreed there were too many questions to proceed with the sale and members expressed reluctance to sell it for only \$1.

*Motion by Mork, second by Green to table the discussion to give Somnis time to research the board's questions. Motion carried, all ayes.*

### **Update on City Hall renovation plans**

Somnis distributed sketches of draft concepts for the renovation/reconstruction of Grand Marais City Hall. She said in the next month the city will be working with staff on paring down the plans. She said that discussion will also include the question of whether or not the city should include space for the EDA office.

Somnis reminded the board that once the renovation has been done it is probably a certainty that the rent will increase. She said it is unlikely that the EDA can find any place to rent for \$200 a month, which is what they are paying now. She said the EDA needs to keep that in mind with budget planning.

### **Leases with AEOA and Cook County Chamber of Commerce**

Somnis said it is time to renew the leases for the Arrowhead Economic Opportunity Agency (AEOA) and the Chamber of Commerce, which share space in City Hall. She said it is unknown how long all of the entities will be able to stay in that building, but leases will be needed in the interim regardless. Somnis will work with AEOA and the Chamber and get this done.

## **FINANCIALS**

The board reviewed financial information for Superior National. Not much change as it is winter. The board also reviewed the EDA financials for January 2020. The financial reports will be filed for the annual EDA audit.

The board reviewed the checks to be written for the invoices for the month. *Motion by Green, second by Mork to approve checks for invoices as presented. Motion carried, all ayes.*

## **OLD AND ONGOING BUSINESS**

### **Discuss 2020 priorities and possibilities**

Mary Somnis reminded the board that it is time for discussion of all the projects underway for the EDA—assisted living, housing, workforce recruitment, business park lot sales and the golf course. She said she will schedule a work group to begin this planning process.

### **Assisted Living**

There is nothing new to report, but discussions continue with parties interested in developing an assisted living facility in Cook County.

### **Short Term Rental Property Tax Classification**

Somnis said she had participated in several meetings with parties involved in the short term rental property tax classification discussion. She spoke for the EDA at a county board meeting on the matter. The county passed a resolution with its recommendation to the legislature early in the day. Somnis said this is a statewide issue. Chamber legislative specialist Judy Erickson continues to work with legislators on this from Cook County's perspective.

### **Cook County Workforce Solutions**

Somnis continues to work with the Workforce Recruitment group on various methods to fill Cook County's workforce needs.

### **Cedar Grove Business Park**

The board asked about the purchase offer made to the EDA at the last meeting. Somnis said the purchaser is still considering the EDA's counteroffer.

### **Housing**

Somnis said One Roof is requesting funding support to enable them to reduce the price of the remaining two homes for sale at Nordic Star. Somnis explained that the people eligible to purchase the homes are in the 115% of average median income (AMI). One Roof has found that people in that income level are looking for a different kind of housing. There are people in the 80% AMI who are interested in purchasing the homes, but the price is too high for them. One Roof requested \$40,000 from the EDA's housing subsidy fund to help lower the purchase price for those buyers.

Green asked if the slow sale of these last two homes could be because it is winter. Mork agreed, but also asked how the houses are being marketed?

Greenwood made a motion to approve the \$40,000 request but did not receive a second.

Discussion continued. The board asked Somnis to get more information about how the houses are being marketed and what kind of incentives could be offered for sales. Doo-Kirk said she would like to know if there is a waiting list of eligible buyers in the 80 % AMI classification.

*Motion by Green, second by Greenwood, to table the request until the March meeting to allow Somnis to get more information on potential buyers. Motion carried, all ayes.*

Things are going well at the Four Directions Dwellings apartments in Lutsen, as well as the Village North (former GoFer Cabins) renovations.

### **Creative Economy Collaborative**

Somnis reported on her work with the CEC, which continues to work with the city on guiding principles for public art.

The CEC has released a call for artist proposals for use of the elm wood.

Somnis said CEC also heard from Cory Steckelberg, who is creating five life-sized caribou to be installed at different locations this summer. They will be made of natural materials, with seeds that will grow throughout the season. The CEC gave its support for the installation.

She is also working with the CEC on a 2019 *Year in Review* report.

### **Small Business Development Center Report**

Campanaro shared a written report. In January she meet with 28 clients in 64 different sessions. She also conducted a seminar on choosing merchant card services for 10 different business

owners. She added that she also held a class at Cook County Higher Education on starting a business. The night of the class was a major snowstorm and 12 people still came out, so Campanaro was pleased with that.

### **EDA Executive Director Report**

Somnis reported that she had attended the Cook County Chamber of Commerce meeting, a housing resources engagement meeting, a North Shore Scenic Drive Council meeting and a census meeting. She had meetings with the Superior National at Lutsen management team and the Visit Cook County subcommittee on rates and packages for 2020.

She also worked with EDA bookkeeper Paul Goettl on set up of 2020 financial reports.

She had ongoing communication with a business interested in purchasing one or two lots at Cedar Grove Business Park.

She also worked with Grand Marais city staff on a \$250,000 Community Infrastructure Grant, with the Grand Marais Art Colony on a \$19,800 Demolition grant and completed documentation on the Village North water line grant.

### **OTHER BUSINESS**

Somnis said the census meeting she attended was very interesting. She said 140 census workers are needed in Cook County. She said the reason the number is so high is because they can't mail census forms to post office boxes. So census workers are needed to deliver them to residences. In the last census, 10 years ago, the response was only 40 percent; statewide it was 80 percent.

Somnis spoke about the importance of a correct count, as the census numbers are used in many ways—for grants and for political district boundaries. She said there will be meetings for census workers coming up.

The next EDA meeting is scheduled for Tuesday, March 10, 2020 at 4 p.m. at Grand Marais City Hall.

Neither Hedstrom nor Moody will be available for the WTIP interview on Wednesday, February 12, so Somnis will do the interview.

*Meeting adjourned at 5:10 p.m.*

Respectfully submitted by

*Rhonda Silence*

*Minutes & More*