

Cook County/Grand Marais Economic Development Authority
March 6, 2018 – Grand Marais City Hall

Present: Board members Howard Hedstrom, Scott Harrison, Heidi Doo-Kirk, Hal Greenwood, Bev Green; EDA Director Mary Somnis

Others present: SBDC Representative Pat Campanaro, Cook County Chamber Director Jim Boyd

Absent: Anton Moody, Carol Mork

Meeting called to order by President Howard Hedstrom at 4:04 p.m. The Pledge of Allegiance was recited.

Public Comment

No public comment.

The EDA considered the agenda. *Motion to approve the agenda by Hal Greenwood, second by Bev Green. Motion carried, all ayes.*

Minutes of February 13, 2018 meeting reviewed. *Motion by Heidi Doo-Kirk, second by Bev Green to approve minutes. Motion carried, all ayes.*

New business

Superior National at Lutsen - Grand Opening celebration

Somnis shared on a grand re-opening. She said there will be 144 guests, including local, regional and national golf media and leaders in the golf industry, local supporters and friends, local government officials, Golf Course Architect Jeff Brauer, legislators, MN Tourism representatives and IRRRB officials. The event will be held June 28. It will be a “Best Ball” scramble.

The golf course is seeking sponsors to cover event costs. Somnis said it is hoped that \$10,000 will be raised in sponsorships. Sponsors will be recognized at the grand opening event at various levels, depending on amount contributed. Sponsorships range from \$100 to \$2,500. Treasurer Scott Harrison said so far IRRRB and Great River Energy have signed on as sponsors.

Golf Course signage

The board again discussed what it wanted to see for the SNL sign. Somnis shared information from design consultant Richard Olson and pricing from him to design the sign. For a retainer of \$2,400, Olson will begin design work, which includes a visit to the site, measurements, research of zoning codes, schematic design, preliminary budget, and construction documents. Olson’s work beyond the retainer is billed at \$120 per hour. Hedstrom said he was comfortable with the information. He said he was confident that Olson would create a good concept for a reasonable price.

Motion by Scott Harrison, second by Hal Greenwood to hire Richard Olson of Environ Designs to design the monument sign at Superior National at Lutsen. Motion carried, all ayes.

Consider Memorandum of Understanding with Visit Cook County for 2018 Marketing for SNL

Somnis has been working with Visit Cook County on a memorandum of understanding for marketing of the golf course. Giant Voices does the VCC marketing and they would work with the EDA/Superior National as well. The agreement handles the \$100,000 to be used toward marketing the golf course, \$50,000 from VCC and \$50,000 from the EDA. The EDA will review and approved the 2018 marketing and media plan for SNL and then let Giant Voices handle the day-to-day implementation. VCC will provide monthly reports to the EDA on marketing and advertising activities. The EDA will provide monthly updates on the number of rounds played.

Motion to adopt the Memorandum of Understanding by Hal Greenwood, second by Bev Green. Motion carried, all ayes.

Consider adjustments to administrative agreement with the City of Grand Marais

The board discussed the retirement of Tina Hanson, who did some administrative work for the EDA, and how that will impact the EDA. Hedstrom said the EDA will see how things go for a few months before seeking a change,

but it is likely there may be some savings for the EDA. A decision on whether or not to approve an administrative agreement was tabled for now.

Opportunity Zones

Director Somnis said due to federal funding through the Tax Cut and Jobs Act of 2017, MN Employment and Economic Development (DEED) has funds to create “Opportunity Zones.” These zones are available for areas identified in the census as low-income tracts, which is most of Cook County. The city of Grand Marais may not be eligible, but it could be because it is contiguous to the other tract, it is the county seat and is home to the Cedar Grove Business Park. Somnis put together an application for these funds. She received letters of support from Northspan, the Northland Foundation, IRRRB and ARDC.

Harrison asked how the money would come to the EDA and Hedstrom asked how much was available. Somnis said those details are still being worked out. The governor needs to make his decision about census tracts that will be eligible for this program by March 31. Pat Campanaro said kudos go to Somnis for getting the application together in a week.

Financials

Harrison distributed financial reports for Superior National. He said relative to last year’s finances, the golf course is up by approximately \$10,000.

The board asked when the new bond payments must be made. Harrison said the bonds were paid February 18 with lodging taxes collected for that purpose. *Motion by Bev Green, second by Hal Greenwood to accept the Superior National at Lutsen financial reports for February 2018. Motion carried, all ayes.*

The EDA board reviewed the financial reports for the Cook County/Grand Marais Economic Development Authority (EDA) for December 2017 and January 2018.

Motion by Bev Green, second by Hal Greenwood, to accept the EDA financials for December 2017.

Motion by Bev Green, second by Hal Greenwood to accept the EDA financials and to approve payment of the invoices presented for February 2018. Motion carried, all ayes.

Old & Ongoing Business

Cedar Grove Business Park

Somnis said there have been two local inquiries about the business park.

Nordic Star - Grand Marais housing

One Roof is beginning work on Phase 2 of Nordic Star. Crawford Excavating got the bid for the groundwork on the next group of houses. As soon as weather allows, four more homesites will go in.

The board asked if any of the houses had been sold yet. Somnis said none have been pre-sold because One Roof wants the buyers to see the houses before purchasing. She said six applications have been approved and One Roof welcomes more.

Lutsen Housing

Scott Harrison said the EDA’s bond counsel Bob Toftey had conferred with the county on bonding for the Lutsen housing project. Harrison said the county is seeking bond funding for roads and bridges. The county doesn’t want to go out on the bond market multiple times, so bonds for the Lutsen project will be sole the same day as the road and bridges bonds. For that reason, Harrison said, the EDA needs to have a public meeting. The county’s meeting is April 9. Harrison suggested that the EDA also hold a public meeting that day, the board agreed to hold its regular April meeting that day as well. Harrison said One Roof should have complete information on the source and use of funds for the Lutsen project by then.

Village North

Nothing new for the EDA on this Bruce Block housing project (the former Gofer Cabins).

Assisted Living

No news from Spectrum Community Health about its possible assisted living project. Somnis said Spectrum is still reorganizing. The EDA's development agreement deadline was January 2018, but nothing happened. Hedstrom said he reached out to the developer and Somnis said the EDA would travel to meet him, but no response yet. Greenwood said all the uncertainty in the healthcare industry is concerning the developer. Green said with the closing of Hill Haven, the community is losing its senior citizens to other areas. Somnis agreed to try again to set up a meeting.

Creative Economy Collaborative (CEC)

Somnis said the Creative Economy Collaborative (CEC) had received the report from ArtSpace. Somnis said at the March 1 meeting of the CEC, it was agreed to not act on any of the recommendations at this time, as there are many other community planning efforts under way at this time. She pointed out the discussion of use of the Coast Guard building, Highway 61 reconstruction, and North House Folk School strategic planning.

Somnis said Greg Wright and Tom Christiansen will be going on WTIP radio to talk about the report.

Somnis said the group is continuing to work on the creation of a Grand Marais Arts Commission.

Small Business Development Center Report

The board reviewed a written report from SBDC Representative Pat Campanaro, who reported that she spent 61 hours with clients and seven hours of professional development. She is working with Cook County Chamber Director Jim Boyd and School Counselor Kris Hoffman on a workshop for businesses to help recruit employees.

Other business

EDA visit to State Capitol

Somnis and Chamber Director Jim Boyd gave a report on their visit to the State Capitol to promote projects in the county for which state bonding is sought. Scott Harrison said it appears that the visit was focused most intensely on Cook County Higher Education. Somnis said yes, in part because Higher Ed is hoping to begin providing a culinary arts program. Jim Boyd said Higher Ed has been talking to Hibbing Community College about this.

Howard Hedstrom said the Grand Marais Family Dentistry office needs hygienists. He said he told Senator Tom Bakk that is another reason the county needs remote educational options.

Jim Boyd said Tom Bakk had co-authored a bill for bonding for the Gitchi Gami Bike Trail and the Grand Marais harbor project. There is a complementary bill in the House.

Vacation Rentals

Bev Green asked if the EDA should try to do anything about the number of vacation rentals in the city and county. She said local people are losing opportunities for long-term housing because so many homes are being rented out as vacation rentals. Greenwood said this is on the Grand Marais Planning Commission agenda for discussion.

Chamber Director Jim Boyd said that short-term rentals are not allowed in residential zones. Doo-Kirk said the county board also planned to consider this. She said the county is now 57 percent seasonal-recreational.

Green said maybe there is nothing that the EDA can do, but said they should keep an eye on the situation.

The next EDA meeting will be Monday, March 9 at 4 p.m. at Grand Marais City Hall. The meeting will start with a public meeting to prepare for selling bonds for the Lutsen housing project.

Hedstrom will be available for the WTIP interview on EDA activities on Wednesday, March 7.

Meeting adjourned

Respectfully submitted by

Rhonda Silence

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