

Cook County-Grand Marais Economic Development Authority
May 8, 2018 – Grand Marais City Hall, Outpost Office

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

Others present: County Administrator Jeff Cadwell, County Commissioner Myron Bursheim, Anna Hamilton, Sarah Hamilton, Visit Cook County Director Linda Jurek, Small Business Development Center Representative Pat Campanaro, Rhonda Silence

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

The Pledge of Allegiance was recited.

Public Comment - None

The EDA considered the agenda and the minutes of April 9, 2018. *Motion to approve the agenda and minutes by Heidi Doo-Kirk, second by Hal Greenwood.. Motion carried, all ayes.*

New business

Anna and Sarah Hamilton on housing situation

Local business owners Anna and Sarah Hamilton appeared before the board to share their thoughts on the need for affordable housing in the county. Anna Hamilton shared some background information on how she and her sister came to be business owners in the community, the businesses they have been involved in, and the efforts they have taken to develop affordable housing.

Anna Hamilton said they had tried working with School District 166 on a project, but that turned out to not be possible. The Hamilton sisters also looked at purchasing some land by the Cook County law enforcement center, but wetlands there make building there not feasible.

Having both launched successful businesses, they are now hoping to help the community create some affordable housing opportunities. They said they are not hoping to create “mansions,” but simple family homes in the \$50,000 range, which could be purchased by lower wage workers.

Anna Hamilton said after a WTIP interview in which she mentioned this was something the duo wants to pursue, she was overwhelmed with offers to help. They have people who have committed to contributing financially and/or through labor. They are now in the midst of forming a nonprofit for affordable housing and figuring out a way to keep the homes affordable for the long-term. They are working with local attorney Baiers Heeren, who also does work for the EDA.

The problem they have encountered like many builders, is that it is difficult to find suitable, affordable land. They asked the EDA to consider donating land, either where a proposed assisted living facility had been considered, or above the business park, where another housing project had once been proposed.

The EDA board agreed this was a need. Board member Heidi Doo-Kirk said the need for affordable housing was identified by the “Go Team” many years ago and it is something the EDA has been—and will continue—to work on. She said the EDA can’t just “gift” land to a private citizen, but if a nonprofit is formed, the EDA could help in some way.

The EDA board thanked the Hamiltons for giving an update and asked them to return when the nonprofit has been formed and/or if there are other developments the EDA needs to know about.

Superior National at Lutsen

Visit Cook County marketing update

Visit Cook County Executive Director Linda Jurek gave an update on the marketing of Superior National at Lutsen. She shared 2017 and 2018 marketing efforts showing where ads for Superior National have been placed, shows and conventions where Superior National had a presence and social media efforts. She highlighted “hot opportunities” during which marketing funds can be leveraged, such as ads appearing in the *Duluth News-Tribune*

golf guide, *Northern Wilds* and in *The Walleye* at appropriate times to reach vacationers/golfers (such as Memorial Day, Victoria Day, etc.)

Re-opening celebration

The board discussed the grand re-opening of the golf course, planned for June 28. Registration will begin at 8:30 a.m. and there will be a shotgun start at 10 a.m. EDA Board Member Scott Harrison said the EDA/Superior National have been very successful at recruiting sponsors for the event. Dignitaries such as golf course consultant Jeff Brauer, legislators Rob Ecklund and Tom Bakk, Iron Range Resources Board representatives, golf writers, and local government officials and more have been invited. Superior National Golf Pro Heath Ekstrom has also been talking to other golf pros around the region.

Entrance sign

Somnis gave an update on the new entry sign at Superior National. Designer Richard Olson is now working with contractor Paul Nordlund on the new sign for the entrance.

Cedar Grove Business Park

Nesgoda Services purchase of Cedar Grove Lot

Gary Nesgoda and Nathan Hingos of Nesgoda Services are getting closer to the purchase of Lot 10, Block 5 of the Cedar Grove Business Park for \$35,000. The sale was partially contingent on whether Nesgoda Services received a Cook County Revolving Loan Fund or not. Heidi Doo-Kirk announced that the loan was approved at the county board meeting earlier in the day. Nesgoda and Hingos are working with Baiers Heeren on the closing documents.

Citizen concern

Director Somnis said she had been contacted by a citizen who was concerned about the stormwater plans for the business park. This person wondered if appropriate stormwater measures were being taken. Board Member Bev Green said her understanding was that the individuals who purchase the lots are responsible for the stormwater plans. Director Somnis said, yes, but the question was whether the EDA was properly following up to see that the plans have been completed. Somnis said anyone who buys a lot must have a stormwater plan in place and it must be approved by the EDA business park review committee. She said she is checking to make sure that has been done for all lots sold to date and what needs to be done in the future.

Kim Linnell lot

Director Somnis said Kim Linnell is at work on the lot he purchased, putting in a driveway. The board noted that Linnell has to get the appropriate permits from the county. Somnis said he is aware of that.

Financials

Treasurer Scott Harrison distributed financial reports for Superior National at Lutsen and the Cook County/Grand Marais Economic Development Authority for April 2018.

Motion by Bev Green, second by Hal Greenwood to accept the April 2018 financial reports for Superior National at Lutsen and the Cook County/Grand Marais Economic Development Authority as presented. Motion carried, all ayes.

The board reviewed invoices for payment for April 2018.

Motion by Carol Mork, second by Bev Green to approve payment of April invoices as presented. Motion carried, all ayes.

Old & Ongoing Business

Nordic Star - Grand Marais housing

Director Somnis told the EDA that the houses arrived in Cook County and the crane was coming to set three of the homes by Thursday. The fourth home would be set shortly after. She said water and sewer had been hooked up to the foundations and power would be connected soon.

Heidi Doo-Kirk asked if any of the houses had been sold. Somnis said they had not, but there are six approved applicants.

Lutsen Housing

Scott Harrison said funds have been released for the down payment for the Lutsen workforce housing structures. He said the county/EDA bond counsel is working on the funding documents and easements for Arrowhead Cooperative are still being recorded. He said subdivision permits are in place.

An old cabin on the property has been emptied and the Lutsen Fire Department has scheduled a practice burn at the site for May 20.

Director Somnis said the EDA and One Roof Housing have been in communication with the neighboring property owners Gary and Alta McQuatters. The housing area will share McQuatter's driveway. One Roof Housing asked Alta McQuatters if she would like to name the road to the new housing area as this area has been their family home for many years. No word on what the name of the road will be yet.

Village North

Somnis said as directed, she checked in with Bruce Block, developer of the Village North housing area (formerly Gofer Cabins). Block is making good progress on the structures moved to Village North from Tomteboda. Four have been remodeled and are now occupied. Nine more will eventually be available.

Mike McMillan is removing the old trailers at the back of the property. The plan is to build some new houses in that area. They could be built up with a carport underneath, so they will have a view of the lake.

Howard Hedstrom asked if Block was also planning to use some sort of land trust model. Somnis said yes and he has met with Julie Petrusha of One Roof Housing to discuss that.

A fundraiser to help fund this next phase is being planned, possibly a gathering at the Wunderbar.

Board member Hal Greenwood said this is a truly low-income housing opportunity.

Assisted Living

Howard Hedstrom said he had a conversation with the owner of Spectrum Community Health about its possible assisted living project in Grand Marais. He said the owner is not interested in moving ahead at this time.

Hal Greenwood said the decision was made because of recent changes to regulations governing assisted living facilities. He said as the industry becomes more regulated, it makes it more difficult and more expensive.

Bev Green said it is a shame and repeated what she has said in the past, local elders are being forced to move to other communities to find assisted living. She said this is a hardship on them and their families.

There will be a meeting of the EDA Assisted Living subcommittee on Monday, May 14.

Creative Economy Collaborative (CEC)

Somnis said the group is continuing to work on the creation of a Grand Marais Arts Commission, to work with the city of Grand Marais. She said the group now proposes acting as an advisory arts board, not another governmental board like the park board or the planning commission.

Howard Hedstrom asked if the CEC is still active and Somnis said it is very much so.

In a related matter, Howard Hedstrom said Amy Demmer is leaving as director of the Grand Marais Art Colony. He said that is a loss to the community as she has done a good job in her time with the nonprofit.

Small Business Development Center Report

Small Business Development Center Representative Pat Campanaro shared an article about a plan in the City of Los Angeles to deal with its housing shortage. The city has created a team to look at ways to build "backyard housing," small, but well-constructed homes. Board Member Anton Moody said this seems to be the future of housing. He said there has been some resistance to auxiliary housing, but it could be a solution to the local housing shortage.

SBDC Representative Campanaro said she serves on the Cook County Public Health and Human Services citizen advisory board. She said PHHS recently conducted a community health assessment and in the PHHS stakeholder meeting the following issues were deemed the top health issues facing the county: 1. Financial instability; 2. Social inequity; 3. Lack of services for elders; 4. Health care access; and 5. Alcohol and illegal drug use/abuse.

In a survey distributed, one of the questions asked respondents what are the top health issues impacting the county. Respondents listed access to affordable housing, lack of living wage jobs, access to child care and access to affordable health care as the top issues in the county. She shared a copy of the full survey results.

Campanaro also said PHHS had partnered with the Birch Tree Center in Duluth in an effort to destigmatize mental health issues and to promote mental health. They distributed bottles of bubbles (a joyful thing) with phone numbers of mental health services. Campanaro passed some out to those in attendance.

In her a written report, Campanaro said that she spent 55.5 hours with clients and nine hours on professional development work. She said she is partnering with the Entrepreneur Fund on a six-week course called “Be Strategic.” She said the course is designed to help participants establish a strategic business plan to define goals and objectives, to develop mission statements, to analyze a profit and loss statement and more.

EDA Executive Director Report

Before Somnis began her monthly update, Board President Hedstrom reminded the board that her two-year anniversary is this month. Board members thanked Somnis for her successful two years with the EDA.

In addition to the things already discussed at the meeting, Somnis reported that she had interviewed with IRRRB staff for an article about the EDA workforce housing projects; attended the One Roof Housing annual meeting in Duluth; participated as a panelist on the NE Regional Meeting of the Governor’s Task Force on Housing; and attended the regional Heart of the Continent meeting. At that meeting, she participated in the planning for the “Bike the Heart” event. She also assisted Carolyn Dry, a business owner with her application for a conditional use permit to operate a home business in her garage for the summer.

Other business

The next EDA meeting will be Tuesday, June 12 at 4 p.m. at Grand Marais City Hall.

Howard Hedstrom will be available for the WTIP interview on EDA activities on Wednesday, May 10 at 8:20 a.m.

Meeting adjourned at 5:30 p.m.

Respectfully submitted by
Rhonda Silence
Minutes & More