

**Cook County/Grand Marais Economic Development Authority**  
**May 14, 2019 – Grand Marais City Hall**

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

**Others present:** EDA Executive Director Mary Somnis; Small Business Development Center Representative Pat Campanaro; Paul Goettl, County Administrator Jeff Cadwell, Chris O'Brien, Matthew Engasser, Tony Walzer, Lyla Brown, Rhonda Silence

**Absent:** Scott Harrison

Meeting called to order by Hedstrom. Pledge of Allegiance was recited. No public comment.

Agenda and minutes of April 9, 2019 meeting reviewed. *Motion by Mork, second by Green to approve the agenda and April 9, 2019 minutes. Motion carried, all ayes.*

**FINANCIALS**

Goettl distributed April 2019 financial reports for Superior National and for the EDA. The board also reviewed the checks to be written for the month.

*Motion by Greenwood, second by Green to accept the financial reports for Superior National and the EDA for April 2019 and to approve payment of invoices. Motion carried, all ayes.*

**NEW BUSINESS**

**Cook County Local Energy Project request for funding**

Matthew Engasser, Tony Walzer, Chris O'Brien of the Cook County Local Energy Project (CCLEP) gave an update about CCLEP activities, which included 60 audits under its Residential Energy Efficiency Program (REEP) and an expanded effort to increase solar energy use. They said the EDA has supported CCLEP by contributing \$1,000 to the Builders Workshop.

CCLEP asked for a contribution of \$8,000 for its next budget to help pay for programs and a portion of the salary of CCLEP's part-time coordinator. The coordinator facilitates the energy audit program, the Builders Workshop, the Real Solar Deal and the Local Climate Change Solutions series.

O'Brien said this fits the EDA's economic development mission as alternative energy is a fast-growing industry, with clean energy job growth increasing. He said CCLEP's work is creating a market for solar and clean energy business development.

The EDA board said it appreciates CCLEP's efforts, but Green and Doo-Kirk noted that the EDA budget had been set. Doo-Kirk added that in the past the EDA had declined funding a position for an entity. O'Brien said this could be looked at as supporting programming. The EDA asked questions about CCLEP's budget.

Somnis suggested that CCLEP come back to the next EDA meeting with a breakdown of how programming is funded and more information. The CCLEP members agreed to do so.

**PHHS Housing Report**

SBDC representative Campanaro serves on the Community Health Improvement Plan committee. She shared a report from the last stakeholder meeting, which is held every five years. She said the stakeholders work to prioritize what areas PHHS should focus on. She said the

session brought up things that are no surprise to the EDA: assisted living needs and the need for a housing redevelopment authority. Campanaro said Grace Grinager of PHHS will compile the concerns discussed and the group will reconvene in 2-3 months to review a draft of the report. Once that prioritization is done, PHHS will come to the EDA to look at ways of partnering.

### **Grand Marais Art Colony**

Lyla Brown of the Grand Marais Art Colony shared the Art Colony's plan to purchase the North Shore Pharmacy building in Grand Marais. The Art Colony has submitted a purchase agreement, which was accepted by the owners.

Hedstrom serves on the board of the Grand Marais Art Colony. He said no action is required by the EDA, but he wanted to share the information.

Campanaro asked if the EDA was concerned that this could take a commercial property off the tax rolls. Hedstrom said part of the building will likely be rented for commercial use, so a portion of the building will still be taxed.

The Art Colony is applying for a grant from the IRRRB "Recharge the Range" program to be used toward the purchase. The Art Colony was able to apply directly to the IRRRB, but Hedstrom suggested that the EDA send a letter of support.

Motion by Doo-Kirk, second by Mork, to send a letter of support for the funding application to the IRRRB. Motion carried, all ayes.

### **Housing/Opportunity Zones**

Somnis shared that, despite what was previously thought, the Opportunity Zone in Cook County includes part of the city of Grand Marais and the Cedar Grove Business Park. Somnis is planning a workshop about the Opportunity Zones on May 31 from 10 – noon at Bluefin Bay. Somnis said she may still arrange a housing summit later.

### **City Hall Information**

Somnis shared information from the city of Grand Marais regarding possible development of the city hall/liquor store building. The city issued a RFP for redevelopment to see what sort of interest there is. The firm of Thies and Talle sent a preliminary proposal. Somnis said it appears that it is not financially feasible to redevelop the building unless it is 4-5 story structure. Moody, who is also a city councilor, said the proposal was interesting and led to good discussion of possible use of the building. Greenwood said he believes the liquor store needs to be expanded. Moody said no decisions have been made and the city council is open to public input.

### **AEOA**

The Arrowhead Economic Opportunity Agency (AEOA) has asked Somnis to serve on its board. The board meets six times a year in Virginia, MN. AEOA works on housing, aging, and transportation and public health issues. Concerns have been expressed by some that Cook County is not getting all of the benefits it could from AEOA.

Somnis said County Commissioner Mills serves on the AEOA and he said he wasn't sure that having Somnis on the board would be the best use of the local EDA's time.

Green, who is also director of the Cook County Senior Center, said the senior center works with AEOA. However, she said it does seem that people don't know what AEOA offers.

Somnis said anyone else who wants to serve on the AEOA can contact her.

### **Small Business Development Center support**

The EDA considered a letter to the UMD Center for Economic Development expressing appreciation for the local SBDC office. The letter added endorsement of an increase in funding for SBDC programs and services.

*Motion by Moody, second by Mork, to send a letter of support to the UMD Center for Economic Development. Motion carried, all ayes.*

### **OLD AND ONGOING BUSINESS**

#### **Cook County Workforce Solutions**

Somnis participated in the interviews and selection of the new workforce recruitment employee at the Cook County Chamber. Somnis said the Chamber has hired Laura Muus, a former J1 worker, now a Grand Marais resident. Somnis will continue to lend assistance as needed.

#### **Cedar Grove Business Park**

Somnis said some trash was discovered in a ditch at the business park. It was cleaned up.

#### **Nordic Star - Grand Marais housing**

Somnis said Julie Petrusha, housing development coordinator, for One Roof, had a meaningful personal experience with one of the new homeowners at Nordic Star. She said when the children in the family learned that Petrusha played a role in them getting a home, she got a hug.

Somnis said next week, contractors will start with the foundation for the next two houses.

Landscaping will also be completed. There will be open houses at the homes in June.

#### **Four Directions Dwellings**

Somnis said the last building for the apartments in Lutsen will be coming soon.

#### **One Roof Housing**

Somnis distributed an annual report from One Roof Community Housing and encouraged the EDA to review it. Jeff Corey, CEO of One Roof Housing, will be at the Cook County commissioner's committee of the whole meeting on May 21. Somnis said the future of housing projects will be discussed.

#### **Village North Update**

Bruce Block continues work on the site. The next eight units there should be available soon.

#### **Creative Economy Collaborative**

Somnis continues to be the EDA representative for this group. She is facilitating an update to the CEC implementation plan. CEC has been invited to present at the Rural Arts and Culture Summit to be held in Grand Rapids in October.

#### **Superior National at Lutsen**

Somnis told the board that River and Canyon will open Saturday, May 18. She said North Shore Health Care Foundation has decided to not have a golf tournament this fall. Golf Pro Heath Ekstrom plans to host a "Folds of Honor" and 10<sup>th</sup> Mountain Division tournament. That is a

meaningful cause as George Nelson, Jr. who donated the land to build the course was a member of the elite 10<sup>th</sup> Mountain Division.

Somnis encouraged board members to check out a video made by Ekstrom celebrating that he was able to golf and ski at the same time. We enjoyed a good deal of PR for those weekends. Somnis said she has been participating in the ongoing meetings with the marketing team and Stay & Play partners.

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

Campanaro has been very busy getting caught up after her extended family leave. She had 161.25 hours in April client contacts and 22.5 hours in professional development. She had 126 contacts with 40 different clients.

Campanaro again thanked the EDA for its support of the upcoming “Profit Mastery” class at Cook County Higher Education. She said because of the EDA’s support the following businesses attended the training: The Big Lake, North Shore Winery, Hoaglund Designs, Fika, Nesgoda Services, Sivertson Gallery, Lake Superior Trading Post and Pincushion Trails Inn.

Campanaro shared a flyer from a new daycare business in the community, Northwoods Playschool, LLC. This is a nature-based learning program designed and managed by Lisa Tracy of Grand Marais. Enrollment is open now and Northwoods Playschool will open its doors September 3. The programming is designed for ages 3-5.

### **EDA Executive Director Report**

Somnis reported that she had attended the Cook County Planning Commission meeting to hear the discussion of short-term vacation rentals. She met with Ivy Hocking, president of the Cook County Historical Society. She met with Lonnie Dupre about a potential housing project. She also attended a meeting of the Cook County Chamber, the ARDC, and the NE Minnesota HOME Consortium. She escorted Chris Ismil of the IRRRB to site visits at several projects funded in part by the IRRRB.

### **OTHER BUSINESS**

The next EDA meeting will be Tuesday, June 11 at 4 p.m. at Grand Marais City Hall.

Hedstrom will be available for the WTIP interview on EDA activities on Wednesday, May 15.

*Meeting adjourned 5:30 p.m.*

Respectfully submitted by  
*Rhonda Silence*  
*Minutes & More*