

Cook County/Grand Marais Economic Development Authority
June 11, 2019 – Grand Marais City Hall

Present: Howard Hedstrom, Scott Harrison, Heidi Doo-Kirk, Carol Mork, Bev Green
Others present: Mary Somnis, Pat Campanaro, Jim Boyd; Lisa Tracy, Rhonda Silence
Absent: Anton Moody, Hal Greenwood

Meeting called to order by Hedstrom at 4:00 p.m. There was no public comment.
Agenda reviewed and minutes of May 14, 2019 meeting reviewed. *Motion by Mork, second by Harrison to approve the agenda and May 14, 2019 minutes. Motion carried, all ayes.*

FINANCIALS

Harrison presented financial reports for Superior National and the EDA for May 2019. Somnis shared information regarding financial reports for government bodies. According to the report, only audited financial reports should be adopted. This is the procedure under Robert's Rules of Order. The board agreed to change the language it uses regarding financial statements. The board reviewed the financials which will be filed for the auditor.

The board reviewed invoices for the month. Motion by Green, second by Doo-Kirk to approve checks for invoices as presented. Motion carried, all ayes.

NEW BUSINESS

Consider Business and Housing Subsidy Application from Northwoods Playschool

Lisa Tracy presented her plans to open Northwoods Playschool. Tracy talked about the research of today's "nature deficit." She said children today spend only about ½ hour a day outside.

Because of that there has been a movement toward nature-based preschools. That is what she will be offering. She shared photos of kids at play on her property and what would be offered. Tracy also spoke about the benefit of her business to the community. There is a critical need for childcare for the workers in the county. There is a need for quality childcare and for an affordable option. The programming is designed for ages 3-5.

Tracy asked for a grant of \$16,750 to add fencing to her property to keep children safe from County Road 7, and to enclose a deck on her house to create an outdoor play area. She included a map of the property detailing how the playschool would be laid out and where the fencing and other improvements would be made.

EDA board members asked what she had invested in her business. She said when finished, her family would have about \$43,000 invested, plus many hours of sweat equity, for an estimated total of \$60,000. She said she also received \$5,000 from a private donor for addition of a bathroom and a \$1,000 grant from the Cook County Whole Foods Co-op for the preschool's garden.

The EDA board complimented Tracy on a very well-prepared presentation and asked some questions about implementation, attendance and budget for the preschool. SBDC Representative Pat Campanaro said her business plan was one of the most thorough she had ever received and added her support to the project.

The board asked Somnis what funds are in the Business and Housing Subsidy Fund. Somnis distributed the Business Development Program policy and copies of Tracy's application. Somnis said the EDA put \$70,000 in the 2019 budget for business development.

Motion by Doo-Kirk, second by Mork, to approve a grant of \$16,750 for Lisa Tracy of Northwoods Playschool. Motion carried, all ayes.

Consider recommendation from Finance Committee for EDA 2020 budget

Harrison shared a proposal from the budget committee for the 2020 budget. He provided an overview of the EDA's financial history, with numbers for operations, staffing and projects for 2017 – 2019, with proposed numbers for 2020.

Green noted that the EDA had just given a grant out of the Business Development Subsidy Fund. She asked if that was in the 2020 budget. Harrison said it is included in "projects." Harrison shared a chart with projects for the same period. There were a few more questions. Somnis suggested having a report for the county board that shows line items for projects. The board agreed and asked Harrison to add that information to ensure the county board has all the information it needs.

The request to the county board will be for \$300,000, up from \$298,524 in 2019, an increase of \$1,476. It will be noted that this does not include the creation of a local HRA.

Motion by Mork, second by Doo-Kirk, to request county board approval of \$300,000 for 2020. Motion carried, all ayes.

OLD AND ONGOING BUSINESS

Cook County Workforce Solutions

Somnis participated in orientation and training of the Cook County Chamber's workforce recruiting coordinator, Laura Muus.

Cedar Grove Business Park

Somnis said some trash was discovered in a ditch at the business park. Somnis expressed appreciation to Mike Roth for asking city staff to clean it up and to the workers who picked it up.

Housing

Somnis said she hosted Jeff Corey, CEO of One Roof Community Housing and Julie Petrusha, One Roof's project coordinator, during their recent visit. They attended a meeting with the County Board, did a WTIP radio interview, and had lunch with local leaders. While here, they discussed potential future housing projects.

Nordic Star - Grand Marais

The foundations have been laid for the last two houses of the Nordic Star development. Carol Mork said she had stopped in during the Nordic Star open houses with Jim Philbin. She said it was very well attended.

Four Directions Dwellings - Lutsen

Somnis said the crane was scheduled to set the last building in Lutsen on the day of the meeting.

Village North Update

Bruce Block continues work on the former Gofer Cabins site. Harrison asked if he had finished his business plan. SBDC Representative Campanaro said she needed to meet with him again. Things had been put off when Block was ill. Somnis said she also needs to meet with him as she thinks his redevelopment project could benefit from the Opportunity Zone program.

Creative Economy Collaborative

Somnis continues to be the EDA representative for this group.

Small Business Development Center Report

Campanaro had 63 hours in May, with 47 hours in client contacts and 16 hours in professional development. She had 38 contacts with 21 different clients.

Campanaro gave a quick update on her attendance at the three-day statewide Knowledge Exchange Program (KEP) for the Minnesota SBDC network. At the program, she earned a certificate in Exit Planning. What she learned could be used to help businesses with transition periods. She learned about use of a business broker and workforce ownership initiatives. The event started with getting to meet new Department of Employment and Economic Development (DEED) Commissioner Steve Grove, an ex-Google executive who shared his plans for DEED.

EDA Executive Director Report

Somnis reported that she had attended the WTIP annual meeting; the ARDC board meeting; joint meeting of local elected boards at North Shore Health; the Chamber of Commerce meeting with Legislative Relations Specialist Judy Erickson, and Minnesota Association of CVBs. She also attended a meeting regarding the designing of the Gitchi Gami Trail through Lutsen and an Opportunity Zones meeting with Northspan.

Somnis continues to have discussions with the community regarding the creation of the housing rehabilitation authority (HRA).

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

Mork reported that she and Hedstrom had met with some Grand Portage representatives to see if there are ways the EDA can help with community needs. Mork said the east end has similar needs as the rest of the county—housing and economic development. They hope to find ways to work together in the future.

The next EDA meeting will be Tuesday, July 9 at 4 p.m. at Grand Marais City Hall.

Howard Hedstrom will be available for the WTIP interview on EDA activities on Wednesday, May 12.

Meeting adjourned 5:45 p.m.

Respectfully submitted by

Rhonda Silence

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