

**Cook County-Grand Marais Economic Development Authority**  
**July 9, 2019 – Grand Marais City Hall**

**Present:** Board members Howard Hedstrom, Scott Harrison, Carol Mork, Bev Green, County Board Alternate Board Member Myron Bursheim

**Others present:** EDA Executive Director Mary Somnis; Cook County Chamber Director Jim Boyd; Sara Taylor, Melissa Dressley, Rhonda Silence

**Absent:** Anton Moody, Hal Greenwood, Heidi Doo-Kirk

Meeting called to order by Hedstrom at 4:00 p.m. No public comment.

**Agenda & Minutes**

Agenda and minutes of June 11, 2019 meeting reviewed. *Motion by Mork, second by Green to approve the agenda and June 11, 2019 minutes. Motion carried, all ayes.*

**NEW BUSINESS**

**Superior National Marketing Update**

Melissa Dressely of Do North Marketing, LLC and Sara Taylor of Urban Wild Design, LLC gave an update on the targeted marketing for Superior National at Lutsen.

Taylor explained her social media outreach. Golfers are “checking in” on social media and uploading their own photos of the golf course. She said that is free advertising for the course and very valuable. She talked about Facebook, Instagram and Twitter posts and how they are used. Dressely gave an update on digital marketing and ad placement. She said having the Peter Wong photographs of the course has been very helpful. She shared one of the rack cards with the tagline, “The Greatest Golf...on the Greatest Lake...Now Even Better.” She said that tagline is being used throughout all ads and social media, focusing on the newly renovated course.

Dressely added that golf pro Heath Ekstrom is creative and came up with an idea for a video “To Par or Not to Par” and she and Taylor worked with him to share it. It is getting a lot of attention.

**Potential increase in rent for 2020**

Somnis noted that the EDA board is seeking a 5% increase in the 2020 budget. She said the city is considering what it will do with the city hall/liquor store building. If the city decides to renovate the building itself and keep the same tenants, the EDA could be asked to temporarily work elsewhere. If the city ultimately decides to do something entirely different with the space, the EDA could be asked to move out permanently. Because of that, Somnis has been investigating other available rental spaces, such as in the former Human Development Center building. The rent there would be \$1,500 a month—quite a bit more for the EDA budget.

Another option could be the former Dog Haus (next to former Arrowhead Pharmacy), which is now owned by the Grand Marais Art Colony. The Art Colony plans to rent the Dog Haus space. What the rent there will be is unknown, but regardless, Somnis said the EDA should be prepared for a move at some point. She added that rental space could be shared (as it is now) with the Chamber, AEOA and the Small Business Development Center. The board discussed possible solutions, but since the city is in the preliminary planning stage, no action was taken.

**Consider proposal from Northspan for “Go Cook County” progress report**

Somnis and Jim Boyd spoke with Northspan staff during an Opportunity Zone workshop. Northspan worked with Cook County on the creation of the “Go Cook County” strategy, which led to some changes to the business climate in the county. From the “Go Cook County” meetings it was decided to develop an overall Cook County Chamber of Commerce. Harrison said the “Go Cook County” reports led to the EDA’s housing projects.

Somnis and Boyd said they talked to Northspan about coming back to Cook County to take a look at those initial goals, to see what has been completed and to look ahead at what needs to be done.

Northspan responded with a proposal to return and offer a progress report. Northspan wrote that if hired, they would work with members of the “Go Team” to gather information on the efforts done to date. They would compile the information into a single report and presentation and would deliver a presentation on the findings. They would gather feedback on new priorities.

The cost for the work would be between \$9,415 to \$10,815. The board said other local government entities and/or businesses should contribute funds for the work. The also said they believed this would be a valuable exercise, but they would like more emphasis on looking at the next steps for the community. The board agreed to move ahead with the Northspan proposal, probably in the winter, when community members are not as busy.

### **Discussion of Short-Term Rental Property Tax Classification**

Chamber Director Jim Boyd gave an informational handout about short-term rental properties and recent tax classification changes. Boyd explained the process that got the county to its current situation and spoke about the ramifications to the county under the state proposal to change all short-term rental properties to commercial. He said such a change could be devastating to the county’s tourism industry. Boyd said this could possibly be less-impactful if the County Assessor’s Office reversed the change it made for the 2020 tax year, when it re-classified these short-term rental properties as non-resident homestead. Because of that change, all of these short-term rental properties could ultimately be classified by the state as commercial. Boyd suggested that the EDA support a request to the Cook County commissioners to instruct the Assessor’s Office to make that reclassification back to what the properties once were. Mork questioned whether the EDA should get involved what appears to be a conflict between the Assessor’s Office and the state. Commissioner Myron Bursheim said Assessor Bob Thompson is working with the state on this and cautioned against causing conflict on a situation that may work itself out.

*Motion by Harrison, second by Mork, to table any request to the county board or Assessor’s Office to make changes to property tax classifications for short-term rental properties. Motion carried, all ayes.*

### **FINANCIALS**

Harrison presented financial reports for Superior National for the EDA for June 2019. The board reviewed the financials which will be filed for the auditor. The board also reviewed the checks to be written for the invoices for the month. *Motion by Mork, second by Green to approve checks for invoices as presented. Motion carried, all ayes.*

### **OLD AND ONGOING BUSINESS**

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

Somnis continues to work with the Cook County Chamber's workforce recruiting coordinator, Laura Muus, introducing her to contacts here and in Puerto Rico.

### **Cedar Grove Business Park**

Nothing to report at this time.

### **Housing**

Somnis provided some assistance to One Roof Housing on grant reimbursements and local communication on their Nordic Star housing project in Grand Marais and the Four Directions Dwellings apartments in Lutsen.

She also participated in the ongoing discussion of the creation of an HRA in Cook County.

### **Creative Economy Collaborative**

Nothing to report at this time.

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

Campanaro provided a written report. She had 55 hours in June, with 45 hours in client contacts and 10 hours in professional development. She had 45 contacts with 22 different clients.

Campanaro shared information on a Business Development Seminar in Mountain Iron. She said there was a great review of opportunities offered by DEED and other funders to area businesses.

### **EDA Executive Director Report**

Somnis reported that she had worked with the marketing team on Superior National's "Stay and Play" program. She assisted Grand Marais Art Colony Director Lyla Brown on an IRRRB grant request. She attended the Cook County Chamber annual lunch and met with representatives of Cook County Higher Education regarding the North Shore Culinary Program.

### **OTHER BUSINESS**

Green asked that Assisted Living be put back on the agenda for discussion at future meetings.

There was discussion of why the previous EDA effort to bring an assisted living facility to the county fell through. Hedstrom said recent changes in regulations for care facilities had increased protections for patients but have made operating a facility more complicated.

Green said she would like to see another effort to increase assisted living in the county. As director of the Cook County Senior Center, she has seen a great need for this.

The next EDA meeting will be Tuesday, August 13 at 4 p.m. at Grand Marais City Hall.

Hedstrom will be available for the WTIP interview on EDA activities on Wednesday, July 10.

*Meeting adjourned 5:40 p.m.*

Respectfully submitted by

*Rhonda Silence*

*Minutes & More*