

**Cook County-Grand Marais Economic Development Authority**  
**September 18, 2018 – Grand Marais City Hall**

**Present:** Board members Heidi Doo-Kirk, Howard Hedstrom, Anton Moody, Hal Greenwood, Bev Green; Executive Director Mary Somnis

**Absent:** Carol Mork, Scott Harrison

**Others present:** Pat Campanaro, Jim Boyd, Linda Jurek, Jeff Cadwell, Paul Goettl, Bob Nesheim, Rhonda Silence

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

**Public Comment**

Bob Nesheim of Grand Marais said he heard that the EDA was considering sending a letter to the MN DNR in support of its proposal to build a bridge on the Gitchi Gami Trail where it will pass over Fall River. Nesheim urged the EDA to send the letter. He said this is a project that has been in the works for a long time and this Cut Face to Grand Marais section is very important.

Agenda reviewed. *Motion by Greenwood, second by Doo-Kirk to approve the agenda. Motion carried, all ayes.*

August 14 Minutes reviewed. Doo-Kirk pointed out a typo – an “s” is missing from the word contributes under the Building Blocks Fund Request section. *Motion by Doo-Kirk, second by Green to approve the August 13, 2018 minutes with that correction. Motion carried, all ayes.*

**NEW BUSINESS**

**Superior National at Lutsen marketing report**

Last month when Kjersti Vick gave the marketing overview for Superior National there were questions on how statistics are gathered from email promotions and advertisements. Linda Jurek returned to this meeting with information on media placements, when emails were sent, TV and radio ads, etc. She said in October, Visit Cook County would return with Giant Voices to share more.

Somnis shared copies of Superior National photos by international golf course photographer Peter Wong. Superior National now has professional photos on file.

**Request for funding/amendment to Disbursing Agreement from One Roof for 4 Directions Dwelling**

The board discussed the workforce rental housing project, now named the Four Directions Dwellings.

The EDA received a \$75,000 funding request from One Roof Housing to help meet a project funding shortfall.

One Roof provided a chart showing total development costs and sources of funds. One Roof has grant requests out to the Lloyd K. Johnson Foundation for \$40,000 and NeighborWorks America for \$75,000. If the EDA agreed to contribute \$75,000, there would still be a funding shortfall of \$37,862.

Doo-Kirk asked what would happen if One Roof doesn't get the other funding. Green said she shared Doo-Kirk's concern. Greenwood said One Roof has a strong balance sheet and could cover that additional expense, but it would hinder its support of other projects. Somnis reminded the board that construction costs were higher than anticipated, such as an additional \$67,000 for blasting bedrock at the site.

Hedstrom said Treasurer Harrison had reviewed the EDA finances and that he believed the \$75,000 contribution was feasible. Green asked if One Roof would come back to the EDA for additional funding. Hedstrom said no, the project is nearing completion. Green asked if the EDA should wait until it finalizes its policy on access to housing and business development funds. Doo-Kirk said the policy would cover new projects coming to the EDA from the public, not ones like this project which was initiated by the EDA.

*Motion by Greenwood, second by Hedstrom to approve a contribution of \$75,000 to the One Roof Housing Four Directions rental housing project. Motion carried with Greenwood, Hedstrom, Doo-Kirk and Moody voting aye; Green voting nay.*

The EDA considered a request from One Roof to amend the Disbursement Agreement regarding the bond funds. Somnis and Cadwell explained that under the current agreement the bond funds will be the last released on the project. That means One Roof cannot get the funds until the project is complete and the DEED funds have been released. Because of this situation, One Roof may have to take a loan out for completion of the project (to be repaid when funds are released.) Cadwell said Auditor Powers felt it was appropriate to do the amendment. Somnis said attorney Bob Toftey would review the amendment change.

*Motion by Greenwood, second by Doo-Kirk, to amend the agreement as proposed. Motion carried, all ayes.*

### **Policy for access to housing and business development funds**

At the last meeting, the board agreed to have a policy on how housing and business funds are distributed. A committee was established to work on these policies; the members are Doo-Kirk, Mork, Moody and Somnis. They brought information back to the board, including the previously approved Business Subsidy Policy. They provided a draft policy, combining policies on business and housing subsidies and asked for feedback. The committee recommends having an attorney familiar with EDA policies look at the draft. The board tabled a decision on the policy to take more time to consider what should be included.

Moody reminded the board that Business Park Design Review Committee should be reviewed. He said another person is needed to serve on that committee. Hedstrom and Somnis will review EDA committees to see if other updates are needed.

### **Consider letter to DNR Commissioner re: Gitchi Gami bridge at Fall River**

The board talked about the proposed alignment of the Gitchi-Gami State Trail from Cutface Creek Wayside to Grand Marais. There was discussion of some opposition to a bridge over the Fall River. Hedstrom said the Gitchi-Gami has significant economic impact and serves as a place for people to enjoy the scenery.

*Motion by Moody, second by Doo-Kirk to send the letter of support for the Gitchi-Gami State Trail section from Cutface Creek Wayside to Grand Marais. Motion carried, all ayes.*

## **FINANCIALS**

### **Superior National at Lutsen**

Accountant Goettl distributed financial reports for Superior National at Lutsen for August 2018. Goettl said checking and saving balances for August were up from last year, as was accounts receivable (from the Stay & Play packages). Net income is currently up \$106,000. Goettl said rounds were down at the end of August, however, he said Golf Pro Ekstrom is confident that the course will reach the budgeted goal in September.

### **EDA financials and Payment of Bills**

The EDA reviewed the financials for the EDA for August 2018. Goettl pointed out that there are “pass-through” funds in the budget that the EDA receives for a variety of projects and pays out as they are completed. The board reviewed the list of checks to be issued. *Motion by Green, second by Doo-Kirk to accept the August 2018 financial reports for Superior National and the EDA and to authorize payment of the bills as presented. Motion carried, all ayes.*

## **OLD AND ONGOING BUSINESS**

### **Cook County Workforce Solutions – Plan B**

Somnis shared a report about finding workers from Puerto Rico to fill the workforce gaps in Cook County. Somnis, along with Brian Sherburne, enterprise manager of Grand Portage and Eric Witzig, human resources of Bluefin Bay, traveled to Puerto Rico to learn about recruiting workers. They learned about the process from a group from Taney County, Missouri that has had success finding workers for the Branson area. Somnis said she had gotten an email from someone upset that the EDA was paying for this. She reiterated that the Cook County

Chamber paid for the EDA director's travel. The EDA paid Somnis' wages, as the EDA believes this is important economic development work.

### **Cedar Grove Business Park**

There was a ribbon cutting on August 16 for Nesgoda Services at their newly purchased lot. Somnis said she met with the MN DNR regarding relocating the snowmobile trail. That needs to be done before snowmobile season.

### **Nordic Star - Workforce housing**

Somnis said the open house earlier in the day went well. Three of the first four homes are sold. One of the phase two homes is on site and others will be stored at the former Tomteboda site until the crane comes to set them all.

### **Four Directions Dwellings – Workforce housing**

The workforce rental project is moving along. Three of the four building sites are ready for the foundations. The apartments are being built by Homark. They will be set by the same crane that sets the Nordic Star homes.

### **Assisted Living**

There may be a visit with another developer coming up. Green said this is something that is really needed. She said it is hard to see families send their elders out of the county because there are no spaces available to care for them.

### **Creative Economy Collaborative (CEC)**

Somnis continues to attend the CEC meetings. The City of Grand Marais has designated the CEC to be an advisory board to the city. The CEC has been invited to take part in the Highway 61 amenities planning.

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

SBDC representative Campanaro provided a written report. She had 26.75 hours in client contacts and 4 hours in professional development in August. She had 30 meetings with 13 different clients, three of which were new. Campanaro participated in an Opportunity Zone conference call to learn more about the program and how it could work in Cook County. She asked the board to visit with her if they want more information.

### **EDA Executive Director Report**

In addition to the agenda items already discussed, Somnis reported that she had met with IRRRB staffers on project site visits; participated in a conference call with Krech & Ojard regarding the potential housing project in Tofte; worked on the trails grant application on behalf of Superior Cycling Association for \$450,000; met with YMCA staff regarding an IRRRB request for funding for restrooms for its childcare area; began planning on a non-traditional lender workshop; and attended a number of other meetings.

### **OTHER BUSINESS**

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

Hedstrom will be available for the WTIP interview on Wednesday, September 19 at 8:40 a.m.

*Motion to adjourn by Greenwood, second by Green at 5:15 p.m. Motion carried, all ayes.*

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