

Cook County-Grand Marais Economic Development Authority
October 8, 2019 – Grand Marais City Hall

Present: Board members Scott Harrison, Heidi Doo-Kirk, Anton Moody, Hal Greenwood, Carol Mork, Bev Green

Absent: Howard Hedstrom

Others present: Jim Boyd, Jeff Cadwell, Sylvia Galbraith, Lisa Tracy, Rhonda Silence

Meeting called to order by Vice President Anton Moody at 4:00 p.m.

Public Comment – none

Agenda & Minutes

Motion by Mork, second by Green to approve the agenda with addition of a business development fund request. Motion carried, all ayes.

Motion by Mork, second by Green to approve August 13, 2019 and September 10, 2019 minutes. Motion carried, all ayes.

NEW BUSINESS

Consider request from the EDA Business Development Fund

The EDA considered a request from its Business and Housing Subsidy from Sylvia Galbraith for purchase of 47 North Quilt Shop and Heavy Duty Window Treatments in Lutsen.

Galbraith was at the EDA meeting to answer questions about her plan to buy the Heavy Duty Window Treatment business from Anna Latz and to add a quilt shop. She shared information on special custom quilts with unique artwork by local artists Kari Vick and Betsy Bowen. She also said she has strong family backing. She owns a quilting machine, which would be the only of its kind in Cook County. Somnis shared information on her funding sources—a credit union loan and personal collateral. She also approached the Cook County Revolving Loan Fund and had received a loan from them, contingent on support of an EDA grant. Because margins are tight, when she went before the revolving loan fund, it was suggested that Galbraith request a business development grant from the EDA. Galbraith met with Somnis, and business development fund committee members Heidi Doo-Kirk and Carol Mork. Mork said the committee recommends approving \$15,000 from the fund for equipment and signage.

Galbraith asked for authorization to use some funds for development of an online store. Doo-Kirk and Mork said they do not recommend allowing use of funds for marketing, but for equipment and merchandise.

Harrison and Moody expressed concern about the small margins. Harrison gave Galbraith some business recommendations, including advice to renegotiate a better lease deal.

Motion by Mork, to grant \$15,000 from the EDA's business development fund for 47 North Quilt Shop and Heavy Duty Window Treatment, second by Harrison, with an amendment that the grant is contingent on Galbraith negotiating a better lease arrangement. Motion carried, all ayes.

FINANCIALS

Harrison presented financials for Superior National for September 2019. Harrison said total income is up from last year and the golf course shows a gross profit, to date, of \$17,000.

Rounds were down at the end of September. The budget was for 13,000 rounds but the course saw 12,000—the same as last year.

Harrison said next month grounds superintendent Mike Davies and golf pro Heath Ekstrom will come to the EDA meeting to give a report.

The EDA board also reviewed the Cook County/Grand Marais Economic Development Authority financials for September 2019. The golf course and EDA financial reports will be filed for the annual EDA audit.

The board reviewed the checks to be written for the invoices for the month.

Motion by Green, second by Doo-Kirk to approve checks for September–October 2019 invoices as presented. Motion carried, all ayes.

OLD AND ONGOING BUSINESS

Lisa Tracy, owner of Northwoods Playschool gave a report on her new business. She shared information on the work that was done to make her childcare safe, using the \$16,750 grant from the EDA Business Development Fund. She also shared photos of the activities at Northwoods Playschool. She expressed appreciation to the EDA for giving her the assistance to get her business going.

Assisted Living

Somnis said there has been no word from developer Jon Monacelli regarding a potential investor in assisted living in Cook County.

Cook County Workforce Solutions

Cook County Chamber's workforce recruiting coordinator, Laura Muus, is currently in Peru, so there is nothing to report this month.

Cedar Grove Business Park

Somnis said there has been some interest in Cedar Grove by a couple of local businesses.

Somnis shared a response from Cook County Towing about the conditions of the lot owned at Cedar Grove Business Park. The owner explained that he had been unaware of the covenants when he purchased the lot from the previous owner. He said the grass on the lot had been mowed and he was working on getting the junk vehicles towed off by the salvage company. He is working on fencing to screen vehicles from the road. The EDA was satisfied with the response, as long as the property continues to be maintained in accordance with the covenants.

Housing

Somnis said she had a site visit with the engineer at Four Directions Dwelling regarding the apartment complex punch list. She also visited a house constructed by Hamilton Housing in Grand Marais. There is nothing new to report on Nordic Star or Village North housing projects.

Creative Economy Collaborative (CEC)

Somnis reported that she continues to work with the CEC on aspects of the Highway 61 project. She had a phone conference with landscape architect CJ Fernandez regarding the public art to be installed near North House/Rec Park as part of the Highway 61 project.

She also continued preparation for the Rural Arts and Culture Summit.

Small Business Development Center Report

Campanaro provided a written report. She had 45 hours business counseling in September and had contact with 18 clients. Two clients completed loan packaging and are waiting for results.

Campanaro reported on the changes coming for the SBDC as the Northland Foundation takes over as the NE MN Regional SBDC. She said it appears that the Cook County SBDC will continue as it has been, and is glad to have learned that the SBDC will continue in the Technology Center in Duluth as well.

Campanaro also reported that the Entrepreneur Fund meetings with seven local business have continued under the supervision of Steve Surbaugh.

EDA Executive Director Report

In addition to the agenda items already discussed, Somnis reported that she had met with the Superior National management team and board of governors and the marketing team, working on fall marketing. She attended the Cook County Chamber of Commerce meeting, an ARDC board meeting, the Iron Range Economic Alliance board meeting, the Cook County Revolving Loan Fund meeting and a joint city/county/school/hospital meeting.

She also met with the Airport Commission to discuss a scholarship fund and had an interview with the Federal Reserve Bank. She facilitated a conversation in Lutsen regarding the Gitchi Gami Bike Trail through the township. She was interviewed on WTIP regarding the Gitchi Gami Trail.

OTHER BUSINESS

Somnis said the Cook County Board of Commissioners had approved the EDA's 2020 budget and levy as submitted. Harrison expressed his thanks to Somnis and Doo-Kirk for advocating for the EDA levy at the county board.

The next EDA meeting will be Tuesday, September 10 at 4 p.m. at Grand Marais City Hall.

Moody will be available for the WTIP interview on Wednesday, November 12.

Meeting adjourned 5:30 p.m.

Respectfully submitted by
Rhonda Silence
Minutes & More