

Cook County-Grand Marais Economic Development Authority
October 9, 2018 – Grand Marais City Hall

Present: Board members Heidi Doo-Kirk, Howard Hedstrom, Anton Moody, Hal Greenwood, Carol Mork; EDA Executive Director Mary Somnis

Absent: Bev Green, Scott Harrison

Others present: Linda Jurek, Kjersti Vick, Barb Darland, Heath Ekstrom, Mike Larson, Emily Marshall, Paul Goettl, Rhonda Silence

Meeting called to order by President Hedstrom at 4:01 p.m. The Pledge of Allegiance was recited.

Public Comment – None

Agenda reviewed. Discussion of a promissory note for the Lutsen housing project added. *Motion by Doo-Kirk, second by Mork to approve the agenda. Motion carried, all ayes.*

September 18 minutes reviewed. *Motion by Moody, second by Doo-Kirk to approve the September 18, 2018 minutes. Motion carried, all ayes.*

NEW BUSINSS

Consider IRRRB Development Infrastructure Grant for Cook County YMCA childcare

Emily Marshall of the YMCA gave a history of the childcare program and explained the potential for expansion. She said the YMCA is licensed for 42 children, with the opportunity to license for 62 if there were additional bathrooms and playground space. Marshall said the YMCA was seeking grants to expand/remodel those areas. The YMCA received grant funds from the Lloyd K. Johnson Foundation and the Northland Foundation, but the bids for the bathroom expansion/remodel came back higher than anticipated. The YMCA needs approximately \$60,000 to complete the work. The YMCA has approached the IRRRB for assistance. Marshall said the IRRRB recommended that the grant request come through the EDA. *Motion by Carol Mork, second by Howard Hedstrom to pass EDA Resolution 2018-05 Authorizing the Cook County/Grand Marais Economic Development Authority to Apply for and Accept Funds from the Development Infrastructure Grant Program, which would benefit the YMCA childcare program. Motion carried, all ayes.*

The YMCA also asked for a letter of support for a grant request from the Laura Jane Musser Fund. *Motion by Hal Greenwood, second by Heidi Doo-Kirk, to send a letter of support for the YMCA request. Motion carried, all ayes.*

Superior National at Lutsen marketing report – Visit Cook County/Giant Voices

Barb Darland of Giant Voices gave an overview of 2018 advertising placements, digital promotions, and efforts to strengthen partnerships in the golf industry. Linda Jurek said that the sooner EDA makes decisions on 2019 marketing the better, as ad purchases are being made now.

Hedstrom said there will not be as much money available for marketing in 2019. The budget may go back to \$50,000. Jurek said the golf course won't get as "robust" a marketing plan for that amount. Hedstrom said he would look to the Board of Governors for a recommendation on marketing in 2019.

Somnis said that there are funds in the EDA's business development fund. She said the golf course Board of Governors could request use of some of those funds.

Jurek reminded the EDA that golf trade shows happen during the winter and reservations need to be made soon. The sooner reservations are made, the better chance to get a good spot at the show.

Somnis said the EDA should have a work session soon to consider the marketing budget.

Request for winter fat tire bike event at SNL Clubhouse

Mike Larson asked for use of the clubhouse parking lot and the cart paths for holes 1, 2, and 3 for the 3rd Annual Fat Bike Event, held the weekend before New Year's Eve. In past years it has been as cold as 20 below and participants still come and love the event. Larson said the bike group will have insurance and will clean things up after the event. *Motion by Heidi Doo-Kirk, second by Anton Moody to authorize use of the clubhouse and the 1, 2 and 3rd holes. Motion carried all ayes.*

Consider offer for purchase of Lot 4, Block 5 at Cedar Grove Business Park

Somnis shared a letter from Nadder Samari, owner of Cedar Grove Veterinary Clinic, making an offer to purchase Lot 4, Block 5, the lot adjacent to the vet clinic for \$25,000.

Somnis said prior to the purchase offer, the Samaris had previously asked that the EDA support a request for a change for allowable use to construct a garage and apartment upstairs. They had wanted the space for employees. The board discussed previous lot sales--\$35,000 to Kim Linnell and \$30,000 to Gary Nesgoda. Anton Moody said because this is one of the few lots that allow owner-occupied use, it should be worth more. Plus, he said the market has gone up. The board agreed the owner-occupied lots are worth more. *Motion by Heidi Doo-Kirk, second by Carol Mork, to authorize Somnis to negotiate with the Samaris on the sale of the lot. Motion carried, all ayes.*

Policy for access to housing and business development funds

At previous meetings, the board reviewed a draft policy on requests for funding for business and housing projects. The board would like an attorney to review the draft policy and tabled a decision to take more time to consider what should be included.

EDA board and committee status

As requested, Somnis provided a list of EDA board terms and committee assignments. EDA board terms are:

Scott Harrison – renewed by county board in 2017, term expires 2023

Anton Moody – city representative, term runs with elected position

Heidi Doo-Kirk – county representative, term runs with elected position

Carol Mork – appointed to fill vacancy, term expires at end of 2018

Bev Green - appointed to fill vacancy, term expires at end of 2018

Executive Committee (officers selected at EDA annual meeting in February)

President Howard Hedstrom

Vice-President Anton Moody

Treasurer Scott Harrison

Secretary Heidi Doo-Kirk

Committees

Finance & Budget – Howard Hedstrom, Scott Harrison, Heidi Doo-Kirk

Design Review – Hal Greenwood, Howard Hedstrom, Anton Moody

Personnel – Carol Mork, Howard Hedstrom

There is a vacancy on the Personnel Committee. The board agreed to re-visit at their next meeting.

Promissary note for One Roof for 4 Directions Dwelling

The board considered a temporary loan to One Roof Housing for the workforce rental housing project, now named the Four Directions Dwellings. One Roof cannot get the bonding funds earmarked for the project until they have met a spending threshold. DEED will only release 16% of its funds until the project is complete. This means One Roof has temporary cash flow problems.

One Roof offered a promissory note for \$100,000 to help meet expenses until other funds are available. The promissory note will be repaid on or before January 31, 2019.

Motion by Hal Greenwood, second by Carol Mork, to accept the promissory note from One Roof Housing for a temporary loan of \$100,000. Motion carried, all ayes.

The EDA noted that to make that loan, it would need an advance on the second half of the county EDA levy. The board directed Somnis to make that request to the Cook County Auditor/Treasurer.

FINANCIALS

Superior National at Lutsen

Accountant Paul Goettl distributed financial reports for Superior National at Lutsen for September 2018. The board asked if the course had sufficient funds to make it through the winter. Goettl said yes. Although the course

did not make its budgeted number of rounds, revenue is up. The course earned more in greens fees, cart rentals, membership fees, lessons and driving range fees than 2017. Merchandise, beverage and foods sales were also up. *Motion by Mork, second by Doo-Kirk, to accept financial reports for September 2018. Motion carried, all ayes.*

EDA financials

The EDA also reviewed the financial reports for the EDA for September 2018. *Motion by Anton Moody, second by Carol Mork, to accept the EDA financial statements. Motion carried, all ayes.*

Payment of bills

The board reviewed the list of checks to be issued. There were questions about a bill from Sundew Technical Services. The total for services is less than expected. It was agreed to pull that bill until the amount due could be confirmed. *Motion by Hal Greenwood, second by Anton Moody to approve payment of bills, with the exception of the Sundew Technical bill. Motion carried, all ayes.*

OLD AND ONGOING BUSINESS

Cook County Workforce Solutions – Plan B

Somnis continues to share what she learned during the trip Puerto Rico. She did an interview on WTIP and gave a report to the Grand Marais Downtown Business Council. Hedstrom said the EDA received a nice thank you note from Karen Blackburn, President of the Chamber Board, for Mary's participation.

Cedar Grove Business Park

Somnis has been working with the Minnesota DNR on relocation of the snowmobile trail through the business park. This was prompted by the lot sale to Nesgoda Services. The easement is located correctly; the trail was not.

Nordic Star - Grand Marais housing

Somnis has received positive feedback from the open house at one of the Nordic Star homes

Four Directions Dwellings

Somnis continues to work with One Roof Housing on reimbursements for the housing project.

Small Business Development Center Report

Pat Campanaro provided a written report. She had 26.25 hours in client contacts and 10.5 hours in professional development in August. She had 35 meetings with 19 different clients.

Campanaro shared information on Ascend Training, a series of workshops for managers. She also handed out information on the Non-Traditional Lender Forum, which will be October 30 at the Wunderbar. She encouraged the board to tell people about these programs.

EDA Executive Director Report

Somnis participated in a phone conference with CJ Fernandez and Mike Roth regarding the proposed Hwy 61 amenities. She met with Fernandez, the CEC and with Mn/DOT on the project. She met with Drew Digby of the Arrowhead Regional Arts Council and attended the ARDC board meeting. She had a phone meeting with Bruce Block and the IRRRB for a newsletter article about the Village North project.

OTHER BUSINESS

The next EDA meeting will be Tuesday, November 13 at 4 p.m. at Grand Marais City Hall. Hedstrom will be available for the WTIP interview on EDA activities on Wednesday, October 10. *Motion to adjourn by Hal Greenwood at 5:55 p.m. Motion carried, all ayes.*

Respectfully submitted by
Rhonda Silence
Minutes & More