

**Cook County-Grand Marais Economic Development Authority**  
**November 9, 2021 – 4:00 PM**  
**Cook County Courthouse, Commissioners' Room**

**Present:** Board members Anton Moody, Carol Mork, Bev Green, Ann Sullivan, Scott Harrison, Virginia Palmer

**Absent:** Howard Hedstrom

**Others present:** Executive Director Beth Drost, Small Business Development Center Consultant Pat Campanaro, County Administrator James Joerke, Superior National at Lutsen Golf Pro Heath Ekstrom, John Kohlhase, Sarah Taylor, and minute taker Rhonda Silence

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

**Public Comment** – None

**Agenda & Minutes**

Agenda reviewed. *Motion by Carol Mork, second by Scott Harrison to approve the November 9, 2021 meeting agenda. Motion carried, all ayes.*

Minutes of the October 12, 2021 meeting were reviewed. Executive Director Beth Drost said it was incorrectly stated that a public hearing was needed for a Cedar Grove Business Park lot sale to Adam and Michele Harju of Dirt Candy Designs. She said that public meeting was held and what is needed now is a ratification of a resolution signed by Drost and notarized for the title company approving closing the sale. *Motion by Bev Green, second by Anne Sullivan to approve the October 12, 2021 meeting agenda with those adjustments. Motion carried, all ayes.*

**NEW BUSINESS**

**End of season marketing team report**

The EDA board heard year-end marketing reports for Superior National at Lutsen. John Kohlhase and Sarah Taylor gave an update on marketing efforts through the year. They shared Google analytics showing where visitors were viewing the golf course website and other online options from. The most visits come from Minnesota, Illinois, Wisconsin and Michigan. In Illinois, it is primarily from Chicago. There is some traffic from Iowa, primarily the Des Moines area. Visits are usually follow-up to direct emails sent to former golfers or people who have made inquiries about golfing at Superior National. Taylor talked about the different ads for different audiences on Facebook, Instagram and Twitter. She said they did not use Twitter this year as interactions on that service tend to go negative. She said video ads on Facebook or Instagram have had good response, up from 2019 and 2020.

Kohlhase shared information on where the golf course's budget of \$51,759 for marketing was spent, on those online sites and in cooperative ads with Golf MN, the Star-Tribune, Midwest Golfing, etc.

They shared suggestions on marketing for next year. Taylor said they are looking forward to marketing to Canadian guests next season.

### **Superior National Loan Agreement – annual letter**

Drost shared a letter to be sent to Cook County Auditor Braidy Powers reporting that the real property and golf course are being used for the purposes set forth in the 2014 loan agreement between Cook County and the Cook County/Grand Marais Economic Development Authority. The letter fulfills a requirement of the loan agreement.

*Motion by Anne Sullivan, second by Carol Mork to approve the letter to meet the requirements of the loan agreement between Cook County and the Cook County/Grand Marais Economic Development Authority. Motion carried, all ayes.*

### **Consider Resolution to grant Executive Director Beth Drost signing authority for EDA**

EDA Director Beth Drost presented EDA Resolution No. 2021-14, which will give her the authority as director to sign documents, execution of deeds, power of attorney transfers, assignments, contracts, obligations, certificates and other instruments as necessary. See the attached resolution.

*Motion by Ann Sullivan, second by Bev Green to adopt resolution 2021-14 Resolution 2021-14 Resolution Authorizing Cook County/Grand Marais Joint Economic Development Authority To Grant Signing And Authority To Beth Drost, Executive Director. Motion carried, all ayes.*

### **Consider Resolution to authorize closing on Lot 12, Block 5 at Cedar Grove Business Park**

Drost told the board that details have also been worked out for the sale of Block 7, Lot 12 to Adam and Michele Harju, of Dirt Candy Designs. She asked the board to approve the resolution to complete the closing.

*Motion by Bev Green, second by Carol Mork to adopt Resolution No. 2021-16 Authorizing Cook County/Grand Marais Joint Economic Development Authority to Close on Sale to Adam Harju and Michele Harju for Lot 12 in Block 5 at Cedar Grove Business Park. Motion carried, all ayes.*

### **Consider Resolution for the Cook County Historical Society IRRRB grant**

Drost presented Resolution No. 2021-16 which details the EDA's support for the Cook County Historical Society's application for an Iron Range Resources & Rehabilitation Board Community Infrastructure Grant. The Historical Society is seeking the funding to construct an archival storage building on its Cedar Grove Business Park lot. The project cost was \$580,213 and the Historical Society hopes to receive \$190,213.

Drost is assisting the Historical Society with the grant.

*Motion by Anne Sullivan, second by Carol Mork, to adopt Resolution No. 2021-16 Authorizing the Cook County/Grand Marais Joint Economic Development Authority to Apply For and Accept Funds from the IRRRB Community Infrastructure Grant Program in Support of the Cook County Historical Society Archival Storage Facility. Motion carried, all ayes.*

### **Update Memorandum of Understanding with Minnesota Housing Partnership**

#### **The EDA**

Director Drost asked the EDA board if it wanted to extend its memorandum of understanding with the Minnesota Housing Partnership (MHP). Assistance from MHP was very helpful during the formation of the county's Housing and Redevelopment Authority. The memorandum will allow MHP to continue to provide support as the HRA gets established. New language would be added stating that MHP will provide direct technical assistance to the EDA to support the

organizational development of Cook County's newly authorized HRA, including training and education of HRA members, provide cross-training, education and engagement regarding Tribal Housing Programs and opportunities for collaboration.

*Motion by Bev Green, second by Anne Sullivan, to extend the Memorandum of Understanding with the Minnesota Housing Partnership and to add the new language as presented. Motion carried, all ayes.*

Drost said the Housing Workgroup continues to meet and she has taken over leading the discussion.

#### **Consider offer on Cedar Grove Lot 7 Block 4**

Drost shared an email from Forrest Parson, making an offer on Cedar Grove Lot 7 Block 4. Parson offered \$30,000 for the lot. Drost said he plans to use the site as a storage facility.

The EDA board discussed the overall prices in the business park. Board Member Virginia Palmer, who is a realtor, said she believes property values have gone up on all of the lots. She said recently a ¼-acre residential lot in the city of Grand Marais went for \$35,000. Palmer said in recent years lot prices have increased 50%.

Board Member Anton Moody pointed out that three years ago, the large lot that was sold to Gary Nescoda went for \$35,000. He said if the EDA raises prices and asked \$40,000 for this lot that could come as a shock. But he noted that even at that price, this is some of the most affordable land in the county. Scott Harrison agreed, pointing out that several of the comparable lots were sold about five years ago, so the sale price reference is old. However, he agreed that \$30,000 is too low. He suggested a counter-offer of \$39,000.

Virginia Palmer said she feels that is still low, but noted the precedent of previous lot sales. She asked if buyers are informed of the business park covenants and the need for a stormwater management plan and implementation. It was noted that this adds to the cost of development.

*Motion by Scott Harrison, second by Carol Mork to authorize EDA Director Beth Drost to contact Forrest Parson with a counteroffer of \$39,900 for Cedar Grove Business Park Lot 7 Block 4 and to continue with the development agreement. Motion carried, all ayes.*

#### **Consider offer on Cedar Grove Lot 8 Block 5**

Drost shared an email from Chris and Carmen Skildum, making an offer on Cedar Grove Lot 8, Block 5. The Skildums offered \$26,000 for the lot. Drost said they plan to build a gym.

The EDA board again looked at recent sales of similar sized lots to Cascade Vacation Rentals and Three Families Brewing. Virginia Palmer once again said she believes the lot prices are too low in the current market, but said in light of the recent sales \$28,000 is consistent and justifiable.

*Motion by Virginia Palmer, second by Anne Sullivan to authorize EDA Director Beth Drost to contact Chris and Carmen Skildum with a counteroffer of \$28,000 for Cedar Grove Business Park Lot 8 Block and to continue with the development agreement. Motion carried, all ayes.*

#### **Housing study RFP**

Drost also asked the board for authorization to put out a request for proposals for a housing study. She said many of the housing grants that the county, through the EDA or HRA, seek for housing development require a recent study of housing needs. Drost said the most recent study

done for the EDA was by North Span about five years ago. The EDA board asked Drost to proceed with an RFP to be discussed at a future meeting.

EDA Board Member Anton Moody noted that the city did its own housing study when it was working on its zoning ordinance revision. He said that should be shared with whoever moves ahead with a study.

## **Financials**

### **Superior National at Lutsen financials**

EDA Treasurer Scott Harrison gave a report on the financial status of the golf course. He reviewed October year-to-date information to the budget and said with two months to go, the golf course is in good shape. He said actual gross profit is up from the estimated budget amount of \$1,197,000 to \$1,234,764. He said he could not be happier with the number of rounds at 14,369 and the “take rate,” which is the overall amount spent by a golfer at the course, including food, beverage and merchandise. The golf course financial information will be filed for review at the next audit.

Golf Pro Heath Ekstrom also said Superior National had a very successful year, especially with all the unknowns associated with the COVID-19 pandemic. He said the golf course grounds were in excellent condition even though it was such a dry season and the fact that maintenance was understaffed. He said there was a lot of irrigation through the summer. He said the new grounds keeper following Mike Davies has big shoes to fill.

He said the employee situation was better in the clubhouse and pro shop.

Ekstrom said a challenge will be to keep the golfers who took up golfing as a way to be social and active during the COVID-19 pandemic coming back. Harrison and Ekstrom said they were confident business at Superior National at Lutsen will continue to improve.

Harrison reminded the board that the golf course still owes the EDA \$185,333.82 on a loan for operations several years ago. The EDA owes Cook County \$150,000. Harrison said the golf course finished the year with enough funds to make it through the winter and to make a payment on its loan from the EDA. He suggested that the golf course make a \$35,333.82 payment to the EDA on its loan.

Harrison also suggested that the EDA add funds from its budget to make a payment on the EDA’s loan from the county in the amount of \$50,000, leaving a balance owed of \$135,000.

*Motion by Scott Harrison, second by Virginia Palmer to pay \$35,333.82 from Superior National at Lutsen to the Cook County/Grand Marais Economic Development Authority and to take \$14,666.18 from EDA funds to reimburse the county \$50,000 on the EDA’s county loan. Motion carried, all ayes.*

### **EDA financials**

Harrison shared the financials for the EDA for October 2021. He said from the COVID-19 relief funds from the Iron Range Resources & Rehabilitation Board (IRRRB) were lent to 17 businesses. He said those businesses are making quarterly payments. He said the EDA needs to have a conversation on these loans to decide if the EDA should convert them to grants, partially convert them to grants, or not convert them at all.

### **EDA payments**

The board reviewed the list of bills to be paid for October. Motion by Carol Mork, second by Anne Sullivan to pay the bills as presented. Motion carried, all ayes.

### **Old and ongoing business**

#### **Small Business Development Center report**

Small Business Development Center Consultant Pat Campanaro said the good news from SBDC is that she has been busy. She shared a written report on her activities, noting that she had booked 2 hours on COVID-related counseling and 52.5 hours in business consulting on non-COVID business planning. Contacts were in-person, on Zoom, phone or email. She said new business starts and loan applications are on the rise.

She made a presentation at the Cook County Commissioner's committee of the whole meeting on October 19.

She reminded the board of the three committees on which she serves as an EDA representative—the Cook County Revolving Loan Fund, Launch MN, and Ignite 218. She said Launch MN, and Ignite 218 are groups to encourage entrepreneurial activities in the 218 area code.

Campanaro also told the EDA that The Entrepreneur Fund has hired Tracy Benson to work with small businesses on the North Shore as well.

#### **EDA Director Report**

In addition to matters already discussed, EDA Director Drost told the EDA that the Cedar Grove Business Park zoning ordinance amendment request will go before the Grand Marais Planning Commission in December. Drost said she is hoping to have lot owners who want the zoning language to change to allow “accessory residential use” speak at the hearing.

She said she continues to work with the two Tofte developments, the Tofte Downtown Mixed-Use Project being developed by Bluefin Bay Resorts and the Sawbill Village, being developed by landowner Rob Dieter. Drost said both projects received their requested tax abatement from the county. She continues to assist with the IRRRB grant application.

She is also still working on a final Taconite Area Business Relief loan and working with bookkeeper Paul Goettl on his transition out of the job. He is willing to work with incoming bookkeeper Kay Burkett through the end of the year and into January.

### **OTHER BUSINESS**

The next regular EDA meeting is Tuesday, December 14 at 4:00 p.m. in the Cook County Commissioner's Room.

Director Beth Drost agreed to do an interview with WTIP.

*Meeting adjourned at 5:49 p.m.*

Respectfully submitted by  
*Rhonda Silence – Minutes & More*

