

Cook County-Grand Marais Economic Development Authority
November 12, 2019 – Grand Marais City Hall

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

Others present: Mary Somnis, Pat Campanaro, Rhonda Silence

Meeting called to order by Hedstrom at 4:00 p.m. There was no public comment.

Agenda & Minutes

Motion by Mork, second by Green to approve the agenda. Motion carried, all ayes.

Motion by Mork, second by Moody to approve October 8, 2019 minutes. Motion carried, all ayes.

NEW BUSINESS

League of MN Cities Liability Coverage – waiver form

A decision to waive or not waive the statutory tort limits must be made annually. Somnis recommended to not waive limits on liability.

Motion by Doo-Kirk, second by Greenwood, to return the League of Minnesota Cities Insurance Trust form responding that the EDA does not waive limits on liability. Motion carried, all ayes.

Letter of intent from Hamilton Housing to purchase Lots 1 and 2, Block 3

The EDA board reviewed a letter from Anna and Sarah Hamilton of Hamilton Housing, which asks the EDA to consider selling Lots 1 and 2, Block 3 of Cedar Grove Business Park. The Hamiltons referenced a previous plan to sell the lots to Spectrum Housing for \$1 to construct an assisted living facility on those lots. They asked that the EDA give them the same opportunity to purchase the land. They explained they would use the land to construct 5 – 6 “affordable” one bedroom homes (under \$100,000.) They shared a preliminary sketch of how the houses could be placed on the lot, but noted that due to the topography, wetlands, and sewer access, the layout of the homes is yet to be determined. The Hamiltons said the homes and land would be deed restricted in some way to ensure that the homes remain affordable.

The homes would be similar to the first one their organization constructed at 902 5th Avenue West. That house sold for \$110,000 because of the \$46,000 lot price and lot preparation costs. They said removing the cost of the land by using the EDA lots, they could achieve their goal of \$100,000 per homes.

Hedstrom said he had a tour of the house and said it was very nice. He commended the Hamiltons for their efforts, but said they are not yet a nonprofit and are not tapping into all the resources they could. He said he didn’t think it was appropriate to donate land to them at this time. Moody said their concept is wonderful, but he wondered if their goal was realistic. Doo-Kirk reminded the board that Stephen Holz and Chris Norman had come to the EDA several years ago with the same request, which was denied.

Green said she believed the offer was made specifically because the Spectrum project was for assisted living, something that is badly needed in the community.

Somnis said the EDA board did not need to decide immediately. The board said they would like to discuss this further with the Hamiltons and asked Somnis to set up a meeting.

Housing subsidy request from One Roof Community Housing for pre-development on Nordic Star Phase III

One Roof Community Housing, which has completed 10 single family homes at Nordic Star in Grand Marais, is planning for Phase III. They are currently considering four, 4-unit apartment buildings.

One Roof asked if it could receive \$47,000 in loan funding from the EDA's Business and Housing Subsidy Program for this next phase.

The EDA reviewed the application and looked at the EDA budget to see if funds were available to make the loan.

Motion by Harrison, second by Greenwood, to approve the request for a \$47,000 loan for the Nordic Star Phase III. Motion carried, all ayes.

Consider request from the EDA Business Development Fund for Artist Co-op

The EDA business committee met with artist and gallery owner Ron Piercy about a business idea for an artists' cooperative. The committee asked him to return with more information about partners and space. Somnis said his vision is pure, but more research and work need to be done.

FINANCIALS

Harrison presented financial reports for Superior National at Lutsen for October 2019. Harrison said the golf course is heavy on inventory. He said they are working on a plan for 58 golf carts on a lease that expires soon.

Harrison said 2019 was a little disappointing regarding rounds, which were down from the budget estimate of 13,000, with a final round count of 11,900.

Harrison said he had planned to have grounds superintendent Mike Davies and golf pro Heath Ekstrom at the meeting, but they are unavailable. They will be at the December EDA meeting.

The EDA board also reviewed the Cook County/Grand Marais EDA financials for October 2019. Harrison said the EDA is in decent shape regarding current assets and cash liquidity.

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 Doo-Kirk, second by Green to approve checks for the invoices as presented. Motion carried, all ayes.

OLD AND ONGOING BUSINESS

Assisted Living

Somnis said developer Jon Monacelli shared his ideas about assisted living in Cook County with another development group who work with the Good Samaritan Society. For any projects they get involved with, the Good Samaritan Society requires a partnership with the community. Somnis shared the data from the WIPFLI study and a map of the land under consideration. She also told them that the EDA appreciated the concept of a combining assisted living, childcare and workforce housing.

Cook County Workforce Solutions

Somnis said there is a meeting of the group tomorrow. She said the group is considering a recruiting trip to Puerto Rico themselves.

She submitted a request to Lloyd K. Johnson Foundation for time extension on the EDA's workforce development grant.

Cedar Grove Business Park

Somnis said she drove by the Cook County Towing lot and said it doesn't look like it had been cleaned up. A chain link fence was put up, but that doesn't screen the salvage materials. The EDA board asked Somnis to reach out to the lot owner again. Harrison said if things are not moved or screened adequately, the EDA should have its attorney follow up.

Housing

One Roof survey

Somnis said One Roof continues to work to meet housing needs in the community. Julie Petrusha of One Roof and Somnis will meet with Tina Hegg-Raway, who recently provided the EDA with information about the housing situation for workers at Hedstrom Lumber.

A survey will be conducted to see what people need and to learn about expectations for housing. Mork asked if this is what the City of Grand Marais recently completed. Moody said no, the city has been looking at housing stock and possible ordinance changes to removed obstacles to affordable housing.

Campanaro suggested sending the survey to the West End townships to get their feedback. Doo-Kirk said to be sure to also have paper copies available.

Somnis said all parties have signed off on the certificate for completion of the Four Directions Dwelling apartment complex in Lutsen.

Village North is close to having eight units ready for occupancy. Somnis said she worked with IRRRB on a time extension of the grant for Village North.

Creative Economy Collaborative

The CEC accepted the opportunity to create a process by which it can be decided what to do with the wood from the elm trees cut down in preparation for the Highway 61 project.

Somnis also helped CEC members prepare and present the work of the CEC and the Highway 61 improvements to the Grand Marais Business Coalition.

Small Business Development Center Report

Campanaro had 64 hours of SBDC work. She said 19.5 hours were billed to UMD, with the remainder going to the Northland Foundation under the new contract.

Campanaro said she, Harrison, Hedstrom and Somnis had a good meeting with Northland Foundation Director Tony Sertich and Michael Colclough.

Campanaro said it appears the changes coming for the SBDC as the Northland Foundation takes over as the Northeast Regional Minnesota SBDC will be beneficial. She said the program gets \$300,000 from the federal Small Business Administration. Northland Foundation will match that amount, half with money and half with in-kind work. Hedstrom said the work done by Pat and the EDA counts toward that in-kind portion.

Hedstrom also said they learned that out of the 12 SBDC representatives in the region, Pat earns extra funding based on her clients and work hours. Hedstrom said Pat is a “rock star” with the SBDC.

EDA Executive Director Report

In addition to the agenda items already discussed, Somnis reported that she had taken part in an Iron Range Economic Alliance conference call and attended the Grand Marais City Council meeting, the Superior National at Lutsen marketing meeting, the ARDC board meeting and a Master Planning meeting at North House Folk School.

She met with LHB regarding the possible reconstruction of city hall; with Greg Wegler of Gardner Builders regarding projects in the city and county; and with new business owners on potential application for EDA business funds.

She helped plan and host a farewell gathering for former County Administrator Jeff Cadwell and helped with planning and hosting guests for Leadership Days and the Chamber/VCC Gala. She continued working with Lutsen township on the next steps for the Gitchi Gami Bike Trail.

OTHER BUSINESS

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

Hedstrom will be available for the WTIP interview on EDA activities on Wednesday, November 13.

Meeting adjourned 5:15 p.m.

Respectfully submitted by
Rhonda Silence
Minutes & More