

Cook County-Grand Marais Economic Development Authority
December 11, 2018 – Grand Marais City Hall

Present: Board members Scott Harrison, Heidi Doo-Kirk, Howard Hedstrom, Anton Moody, Hal Greenwood, Carol Mork; Bev Green, EDA Executive Director Mary Somnis
Others present: Small Business Development Center Representative Pat Campanaro, County Administrator Jeff Cadwell, Dr. Nadder Samari, Patrick Knight, Rhonda Silence

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

Public Comment

Somnis read an email dated December 10, 2018 from Myron Bursheim “Thanks so much for your support and effort to get the IRRR Grant for the childcare bathroom. Please pass this on to the EDA Board.”

Agenda & Minutes

Today’s Agenda and Minutes of the November 13, 2018 meeting were reviewed. *Motion by Harrison, second by Green to approve the Agenda and Nov. 13, 2018 minutes. Motion carried, all ayes.*

NEW BUSINESS

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 programs. The board tabled approval of the policy for attorney review. Somnis said the quote from the attorney came back at \$2,500 - \$3,500 and the EDA has only \$2,000 in its budget for legal. Somnis sent the policy to County Attorney Molly Hicken to see if she had any suggestions. Hicken sent comments on the statutes that are referenced in the draft policy along with some recommendations for language changes. The matter was sent back to the policy committee, so it can consider Hicken’s suggestions and bring the policy back to a future board meeting.

Update on Housing Consortium, concept & conversation

Hedstrom said a brainstorming session was held, following up on the visit to the EDA last month from Cadwell and Wraalstad about the need for housing for workers coming to the community. Even having a “place to land” would be helpful to the hiring process. Members of the group include Hedstrom, Somnis, Wraalstad, Cadwell and Sawtooth Mountain Clinic Director Rita Plourde.

There were questions about using a Housing and Redevelopment Authority (HRA) to develop housing. The City of Grand Marais has HRA authority, but Mike Roth said the city would likely be willing to transfer that to the EDA. Harrison questioned whether the EDA had the time to serve as an HRA. Hedstrom agreed, noting that there was a lot to be done before the EDA took that on. He said the EDA needs to research just what an HRA can do and if it would bring more resources to the community.

Cadwell said it is his understanding that there may be money for infrastructure for an HRA, but not for ongoing maintenance. In other words, he said, funding could be found for powerlines, sewer systems, etc. but not for routine maintenance of existing facilities.

Somnis said a grant had been submitted to the Lloyd K. Johnson Foundation to be able to hire someone to oversee recruiting workers. She said that position could possibly oversee an HRA as well.

Anton Moody said another piece of the housing puzzle is zoning. He said the city is looking at its zoning ordinances and considering making changes to required lot sizes to make things more flexible. Because he is involved with that, Moody said he would like to be involved with the committee to study the HRA.

Hedstrom asked everyone to do their homework on HRAs. A committee will be set up at the next EDA meeting.

Consider adding EDA board member to personnel committee

Somnis said there is an opening on the Personnel Committee. Currently serving are Mork and Hedstrom. Green said she would like to serve on the personnel committee, so that appointment was made.

OLD AND ONGOING BUSINESS

Cook County Workforce Solutions – Plan B

The EDA is waiting to hear about the grant submitted to the Lloyd K. Johnson Foundation for \$40,000 to establish a workforce recruitment specialist, to work with possible workers from Puerto Rico and/or with Higher Ed, Hibbing Community College and the culinary arts program and other workforce projects. Somnis said the EDA will find out if they got the grant by Dec. 18.

Somnis said there is an open house at School District 166 on Dec. 14 to view the new culinary arts space.

Cedar Grove Business Park

Dr. Nadder Samari was at the meeting to answer any questions the EDA board had regarding his offer for purchase of Lot 4, Block 5 at Cedar Grove Business Park. He said thank you to the EDA for allowing some business park lots to be owner-occupied. He said he and his wife Lee wanted to move to Grand Marais eight years ago, but were not able to until that became an option.

He told the EDA about his plans for the lot he wants to buy next to their current business. If they are able to purchase the lot, they will add on to their existing business for more space and for some lodging space for interns from Vermilion College who will be working/studying at Cedar Grove Veterinary Clinic.

The Samaris first offered \$25,000 and the EDA countered with \$31,000 because the lot is one of the few that allows owner-occupied and in consideration of inflation.

There was a motion by Bev Green, second by Hal Greenwood to sell Lot 4, Block 5 at Cedar Grove Business Park for \$27,000.

Discussion followed and Scott Harrison said he was uncomfortable going lower than the \$27,500 that the previous lot was sold for two years ago. He suggested countering with \$28,000.

An amended motion was made by Bev Green, second by Hal Greenwood to sell Lot 4, Block 5 at Cedar Grove Business Park for \$28,000. Motion carried all ayes.

Somnis said she has had continued discussion with the Minnesota Department of Natural Resources (DNR) about relocation of the snowmobile trail in the business park.

Somnis is also working with Gary Nesgoda on the driveway into his business park lot (No. 10), which ended up being on his lot and lot 9. Somnis said the driveway is in the most logical location, so she hopes the EDA can work something out. She said there are a few options: grant an easement to cross lot 9; sell some of lot 9 to Nesgoda; or ask him to move the driveway.

Nordic Star - Grand Marais housing

Somnis said three of the four houses are now occupied and closing on the last house will probably be done before Christmas. The next four houses have been listed and there is some interest. There is some finishing work to be done on them, but they should be ready soon.

Four Directions Dwellings

Somnis said the first building is up and has heat and electricity. She said the second building should be coming this week and the third the next. The fourth building should be delivered after the holidays. Green asked when the buildings would be ready for occupancy. Somnis said hopefully by spring.

Village North Update

Somnis said an EDA advisory group has been formed to assist Bruce Block with his development of Village North. Block is finishing the renovations on the second building that was moved from Tomteboda. The next phase is development of the upper level where the old house trailers were. He is still considering what to build and how to keep it affordable; possibly how to make a land trust. The advisory committee is Howard Hedstrom, Scott Harrison, Dennis Rysdahl, Hal Greenwood, Somnis and Block.

Moody asked if Block had used the EDA funding earmarked for the waterline replacement. Somnis clarified that the IRRRB grant is for the waterline. For the EDA grant that was approved, \$24,000 of \$45,000 has been disbursed.

Creative Economy Collaborative

Somnis has been participating in meetings on arts and amenities in the Highway 61 corridor with the CEC, CJ Fernandez, MnDOT, and the Grand Marais Park Board. She shared a CEC report: *Amenities Planning and Design for Hwy 61 project 2019-2020*. The report includes recommendations on street lighting, trees and plants, benches, raised platforms, bike racks, public art, kiosks and more. Somnis asked the EDA board to take some time to review the report.

Small Business Development Center Report

SBDC Representative Pat Campanaro provided a written report. She had 65.424 hours in client contacts and 15 hours in professional development in November. She had 75 contacts with 35 different clients. Campanaro said eight local businesses took part in the first Ascend Training. She is now working on a Profit Mastery class.

EDA Executive Director Report

In addition to the agenda items already discussed, Somnis reported that she had attended an ARDC meeting and reviewed the ARDC revolving loan fund program. She attended Cook County Chamber and IREA meetings focused on legislative issues.

She met Governor-elect Tim Walz and provided information about the Cook County housing initiatives. She also delivered a letter from the EDA to Walz encouraging him to appoint current IRRR Commissioner Mark Phillips to that position in his administration.

She also met with Craig Horak and Dennis Rysdahl about the potential housing project in Tofte.

She also attended the IRRRB meeting with two Cook County requests on the agenda, for bathrooms for the childcare center at the YMCA and for the Four Directions Dwellings for removal of ledge rock.

FINANCIALS

Superior National at Lutsen

Treasurer Scott Harrison distributed financial reports for Superior National at Lutsen for November 2018. Harrison said it was a good year at the golf course with 12,111 rounds played.

Motion by Carol Mork, second by Bev Green, to accept financial reports for November 2018. Motion carried, all ayes.

EDA financials

The EDA also reviewed the financial reports for the EDA for November 2018 and checks to be issued for November 2018. Somnis pointed out that One Roof Housing had repaid the \$100,000 promissory note to the EDA.

Motion by Anton Moody, second by Carol Mork to accept the EDA financial statements and approve payment of invoices. Motion carried, all ayes.

OTHER BUSINESS

Hedstrom and Somnis talked about their appearance before the county board during the discussion of the EDA levy. Hedstrom said the feedback from the county board was good. The county approved the 2019 levy of \$349,054.

The next EDA meeting will be Tuesday, January 8 at 4 p.m. at Grand Marais City Hall.

Howard Hedstrom will be available for the WTIP interview on EDA activities on Wednesday, Dec. 12.

Motion to adjourn by Hal Greenwood at 5:16 p.m. Motion carried, all ayes.

Respectfully submitted by

Rhonda Silence

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