

Cook County-Grand Marais Economic Development Authority

August 8, 2017 – Grand Marais City Hall

Present: Board members Howard Hedstrom, Heidi Doo-Kirk, Scott Harrison, Hal Greenwood, Bev Green, Carol Mork; EDA Director Mary Somnis; Small Business Development Center Representative Pat Campanaro; Anita Jeziah of AEOA, Rhonda Silence.

Absent: Anton Moody

Meeting called to order at 4 p.m. by EDA President Howard Hedstrom.

Public Comment

No public comment.

Agenda and minutes of July 11, 2017 reviewed. *Motion by Hal Greenwood, second by Carol Mork to approve agenda and minutes. Motion carried, all ayes.*

New business

Consider contract with ArtSpace for feasibility study

EDA Director Mary Somnis presented information from the Creative Economy Collaborative (CEC) proposal to contract with ArtSpace to conduct a feasibility study. She said the CEC needs to meet again to approve the contract, but she believes that group will do so. The EDA also needs to approve the contract.

The CEC has received grant funding to bring ArtSpace to the county. The CEC is getting \$15,000 from the Lloyd K. Johnson Foundation and the Cook County Chamber is getting a grant from the Blandin Foundation for \$5,000. Another \$5,000 has been raised from local donations (including \$500 from the EDA) which totals the \$25,000 needed for ArtSpace's work.

The CEC has asked the EDA to act as the fiscal agent for the grants. Howard Hedstrom asked if the contract with ArtSpace is capped at \$25,000. Somnis said yes. Hedstrom said he would like to ensure that it is very clear that the contract amount is capped.

Board member Bev Green noted that Somnis is already doing work for this group and asked if she has enough time to devote to this if the EDA serves as fiscal agent. Scott Harrison pointed out that some of the housing projects are now out of the EDA's hands. Somnis said she should have the time. She believes this is economic development activity and she is pleased that she can help. The CEC meets again on Friday, Aug. 11.

Green reminded the board that the EDA website needs updating. Somnis said she is meeting with the website designers this week and once she learns how to do it, website updates should not take too much time.

Motion by Carol Mork, second by Hal Greenwood, to approve the contract with ArtSpace, contingent on approval by the Creative Economy Collaborative and with the understanding that any expenses over the \$25,000 are the responsibility of the CEC. Motion carried, all ayes.

Discuss Business Subsidy Policy

Pat Campanaro of the Small Business Development Center (SBDC), put together a comprehensive draft Business Subsidy Policy for the EDA, but since then the EDA learned that such a policy is unnecessary for organizations making grants/donations of less than \$150,000. Campanaro and Somnis then put together a simpler, one-page policy for consideration.

The board noted that it had far less than \$150,000 to contribute to economic development projects and questioned the need for a Business Subsidy Policy. It was noted that most of the money for projects comes from grants and the EDA is just the financial agent for the grants. Director Somnis said having such a policy may help answer questions such as those raised when the EDA (through the city) sold lots to Spectrum Health for its assisted living project for \$1. The board will review the policy and make a decision at a future meeting.

Energy Assistance Update

Anita Jeziah of the Arrowhead Economic Opportunity Agency provided a written report regarding energy assistance in the 2015-2016 and 2016-2017 heating seasons.

In 2015-16, 217 applicants received funds and in 2016-17, there were 214 primary applicants and 43 crisis applicants.

In 2015-16, AEOA provided \$166,915 to Cook County and in 2016-17, it provided \$198,144, along with \$19,153 in crisis funds.

AEOA also provided funding for furnace repairs. There were 10 repairs that cost \$4,847 in 2015-16. In 2016-17, there were 5 furnace repair requests for a total of \$8,502 spent in Cook County.

The totals from AEOA for energy assistance in Cook County were \$206,853 in 2015-16 and \$225,799 in 2016-17. The EDA board agreed that this is a very important service.

Pat Campanaro said SBDC and AEOA are working together on another “Community Connect” event, to be held Sept. 25. The agencies bring together as many area services as possible in one place to help people learn what resources are available in our community. Last year’s event was considered very successful. Campanaro said organizers received grants from the Northland Foundation, the North Shore Health Care Foundation and the Small Business Development Center for this year’s event, so they will not be requesting funds from the EDA this year. The plan is to provide a light dinner and childcare at the event.

Anita Jeziah arrived later and the EDA asked about changes to AEOA services in Cook County. Jeziah said her office no longer provides services for the homeless. The case manager for that AEOA program is Samantha who is based in Two Harbors. Her office there is getting set up. The EDA expressed concern about adequate funding and availability for the program.

Superior National at Lutsen update

Somnis said she was pleased to announce that after consulting with Superior National grounds supervisor Mike Davies and golf pro Heath Ekstrom, it was decided to open Canyon 9 from September 7 until October 1 for limited play. She said growth has exceeded Mike Davies expectations and he consulted with a national golf course expert and he feels it is okay to play on the new holes this fall. Availability could change at Davies’ discretion to prevent damage to the new growth.

Scott Harrison said this will help build excitement about the new holes next spring.

Financials

EDA Treasurer Scott Harrison distributed financial reports for Superior National at Lutsen. Harrison reminded the board that June was a very wet month and July play was fairly flat, so the number of rounds reflect that. He said SNL is short about 370 rounds. He said the numbers are lower than last year, so things will be tight.

Motion by Heidi Doo-Kirk, second by Carol Mork to accept the Superior National at Lutsen financial reports for July 2017. Motion carried, all ayes.

The EDA board reviewed the financial reports for the Cook County/Grand Marais Economic Development Authority (EDA) for July 2017. Harrison said the reports look positive, but noted that some funds are still earmarked for housing projects. Somnis pointed out that the EDA will be \$400 over budget on marketing, but explained she will make reductions elsewhere, such as in office supplies. The marketing funds went to ads promoting the EDA in the *News-Herald*, *Northern Wilds* and for WTIP underwriting.

Harrison also presented the list of invoices to be paid for July 12 – August 8, 2017.

Motion to accept the Cook County/Grand Marais Economic Development Authority (EDA) financials for July 2017 and to approve payment of invoices by Heidi Doo-Kirk, second by Bev Green. Motion carried all ayes.

Somnis told the board that the EDA’s proposed budget for 2018 had been submitted to the Cook County Board of Commissioners. She said the county must adopt its preliminary budget, setting the maximum that it can be set at, by September 19.

Howard Hedstrom said Director Somnis' name should be listed as an authorized signature on the EDA's account at the North Shore Federal Credit Union.

Motion by Carol Mork, second by Heidi Doo-Kirk to have EDA Director Mary Somnis added to the North Shore Federal Credit Union account. Motion carried, all ayes.

Old & Ongoing business

Grand Marais housing

Somnis said the final plat for the Grand Marais workforce housing project (Nordic Star development) was approved by the Grand Marais Planning Commission on July 13. It will now go before the Grand Marais City Council. One Roof Housing personnel will be at the meeting with survey and wetland permits information. Somnis said a problem has been noted at a culvert near the housing project. It is damaged/squashed. The effectiveness of the storm water plan for the construction depends on this culvert, so One Roof is asking the city to make culvert repairs.

Howard Hedstrom said the homes are being built now to be delivered to the site.

Bev Green asked if there would be some sort of groundbreaking ceremony. Somnis said yes, she will let the EDA know when that happens.

Lutsen Housing

Somnis said the conditional use permit for the Lutsen housing project was approved by the Cook County Planning Commission on July 12. The next step was approval of the CUP by the county board. Construction of the Lutsen project is now on hold until spring but pre-construction work is on-going.

Tofte housing

The Tofte housing project near Birch Grove Community Center is on hold for now.

Assisted Living

Somnis reminded the board that the EDA approved the sale of the land to Spectrum Health. The city and county both had to also approve the sale, which they did. The Grand Marais City Council approved the sale on June 14. On June 20, the county approved the sale of the land.

However, Somnis said the grant application to the IRRRB for the project has been withdrawn. She said Spectrum Health is not ready to proceed yet and did not want to request money if it is not ready to use it. Bev Green asked if there is any idea of a timeline for the project. Somnis said it will be about a year from the time funding is received.

Creative Economy Collaborative

In addition to working to get ArtSpace to come to the community, Somnis said the CEC group is still working with the City of Grand Marais about establishing an Arts Commission to help the city if and when someone donates a piece of art to the community.

Small Business Development Center report

Small Business Development Center Representative Pat Campanaro provided a written report. Campanaro logged 31.5 hours in 32 meetings with 14 different clients in July. Her hours were less because she was out of the office for knee surgery in July.

Campanaro was also at the meeting and she told the EDA about the upcoming "Profit Mastery" class in Cook County. The course usually costs \$299, but SBDC received a DEED grant so it will be able to offer the class for \$99. She said this is invaluable training for businesses.

Campanaro said the EDA has had some great media coverage in July in the current issue of Northern Wilds, the North Shore Journal and on WTIP.

Cedar Grove Business Park

Following up on the idea of erecting a ladder-sign for businesses in the Cedar Grove Business Park Director Somnis said the businesses other than the Cedar Grove Veterinary Clinic are not interested in having a directional

sign on the Gunflint Trail. Somnis said Nadder and Lee Samari of the veterinary clinic may put up a sign for their business at the Cornerstone Community Church lot.

She said the open house for the Cedar Grove Veterinary Clinic went really well. She said lots of people and their pets showed up. Many people have already taken their pets there for treatment and people seem to be very happy to have the clinic in the community.

Somnis said she has not heard from Clifford and Julie Berglund on whether or not they still want to purchase two business park lots.

GoFer Cabins/Village North

Somnis said the EDA assisted Bruce Block with a grant application to IRRRB for demolition of old cabins at the former GoFer Cabins site. It has been renamed “Village North” and Block is working to get rid of dilapidated trailers and clean up the area.

Bev Green said Block did a great job explaining his work in a WTIP interview.

Director’s Report

Somnis gave a written report on many of the items discussed during the meeting. In addition, Somnis reported that she had attended an ARDC Commission meeting in Grand Rapids and a North Shore Scenic Drive Council meeting in Duluth. She said with both of these groups she has been able to facilitate raising funds for project that positively impact Cook County.

She hosted a “Meet and Greet” with Drew Digby, the new director of the Arrowhead Regional Arts Council. She has worked with Digby in the past and she said he is a great person. Many members of the Creative Economy Collaborative attended and there were a few site visits around town. ARAC is seeking people to serve as ARAC board members (deadline Sept. 8) and ARAC grant reviewers (deadline Aug. 15). She shared information on how to apply. She said there has not been a lot of participation by Cook County in the past and said it would be good to have Cook County involved.

Somnis said the grant request to DEED for the Cook County Airport arrival/departure building was denied. The engineering firm working with the airport is now seeking alternative funds.

Somnis shared a MN DNR news release about the Governor’s Council on Minnesota’s Lake Superior Coastal Program. The 15-member, citizen advisory council is looking for three people, representing Carlton, Cook, Lake and St. Louis counties and three at-large positions.

She also shared information on the Cook County Chamber/Visit Cook County Gala, scheduled for Tuesday, October 24. There are a number of other events/meetings before and after the gala. Somnis is working with Linda Jurek of Visit Cook County, Jim Boyd of the Cook County Chamber and Judy Erickson, the chamber lobbyist to set up meetings with our legislators, who will be here for the gala.

Other business

Visioning/Strategic Planning

Somnis put together comments from the last strategic planning meeting, divided into categories. Hedstrom reminded board members to review them to discuss at a future visioning meeting. When to hold that meeting was discussed. Somnis will send out a “Doodle Poll” to see what date would work best for everyone.

Personnel committee

Howard Hedstrom said the personnel committee (Hedstrom, Carol Mork and Scott Harrison) will meet with Director Somnis for a job performance review.

Meeting adjourned at 5:34.

Respectfully submitted by
Rhonda Silence
Minutes & More