

Cook County-Grand Marais Economic Development Authority
February 13, 2018 – Grand Marais City Hall

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

Others present: Paul Goettl, County Administrator Jeff Cadwell, Rhonda Silence.

Absent: Scott Harrison, Carol Mork

Meeting called to order by President Howard Hedstrom.

The Pledge of Allegiance was recited.

Public Comment

No public comment.

The EDA considered the agenda. *Motion to approve the agenda by Heidi Doo-Kirk, second by Bev Green. Motion carried, all ayes.*

Minutes of December 12, 2017 meeting reviewed. *Motion by Heidi Doo-Kirk, second by Bev Green to approve minutes. Motion carried, all ayes.*

New business

Election of EDA board officers

It was noted that EDA Board Member Scott Harrison's appointment to the EDA by the Cook County commissioners expired December 31, 2017. At that time, EDA President Howard Hedstrom appointed Board Member Heidi Doo-Kirk to temporarily act as treasurer. Harrison's reappointment to the EDA board was approved by the county board on January 23, 2018. Harrison agreed to resume his duties as treasurer if nominated again by the board.

After discussion, it was agreed to continue with the previous slate of officers.

Motion by Hal Greenwood, second by Bev Green to appoint the following board officers for 2018:

President: Howard Hedstrom

Vice-President: Anton Moody

Secretary: Heidi Doo-Kirk

Treasurer: Scott Harrison

Motion carried, all ayes.

The EDA discussed the question raised at the January 23 county board meeting about length of terms for EDA board members. Commissioners asked if six years was too long for someone to serve on the EDA board. Director Mary Somnis provided information on the formation of the EDA in 1988. The EDA was created by special legislation (Chapter 515 – HF 1224, Section 4, subdivision 1.) That legislation established the six year terms, so to change the length of appointment the EDA would have to request legislative action. The board agreed to leave the term length as is.

Superior National at Lutsen

Grand Opening celebration

Director Somnis shared preliminary details on a grand opening of the new holes at Superior National at Lutsen. She said invited guests will be local, regional and national golf media and leaders in the golf industry, local supporters and friends, local government officials, Golf Course Architect Jeff Brauer, legislators, MN Tourism representatives and IRRRB officials. The event will be held June 28, starting with a continental breakfast at the

clubhouse for participants. There will be a shotgun start for a golf scramble at 10 a.m. Golf will continue until 3 or 4 p.m., followed by a celebration with hors d'oeuvres, cash bar and prizes.

The golf course is seeking sponsors to cover event costs. Sponsors would be recognized at the grand opening event at various levels, depending on amount contributed. Sponsorship range from \$100 to \$2,500.

Consider Memorandum of Understanding with Visit Cook County for 2018 Marketing for SNL

Somnis is working with Visit Cook County on a memorandum of understanding for marketing of the golf course. Giant Voices is the firm that handles the Visit Cook County marketing and they would work with the EDA/Superior National as well. Giant Voices put together a draft budget for advertising/marketing for 2018. Somnis shared an ad that ran in a regional golf magazine announcing the new holes opening this summer. It promotes the golf course and four resorts that participate in the "Stay and Play" program. The ad is full color with beautiful photos of the golf course and it was placed on the front inside cover of the magazine, a premiere spot. Somnis also shared rack card/brochures that would be distributed at restaurants/tourist spots along I-35 from the metro area all the way up the North Shore.

With help from Visit Cook County, Superior National was featured in the festivities in Minneapolis during Super Bowl week. SNL was part of the Sota-Pop event on Nicolet Mall. There was a giant gumball machine with 300 golf balls with the SNL logo imprinted for visitors to the event.

Somnis said she should have a completed memorandum of understanding for the EDA board to consider for approval at the next EDA meeting.

Consider funding request for Tofte Housing Master Plan

The township of Tofte is taking another look at the housing project it was working on near the Birch Grove Community Center that has stalled. The township would like to hire Krech Ojard to look at what has been done to date and to give an opinion on whether or not the project is feasible. It is hoped that the firm will have ideas how to proceed. Director Somnis and Treasurer Scott Harrison met with Tofte Supervisor Craig Horak and Tofte business owner Dennis Rysdahl to talk about the project.

The township requested \$5,000 to be used toward the \$10,000 expense of hiring Krech Ojard. Howard Hedstrom noted that housing is still needed in the county, but asked where the money would come from if the EDA contributed. Somnis said the EDA has \$50,000 in its budget to be used toward future housing projects. She said it seems this would be an appropriate use of those funds.

Motion by Bev Green, second by Hal Greenwood to contribute \$5,000 toward the review of the Tofte housing project. Motion carried, all ayes.

Consider adjustments to administrative agreement with the City of Grand Marais

Somnis said in light of the retirement of city secretary Tina Hanson, who did some administrative work for the EDA, and other personnel changes, the EDA may request an adjustment in its payment to the city for that assistance. The changes may mean an increase in time allocated to bookkeeper Paul Goettl. Hedstrom said the EDA will see how things go for a few months before seeking a change, but it is likely there may be some savings for the EDA.

Letter of support for Sawtooth Mountain Maple Syrup

Somnis presented a draft letter of support for Sawtooth Mountain Maple Syrup. The company is seeking a grant from the Minnesota Department of Agriculture's MN Value Added grant program to purchase some equipment that would help increase its processing capabilities. Sawtooth Mountain Maple Syrup says the grant would help it expand its business. The company hopes to add two employees and increase the hours of a current part-time employee.

Motion by Anton Moody, second by Bev Green to approve the letter and directing Director Somnis to submit the letter of support. Motion carried, all ayes.

Financials

Paul Goettl distributed financial reports for Superior National at Lutsen, as of December 31, 2017. He said these are end-of-year numbers, but are unaudited. He said the state audits the EDA in June or July. Goettl said the

balance sheet shows stronger cash in the bank than last year, which is good. However, Goettl said the golf course finished with 10,000 rounds. To see adequate revenue, the golf course needs to finish with over 12,000 rounds, which will likely be the goal for next year. Somnis said that should be a realistic goal as Superior National is a beautiful, new, course.

Hedstrom noted that the financial statements showed a loss in the inventory category and the board discussed the amount of merchandise that should be on hand at Superior National. Goettl said this is something that Heath Ekstrom at the course is aware of and will keep a close eye on.

Board Member Heidi Doo-Kirk suggested that the EDA give a presentation to the county board before the grand opening, to share financials and to invite commissioners to the event. County Administrator Jeff Cadwell said the EDA could be added to the agenda in April. There was tentative agreement for the EDA to be on the county agenda on the second Tuesday in April.

Motion by Hal Greenwood, second by Bev Green to accept the Superior National at Lutsen financial reports for December 2017. Motion carried, all ayes.

The EDA board reviewed the financial reports for the Cook County/Grand Marais Economic Development Authority (EDA) for January 2018.

Motion by Bev Green, second by Hal Greenwood to accept the Cook County/Grand Marais Economic Development Authority (EDA) financials and to approve payment of the invoices presented for December 2017 through February 2018. Motion carried, all ayes.

Old & Ongoing Business

Strategic Planning

Nothing new, this is ongoing.

Cedar Grove Business Park

Somnis said not much is happening with the business park since it is winter. She has had an inquiry on a lot at the top of the business park. She will follow-up on that.

Nordic Star - Grand Marais housing

The foundations for the houses are ready. There are nice sheds on site. The houses will arrive when weather allows, probably sometime in April. They should be ready for occupancy in June. Bev Green asked if any houses had been sold. Somnis said six applicants have been found to be eligible.

Somnis shared a letter from Cliff Knettel of One Roof Housing. Knettel is requesting a change in the wording for the use of housing development funds from the EDA/city/county. The change does not mean One Roof needs more money at this point, but it needs to distribute its current funds in a different way. Cliff Knettel will attend an upcoming city council meeting to request this change and he asked for a vote of support from the EDA for the change.

Motion by Bev Green, second by Hal Greenwood to support the request from One Roof Housing. Motion carried, all ayes.

Lutsen Housing

No news. Scott Harrison will have some information on this at a future meeting.

Village North

The board commended Bruce Block for the work he has done at the Village North site, the former Gofer Cabins. He put the EDA funds granted to him to good use. He will be coming to the EDA soon to be reimbursed with the funds allocated to his project.

Assisted Living

No news from Spectrum Community Health about its possible assisted living project in Grand Marais. Doo-Kirk said the need is even greater now that Hill Haven Assisted Living has closed.

Creative Economy Collaborative (CEC)

Somnis said the Creative Economy Collaborative (CEC) report from ArtSpace should be available soon. It will be shared with the EDA board when it is available.

Somnis said another CEC initiative is the creation of a Grand Marais Arts Commission, to work with the city of Grand Marais. There are a number of options for such a commission, such as adding an Arts Commission to city government at the same level as planning and zoning or the park board. Other options are for an Arts Commission to be a subcommittee of the Planning & Zoning Commission or the Park Board; to be an independent advisory board, or to have it be a formal subcommittee of the EDA.

No action was taken, this item was for discussion only.

Small Business Development Center

The board reviewed a written annual report from Small Business Development Center Representative Pat Campanaro, who reported that she had worked with 410 clients in the past year. She said over the last five years, clients have invested over \$10,000,000 into the Cook County economy.

Campanaro was not able to be at the EDA meeting because she and Cook County Chamber Executive Director Jim Boyd were at the Northeast Minnesota “Workforce Solutions Series for Employers” in Duluth. The session is being put on by the UMD Center for Economic Development, the Duluth Workforce Development Board and Northeast Minnesota Workforce Development Board.

Somnis told EDA members that there are two other opportunities to participate in this training/networking program. On April 18 and May 16, the topic will be Focus on Retention and Recruitment

Howard Hedstrom said he would be meeting with Campanaro regarding the reimbursement she receives. Hedstrom said there is a \$5/hour difference between what the EDA receives from the Small Business Development Center and what Campanaro receives. For example, Somnis said the EDA received \$25,000 from SBDC and Campanaro was paid \$18,750.

No action was taken, Hedstrom said this is just information for the board at this time.

EDA Director Report

In addition to the other things presented at the meeting, EDA Director Somnis said she continues to work with “Plan B” committee, which is trying to find alternatives to the current international workforce situation.

Somnis said she has been appointed to the board of the Iron Range Economic Alliance. She said it won’t require much additional time on her part, but could benefit the community as it is a great networking opportunity.

Somnis attended the latest meeting between the city of Grand Marais and MnDOT on the highway reconstruction being planned for 2019.

Somnis gave a presentation to the Cook County Whole Foods Co-op about the work of the EDA. She will be following up with them regarding potential projects to assist local growers in economic prosperity.

Somnis also gave a presentation to the Cook County Chamber board. She told the EDA board that she would be happy to do similar presentations to other organizations, to help spread the positive things that the EDA is doing. Somnis also shared some media coverage for Cook County and the EDA. Cook County was featured in a recent Arrowhead Regional Development Commission (ARDC) report and in an Arrowhead Area Agency on Aging newsletter. She also shared a letter to the editor in the *Cook County News-Herald* by Cook County Chamber Director Jim Boyd, thanking the EDA for its support of North House in its efforts to purchase the Dockside Fish Market property.

Other business

Cook County Local Energy Project

The board reviewed a thank you letter from the Cook County Local Energy Project for the EDA’s financial support of the 2018 CCLEP and Cook County Extension Builder’s Workshop. Twenty-three local, licensed contractors received seven continuing education credits by attending this course.

The next EDA meeting will be Tuesday, March 6 at 4 p.m. at Grand Marais City Hall.

Howard Hedstrom will be available for the WTIP interview on EDA activities on Wednesday, February 14.

Meeting adjourned

Respectfully submitted by

Rhonda Silence

Minutes & More