

**Cook County/Grand Marais Economic Development Authority**  
**January 8, 2019 – Grand Marais City Hall**

**Present:** Board members Scott Harrison, Heidi Doo-Kirk, Howard Hedstrom, Anton Moody, Hal Greenwood,  
**Others present:** Executive Director Mary Somnis, County Administrator Jeff Cadwell, Matthew Brown, Rhonda Silence, Bev Green (awaiting city reappointment to the EDA board). **Absent:** Carol Mork

**Public Hearing on proposed Cedar Grove Business Park lot**

Hedstrom called the public hearing to order at 4:01 p.m. The purpose was to accept comment on the proposed sale of Block 5, Lot 4 of Cedar Grove to N&L Samari Properties, LLC for \$28,000. There were no comments. *Motion by Doo-Kirk, second by Greenwood to approve the sale of Block 5, Lot 4 of Cedar Grove Business Park to N&L Samari Properties, LLC for \$28,000. Motion carried, all ayes.* The public hearing was adjourned.

**Regular EDA meeting**

Meeting called to order by Hedstrom at 4:10 p.m. Pledge of Allegiance was recited. No public comments. Agenda and minutes of December 11, 2018 reviewed. WTIP, CCLEP and HRA committee added to the agenda. *Motion by Doo-Kirk, second by Greenwood to approve agenda with additions and the Dec. 11, 2018 minutes. Motion carried, all ayes.*

**Resolution for sale of Cedar Grove Business Park Lot 4, Block 5**

Following the public hearing, the EDA considered a resolution for the sale of Cedar Grove Business Park Lot 4, Block 5. *Motion by Doo-Kirk, second by Moody, to adopt Resolution No. 2019-01. Motion carried, all ayes.* Somnis said the purchase agreement and development agreement will be sent to Baiers Heeren to prepare for the closing. Doo-Kirk thanked Somnis for her work on the sale of the lot.

**WTIP Community Radio guest worker interviews**

Somnis shared a request from WTIP for \$550 in support of its guest worker series, put together by volunteer Joni Peterson for the past two years. The interviews help the community get to know the international students and help make those workers feel more welcome. WTIP asked EDA and the Chamber to provide financial assistance to cover mileage and production time.

Somnis said this was discussed in the Workforce Solutions committee. She said these interviews are beneficial to the committee's desire to help international workers feel more at home here. Matthew Brown said the station had received a lot of positive feedback from the community. He said WTIP is asking the EDA to pay half of the \$550. The Chamber has approved \$275. The board agreed this was a meaningful community project. *Motion by Moody, second by Greenwood to contribute \$275 toward the WTIP guest worker interview series. Motion carried, all ayes.*

**Policy for access to housing and business development funds**

The board has been working on a draft policy regarding requests for funding for business and housing projects. The EDA asked County Attorney Molly Hicken to review the draft. Hicken sent some recommendations for language changes which the committee incorporated. The board considered the latest draft and Moody pointed out some language had been accidentally left out stating that the applicant must engage contractors who are licensed and insured. The board agreed that should be included in the policy.

*Motion by Doo-Kirk, second by Greenwood to adopt the policy as presented with the addition of No. 10, requiring that the applicant must engage a licensed contractor with appropriate insurance. Motion carried, all ayes.*

*Motion by Doo-Kirk, second by Greenwood, to state that this new policy supersedes the previous policy that the board had put forward in December 2017. Motion carried, all ayes.*

**HRA research committee**

Conversation continued about the need for housing for workers coming to the community and the idea of creating an HRA. The EDA set a committee to research how HRAs work. Members are Harrison, Doo-Kirk and Hedstrom.

### **Cook County Workforce Solutions**

The EDA had applied to the Lloyd K. Johnson Foundation for \$47,000 to establish a workforce recruitment specialist, to work with possible workers from Puerto Rico and/or with Hibbing Community College and the culinary arts program and other workforce projects.

Somnis said the Lloyd K. Johnson Foundation will be providing \$30,000 to help start-up this position. The EDA said it was good that the Foundation had committed the \$30,000 and noted that organizers will have to revisit the proposed budget to find ways to reduce expenses and/or find other funding sources.

### **Cedar Grove Business Park**

Board member Moody has heard of another business that may be interested in purchasing an owner-occupied lot.

Somnis said the Arrowhead Animal Rescue organization, which operates a shelter for missing and stray animals is looking for land to construct a new shelter. She asked if the board wanted to consider allowing use of the Cedar Grove Business Park. Various locations that would be suitable were discussed. Somnis said this may not be an economic development activity, but a quality of life matter. Bev Green who is a member of Arrowhead Animal Rescue described some of the organization's needs. She added that the shelter does have impact on tourism, as it is often the pets of people visiting the area who are found and placed in the shelter.

### **Nordic Star - Grand Marais housing**

Somnis said the four new homes have been listed for sale, there is interest but no offers yet. There was discussion of how the first four homes have become a neighborhood.

### **Four Directions Dwellings**

Somnis said the Four Directions Dwellings buildings are proceeding. The buildings are set, the roofs are on and decks have been installed. The fourth building is on hold until spring and One Roof Housing is negotiating with Homark, the builder.

Hedstrom asked for the projected occupancy date. Harrison said the first building should be ready the first week of February, the next building should be the first week of March and the next the first week of April.

### **Village North Update**

Somnis said architect Richard Olson has drawn up some plans for Bruce Block for the upper level housing area. The plans will be sent to modular and SIP companies to get rough estimates. Somnis said she talked to Minnesota Housing Partnership (MHP) on Block's behalf. MHP cannot work with private property owners, but could work with the EDA. Somnis submitted an application for Village North.

Somnis said Block is continuing the renovations on the second building that was moved from Tomteboda. Those nine units should be ready in the spring.

The advisory committee is Howard Hedstrom, Scott Harrison, Dennis Rysdahl, Hal Greenwood, Jim Boyd, Somnis and Block.

### **Creative Economy Collaborative**

Somnis said the CEC has been working on a structure for the organization. She said so far the group has been free-flowing, with open door participation. It has been agreed that there should be more structure, so the group created a board for more consistency and productivity.

CEC has been discussing arts and amenities in the Highway 61 corridor with CJ Fernandez, MNDOT, and the Grand Marais Park Board. Another meeting is coming up on January 9. Fernandez will be presenting final designs.

### **Small Business Development Center Report**

Campanaro provided a written report. She had 55.75 hours in client contacts and 14.5 hours in professional development in December. She had 45 contacts with 23 different clients. Five of the clients were new business start-ups and one client obtained a loan from the Cook County Revolving Loan Fund for \$25,000.

Campanaro said she and co-facilitator Steve Surbaugh have been getting good feedback from the first Ascend Training classes. Follow-up meetings are planned.

Campanaro is working with Bob Palmquist from Northspan on a workshop about business succession planning. Palmquist is an expert in this topic. This could be funded with a grant from the USDA. It may happen in February. Somnis said that Campanaro is taking a 30-day leave of absence because of some family issues. She will be available by cell phone and when possible and her supervisor will be covering some of her duties.

### **EDA Executive Director Report**

Somnis attended a Hwy 61 Steering Committee meeting regarding communications before and during the upcoming construction. They will put together information on how to deal with construction.

Somnis met with Visit Cook County executive committee regarding Superior National. She participated in the nominating committee for ARDC and with the Workforce Solutions group.

Somnis said she was pleased to report that the EDA had brought about a half million dollars to Cook County in December: \$375,000 from IRRRB for mountain bike trails from Britton Peak to Lutsen Mountains; \$50,000 from IRRRB for enhanced street lighting for the Grand Marais Highway 61 project; \$30,000 from the Lloyd K. Johnson Foundation to hire the workforce recruiter and \$88,000 from IRRRB to remove ledge rock at Four Directions Dwellings. The board said it should be proud of this work and commended Somnis for her accomplishments.

### **FINANCIALS**

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

Harrison distributed financial reports for Superior National for December 2018. Harrison said it was a good year; the course ended the year with \$92,000 more in cash than last year. He said it will likely be the first year that the golf course does not have to borrow money for opening expenses.

He also gave kudos to Grounds Supervisor Mike Davies for his work. He said despite added expenses in getting the new holes up and running, Davies was \$18,000 under budget. Harrison said the greens came through last year's winter kill better than many of the courses in the region.

Doo-Kirk asked when the first bond payment for the renovations was due. Harrison said November 2019 and the bond payments are covered by the lodging tax collections.

*Motion by Moody, second by Doo-Kirk, to accept financial reports for December 2018. Motion carried, all ayes.*

#### **EDA financials**

The EDA reviewed the EDA financial reports for December 2018 and invoices. *Motion by Doo-Kirk, second by Greenwood to accept the EDA financial statements and approve payment of invoices. Motion carried, all ayes.*

### **OTHER BUSINESS**

#### **Cook County Local Energy Project**

Matthew Engesser, CCLEP coordinator, sent a note thanking the board for supporting the CCLEP Builders Workshop with a contribution of \$1,000 last year and requesting support again this year. Harrison noted that CCLEP had not requested this before the EDA submitted its budget to the county. Somnis said the money could be taken out of the business development fund. Hedstrom said it's a good program, it helps local contractors who would otherwise have to travel for similar training. Doo-Kirk said she agreed it is a good program and, for full disclosure she stated she is married to a building contractor. Harrison said he would like more information about the amount of participation in last year's workshop. *Motion by Doo-Kirk, second by Greenwood to contribute \$1,000 to CCLEP for its Builders Workshop. Motion carried, all ayes.*

The next EDA meeting will be Tuesday, February 12 at 4 p.m. at Grand Marais City Hall.

Hedstrom will be available for the WTIP interview on EDA activities on Wednesday, January 9.

*Motion to adjourn by Hal Greenwood at 5:21 p.m. Motion carried, all ayes.*

Respectfully submitted by

*Rhonda Silence*

*Minutes & More*