

**Cook County-Grand Marais Economic Development Authority**  
**July 10, 2018 – Grand Marais City Hall**

**Present:** Board members Scott Harrison, Heidi Doo-Kirk, Howard Hedstrom, Anton Moody, Carol Mork, Hal Greenwood, Bev Green; EDA Executive Director Mary Somnis

**Others present:** County Administrator Jeff Cadwell, Chamber Director Jim Boyd, Visit Cook County Director Linda Jurek, Bruce Block, Small Business Development Center Representative Pat Campanaro, Rhonda Silence

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

The Pledge of Allegiance was recited. There was no Public Comment.

Upon a Motion by Doo-Kirk, second by Mork and all ayes, the Agenda was approved. Motion carried.

Upon a Motion by Greenwood, second by Green and all ayes, the Minutes of June 12, 2018 were approved. Motion carried.

**NEW BUSINESS**

**Superior National at Lutsen marketing report**

Linda Jurek of Visit Cook County gave a report on the Superior National marketing partnership between the EDA and Visit Cook County. Jurek said the winter was hard on golf courses all over the state this year. Opening of the Canyon nine was carefully managed, which delayed marketing efforts. Promotions were ramped up when the course was fully opened. Jurek asked the golf course/EDA to consider a website platform change for Superior National. She said if Visit Cook County has better access to data, it has better analytics and thereby can better market the course. She said Visit Cook County will help promote new things such as foot golf and bike golf. The EDA board expressed sympathy to SNL golf pro Heath Ekstrom on the passing of his father.

**Superior National Grand Re-Opening**

Jurek said at the grand opening celebration some good connections were made with media that cover golfing. She said there was also good discussion about a junior golf program. Scott Harrison said the EDA had done very well in finding sponsors for the event. He said SNL raised \$15,000 in cash and \$10,000 in in-kind services from sponsors. Mary Somnis will arrange for thank you cards for the sponsors. Somnis suggested doing another similar event next year, a media day at the golf course.

**Consider funding request from One Roof for West End Quad Pod**

Somnis said the EDA had received a request for funding for its workforce rental housing project, currently known as the West End Quad Pod. She said the EDA budget has \$50,000 allocated for housing. She said \$5,000 of that amount had been promised to Tofte township for its housing project study, so there is currently \$45,000 available. Somnis said the EDA is no longer paying the city of Grand Marais for administrative costs, a savings of about \$5,000, so that could be earmarked for housing.

Scott Harrison said the EDA had pledged funding of \$140,000 to One Roof for the Lutsen project and so far had contributed \$39,000 for the purchase of the land and \$46,000 toward general development. He said that leaves a balance of \$55,000. Somnis said according to One Roof, there is a gap of \$205,000. Howard Hedstrom said he understands there is a gap, but said there are other ways to meet it, such as use of contingency funds. Somnis said there is a chance that some Department of Employment and Economic Development (DEED) funds may be available (\$25,000-\$30,000 left over from a project in Glenwood, MN). Anton Moody said before granting any money, he would like to see an in-depth source and use report. He said it wasn't clear whether the documents shared by One Roof detailed the budget or bids received. *Motion by Heidi Doo-Kirk, second by Bev Green, to table the funding request until more documentation is provided. Motion carried, all ayes.*

### **Consider funding request from Bruce Block for Village North**

Bruce Block, developer of Village North at the former GoFer Cabins site, was at the EDA meeting with a request for \$50,000. He told the EDA board that he was working to make it a nice place to live and where people could afford to live. He gave details on his funding, explaining that he and his partner had received a loan from the county revolving loan fund and received a \$50,000 grant for demolition from IRRRB. He said their own investment to date was \$110,000. They are doing the majority of the work themselves. The goal is to rent the units for \$450 - \$700. Twelve units are occupied now.

He said they have prepared foundations for buildings from the old Tomteboda and remodeled four units. He said there were problems getting the building moved from the Tomteboda site. During the move, the plumbing and vent pipes were sheared so extensive repairs must be made. It was discovered that a new waterline is needed. Block said that additional work will cost approximately \$90,000. He said another \$20,000 will be needed to add porches, fix roofs, plumbing and the foundations.

EDA Board Member Hal Greenwood asked Block if \$45,000 or \$50,000 would be enough. Block said any amount would be helpful. Greenwood said he strongly supports Block's project as it is truly low-income.

Scott Harrison said he would like to see more information before granting any funds. Howard Hedstrom said there may be other sources for funding assistance. Director Somnis said she had submitted a pre-app to the Greater Minnesota Housing Fund and a pre-app to IRRRB for \$60,000 to help with the water line.

The board commended Block for his work, but said it needed more information on the source and use of funds. They suggested he work with SBDC Representative Pat Campanaro and return to the EDA.

### **EDA board meeting at airport?**

Director Mary Somnis said she had talked to Visit Cook County's Linda Jurek and Sue Olson of the Airport Commission about the Cook County Airport. She said it seems there should be more marketing of the airport, which could benefit our economy. She suggested holding the EDA's August meeting at the airport, to learn more.

Hal Greenwood said there is a great deal of potential at the airport. He said it has already been used as an air ambulance stop and has saved lives. He said there is talk of charter services and an air drop off point for overnight shipping services. He said with the Silver Bay airport closing, there is more opportunity for the Cook County Airport to pursue these things.

Heidi Doo-Kirk is the county board representative on the Airport Board. She said she agrees the airport could be an economic driver. She said she would like the EDA and Airport Board to discuss marketing. She said it would be a good idea to have Visit Cook County involved, as the airport is a way to get people to visit Cook County.

After discussion, it was agreed the EDA has enough other business to conduct, so it will hold its regular meeting as planned. The board asked Director Somnis to set up preliminary discussion with the airport at some other time.

### **FINANCIALS**

Treasurer Scott Harrison distributed financial reports for Superior National at Lutsen for June 2018. He said liquidity is slightly better than last year. He said he believes the number of rounds will increase now that all the holes are open. There was a lot of rain in June, which impacted the number of rounds, but Harrison said July is off to a good start.

*Motion to accept Superior National at Lutsen financials for June 2018 by Hal Greenwood, second by Bev Green.  
Motion carried, all ayes.*

Harrison also shared financial reports for the EDA. He said the EDA had received its levy funding. He reviewed the various grant funds flowing through the EDA for projects. The board also received bills for payment.

*Motion by Bev Green, second by Heidi Doo-Kirk to accept the June 2018 financial reports for the Cook County/Grand Marais Economic Development Authority and to authorize payment of the bills as presented.  
Motion carried, all ayes.*

## **OLD AND ONGOING BUSINESS**

### **Superior National at Lutsen re-opening celebration**

The board talked more about the grand opening. All agreed it was a great event. Somnis said the new entrance sign was installed just before the event. Board Members said they like the sign, noting it is really nice at night.

### **Cedar Grove Business Park offer**

Director Somnis continues to work with the buyer who made an offer on a lot last month. The buyer is considering a counter-offer but is waiting to talk with a storm water engineer before his final decision.

Somnis said she continues to work with Gary Nesgoda and Nathan Hingos of Nesgoda Services on the purchase of Lot 10, Block 5. There have been questions regarding the snowmobile trail easement, but Somnis said they still plan to complete the purchase.

Board Member Anton Moody, who is also owner of Taiga Construction, said he might be interested in buying a business park lot, but he is concerned that would be a conflict of interest. Director Somnis said he has the right to make an offer to purchase a lot like any other citizen. All of the lot pricing information is public knowledge that anyone can have access too. If Moody were to purchase a lot, he would have to recuse himself from that vote.

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

Somnis said the housing project was nearly complete and One Roof is working with applicants. An Open House was held so applicants can see the houses and another is planned soon. She said they have applications from 28 people. Work has begun on the roads for phase 2 and Crawford Excavating will start work on foundations soon.

### **Lutsen Housing**

Somnis said One Roof hopes to set the first building on September 1. The buildings have to be set by mid-October in order to avoid more challenging weather. The anticipated move-in date is November 15.

### **Assisted Living**

Nothing new, but the EDA will continue to pursue this.

### **Creative Economy Collaborative (CEC)**

Nothing new.

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

Small Business Development Center Representative Pat Campanaro provided a written report. She said that worked 34.25 hours. She saw 14 different clients in 23 meetings. She shared information from Cook County Health & Human Services and the North Shore Health Care Foundation on the future of those organizations. She will be attending training to become a trainer with the ASCEND program in Duluth. The training is an initiative of the Entrepreneur Fund and is meant to help business owners engage employees in the success of the business. Steve Surbaugh and Campanaro plan to offer this program in the fall at Cook County Higher Education.

### **EDA Executive Director Report**

Somnis said she has taken part in a number of planning meetings regarding the culinary school partnership with Hibbing Community College and Cook County Higher Ed. She said the accreditation has been approved. The site improvements at School District 166 are scheduled for completion when school starts in September. She met with officials from Great River Energy and Minnesota Power. She said those entities may have funding for projects like the Village North project.

Somnis and Julie Petrusha of One Roof Housing presented information on housing at a Cook County Chamber annual meeting at Wunderbar. Somnis helped with arrangements for a visit from U.S. Senator Amy Klobuchar at Voyageur Brewing Company. Klobuchar wanted to meet with local business people.

Somnis shared some information on the work being done to alleviate the community worker shortage. Dennis Rysdahl of Bluefin Bay has made contact with a person in Branson, Missouri, who brought 200-300 workers to that area from Puerto Rico. Somnis will take part in a phone conference to learn more about this.

In the last month she also met with developers from Duluth who are exploring ideas to help our area meet its housing needs, explored alternative office space for the EDA, worked on the golf course Grand Opening, and attended IREA and ARDC meetings.

Somnis told the board that Randy Lasky of the Northspan Group is retiring. The EDA and other local entities have worked on strategic planning with Northspan. There is a gathering to meet the new leader of Northspan at Lutsen Resort on Friday, July 13.

### **Other business**

The next EDA meeting will be Tuesday, August 14 at 4 p.m. at Grand Marais City Hall.

Howard Hedstrom will be available for the WTIP interview on EDA activities on Wednesday, July 11 at 8:20 a.m.

*Motion to adjourn by Hal Greenwood, second by Bev Green at 5:55 p.m. Motion carried, all ayes.*

Respectfully submitted by

*Rhonda Silence*

*Minutes & More*