

**Cook County-Grand Marais Economic Development Authority**  
**June 12, 2018 – Grand Marais City Hall**

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

**Others present:** County Administrator Jeff Cadwell, Julie Petrusha, Arvis Thompson, Chamber Director Jim Boyd, Rhonda Silence

**Absent:** Anton Moody

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

The Pledge of Allegiance was recited.

**Public Comment** – None

**Approve Agenda and Minutes**

*Motion by Greenwood, second by Green to approve today's agenda. Motion carried, all ayes.*

*Motion by Greenwood, second by Green to approve May 8, 2018 minutes. Motion carried, all ayes.*

**New business**

**Office rental to Cook County Chamber**

Executive Director Mary Somnis gave the EDA board information on the rental agreement between the EDA and the Cook County Chamber of Commerce. She said when the chamber was formed it had some major business supporters to help with start-up costs. Those businesses have rolled back that support as the chamber has become more established and because of that, the EDA could consider reducing what it charges the chamber.

Scott Harrison noted that for the first year, the EDA allowed the Chamber use of the space rent-free, but since then has charged.

Somnis said the Chamber pays \$250 for its space. AEOA pays \$210. The EDA pays the city of Grand Marais \$300 for its use of the space.

Harrison said he believed the EDA could reduce the Chamber's rent, especially because the EDA budget included \$6,000 for office services from the city of Grand Marais. Since the retirement of Tina Hansen, Director Somnis and bookkeeper Paul Goettl have been performing those duties, so the EDA has seen some savings. He suggested reducing the Chamber's rent to \$100 per month.

Somnis said reducing the rent for the Chamber is a way for the EDA to show its support for local businesses.

*Motion by Scott Harrison, second by Carol Mork to reduce the rent for the Cook County Chamber of Commerce to \$100 per month. Motion carried, all ayes.*

**Cedar Grove Business Park offer**

Somnis shared a letter from a potential buyer of a Cedar Grove Business Park lot. Robert Schultz made an offer of \$27,500 for a lot in the section of the business park that allows owner occupation. Somnis said Schultz is a financial investor and artist. He would like to buy the lot to build a residence with a studio where he and his wife could work on artistic endeavors.

Schultz said he is most interested in lot 6, but he wants to have a stormwater engineer look at that lot as well as lots 7 and 8, to see what would work best for his needs.

The board asked for a reminder of what other lots had sold for. Somnis said Nesgoda Services had paid \$35,000 (for a bigger lot with less wet areas). Kim Linnell paid \$30,000. Max Wahlers Construction and the Cedar Grove Veterinary Clinic paid \$27,500 for similar lots.

Board member Bev Green said that because the owner-occupied lots offer two uses—residential and business—they should be have a higher value. Scott Harrison agreed, and added that inflation should be considered.

*Motion by Heidi Doo-Kirk, second by Bev Green to make a counter-offer of \$31,000. Motion carried, all ayes.*

*Motion by Heidi Doo-Kirk, second by Bev Green authorizing EDA Director Somnis to negotiate on the lot price on behalf of the EDA. Motion carried, all ayes.*

## **Financials**

Treasurer Scott Harrison distributed financial reports for Superior National at Lutsen for May 2018. Howard Hedstrom asked how the golf course was doing on number of rounds played. Harrison said SNL was short 80 rounds in May, but he said he was not surprised. The shortfall was less than he anticipated. He said net income is down \$11,000, however he said it is early in the season and the premier holes have not yet opened, so he said there is no need for concern.

Harrison also shared financial reports for the EDA. The board questioned the amount for copy machine charges. Somnis said in the past the EDA had to record every copy it made in a log book. City financial director Kim Dunsmoor calculated the number of copies made and the EDA agreed on an average payment to be made. The EDA now pays \$600 per year for copies, which Somnis said is fair.

*Motion by Hal Greenwood, second by Carol Mork to accept the May 2018 financial reports for Superior National at Lutsen and the Cook County/Grand Marais Economic Development Authority as presented. Motion carried, all ayes.*

The EDA board also reviewed bills for payment.

*Motion by Heidi Doo-Kirk, second by Bev Green to pay invoices as presented. Motion carried, all ayes.*

Harrison suggested making a donation to the Lutsen Fire Department for helping the EDA get rid of an old building on the Lutsen workforce housing property. The fire department conducted a live burn exercise.

*Motion by Bev Green, second by Hal Greenwood, to make a donation of \$500 to the Lutsen Fire Department for its assistance. Motion carried, all ayes.*

*Motion by Hal Greenwood, second by Carol Mork, recognizing EDA Treasurer Scott Harrison for his hard work as treasurer, overlooking the Superior National at Lutsen and EDA finances. Motion carried with all ayes, except for Harrison who abstained, but said "you're welcome."*

## **Old & Ongoing**

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

Somnis and Scott Harrison said they are putting the finishing touches on the grand reopening celebration on June 28 at Superior National. They will be meeting with Golf Pro Heath Ekstrom to go over final details, but they said things are going well. The EDA received more in sponsorship funds than hoped.

### **Entrance sign**

The new entry sign at Superior National is scheduled to be installed June 25 or 26, just before the re-opening.

MnDOT has a sign on Highway 61 near the entrance to the golf course which shows a cross-country skier. Somnis said she contacted MnDOT to see if they could instead have a golfer. She said they don't have a golf figure, but can put up a brown sign that says "Golf Course" to help people find the course. However, the sign would be right next to the blue directional sign that says "Golf Course". It is difficult to see the entrance to the course because there is brush in the right-of-way as you approach from the southwest. The golf course can get a permit to have the brush cleared back, so Somnis will get that application.

## **Cedar Grove Business Park**

### **Nesgoda Services purchase of Cedar Grove Lot**

Gary Nesgoda and Nathan Hingos of Nesgoda Services are getting closer to the purchase of Lot 10, Block 5 of the Cedar Grove Business Park. Things have been delayed because of questions regarding the North Shore State Trail snowmobile trail easement, but Somnis said they still plan to complete the purchase.

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

Julie Petrusha of One Roof Housing was at the meeting to give an update on the Nordic Star housing project. She said there was a bit of a problem with the location of one of the footings, but plans have been modified and she said all four of the houses are set on foundations. She said the modification resulted in less wetlands disturbance than anticipated. She said interior finishing is being done and when all is done, an Open House will be held.

She said the final costs are still coming in, but it looks like the project is close to budget. The mortgages will be \$163,000 for people in the 80% level and \$215,000 at the 115% level. It may be possible for purchasers to get a one percent loan from the USDA.

Bev Green asked if homeowners can clear the lots and expand the yards. Petrusha said no because of the wetland restrictions, the trees need to stay. But she said there is room on the lots to have a small yard, swing set, etc.

The site work excavation for phase 2 of the Nordic Star project was awarded to Rick Crawford. The permits are in order for the water and sewer extension. Four more houses have been ordered and should arrive August 15. One Roof is seeking funds for two more homes.

### **Lutsen Housing**

Petrusha said there was a pre-construction meeting in Lutsen. One Roof is now working with MnDOT, the county and state on the permits needed to build. Homark Manufacturing is the builder of the homes. The majority of the construction money is staying in the county. McKeever Well Drilling is doing the wells, County Plumbing is doing the plumbing, and Rick Crawford is doing the excavating. One Roof hopes to set the first building on September 1. The buildings have to be set by mid-October. The anticipated move-in date is November 15.

Petrusha expressed thanks to the county for its support and the EDA for all its hard work to get these projects moving ahead.

Petrusha said One Roof Housing have been in communication with the neighboring property owners Gary and Alta McQuatters. The housing area is being built on what was Alta's family homestead, so One Roof asked her what she would like to see the road named.

Alta chose the name Alta Miikana, which means "high trail" in Ojibwe. Somnis said they are also working with Alta on a name for the housing development. She said it is currently on record as the West End Quad Pod, so they definitely need a different name.

### **Village North**

Director Somnis said that although the EDA had discussed helping offer a fundraiser for Bruce Block, developer of the Village North housing area (formerly Gofer Cabins), Block said thank you, but declined the offer.

An IRRRB representative visited and checked out the progress. An extension was granted on the grant for demolition as progress is being made there.

### **Assisted Living**

Although the developer who was thinking of building an assisted living facility is not able to go forward at this time, the EDA still feels this is a need. The EDA will continue to pursue this.

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

Somnis said the group went to the Grand Marais City Council to present its proposal to serve as an advisory arts board, not another governmental board like the park board or the planning commission.

She shared a memo from Grand Marais City Administrator about the transportation alternative program (TAP) funds that are available to the city for amenities in the Highway 61 corridor and the priorities that have been set by the Highway 61 steering committee. Somnis said the CEC will be involved in the design planning.

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

Small Business Development Center Representative Pat Campanaro provided a written report. She said that worked 47.5 hours of which 12 hours was spent at the SBDC annual Knowledge Exchange Program in Brainerd, MN. She shared an informational handout on that program.

She said she saw 20 different clients in 38 meetings. She said highlights of the month included working with Kate and Jeremy Keeble in the purchase of Hughie's Tacos and Nesgoda Services on the business park lot purchase.

### **EDA Executive Director Report**

Somnis said she attended the NE MN Workforce Solution session on worker recruitment and an IRRRB meeting in St. Paul. She said thanks to IRRRB for their support of Cook County projects.

She attended the county board meeting on bonding for workforce housing in Lutsen. She met with marketing staff from Hibbing Community College regarding marketing the culinary school in Grand Marais. She met with prospective clients of Cedar Grove Business Park and is corresponding with three others who have some interest in purchasing a lot.

### **Other business**

The next EDA meeting will be Tuesday, July 10 at 4 p.m. at Grand Marais City Hall.

Howard Hedstrom will be available for the WTIP interview on EDA activities on Wednesday, June 13 at 8:20 a.m.

*Motion to adjourn by Bev Green, second by Hal Greenwood. Motion carried, all ayes.*

Respectfully submitted by

*Rhonda Silence*

*Minutes & More*