

**Cook County-Grand Marais Economic Development Authority**  
**March 10, 2020 – Grand Marais City Hall**

**Present:** Board members Scott Harrison, Heidi Doo-Kirk, Howard Hedstrom, Anton Moody, Bev Green, Hal Greenwood, Carol Mork

**Others present:** Mary Somnis, Pat Campanaro, Jeff Corey of One Roof Housing, Carrie Johnson, Marja Erickson, and Dean Farnam of the Cook County Historical Society, Gary Nesgoda and Rhonda Silence

Meeting called to order by Hedstrom at 4:00 p.m. No public comment.

**Agenda & Minutes**

*Motion by Greenwood second by Doo-Kirk to approve the agenda with addition of discussion of a business development grant request. Motion carried, all ayes.*

Minutes of February 11, 2020 meeting reviewed, and minor corrections suggested. Somnis will make those corrections. *Motion by Green, second by Mork to approve February 11, 2020 minutes with corrections. Motion carried, all ayes.*

**NEW BUSINESS**

**Consider request from One Roof Housing for funding**

Jeff Corey gave an update and answered questions about the One Roof Housing request for funding support to enable them to reduce the price of the remaining two homes for sale at Nordic Star. This was discussed at the February 11, 2020 EDA meeting and there were several questions.

Included in the EDA board packet were answers from Jim Philbin of One Roof on buyer demographics, what marketing efforts have been taking place, carrying costs of vacant homes, and information on sources and uses of funds to date.

To the question of whether there are buyers “in the chute” to purchase the homes at the lower price, Corey said One Roof believes that is the case. However, they have not been able to put the houses on the market at that price, so he does not have an actual waiting list.

The board talked at length about what the EDA has contributed to the housing project. It was noted that One Roof has spent approximately \$3 million dollars on housing in Grand Marais.

*Motion by Harrison, second by Mork, to grant \$40,000 to One Roof Housing (\$20,000 subsidy per house) for the Nordic Star development. Motion carried, all ayes.*

**Request from Cook County Historical Society for lot at Cedar Grove Business Park**

Carrie Johnson, executive director of the Cook County Historical Society, along with several historical society board members, returned to the EDA to provide more information—and a purchase offer—for Cedar Grove Business Park, Lot 5, Block 7.

At the February meeting, the historical society explained that the lot is needed to construct a facility for storage of museum archival items. The new storage is desperately needed for the 25,000+ items in the museum collection because the archival area in the basement of the museum has flooded twice in recent storms.

At the February meeting, the historical society asked if the EDA could sell the lot to them for \$1. The EDA noted that there are special assessments of \$10,000 to \$15,000 on business park lots, so it would likely not sell a lot for \$1 and asked the society to come back with more information and another offer.

At this meeting, the historical society proposed purchasing the lot for up to \$15,000, to cover the special assessment, plus pay closing costs. In light of recent lot sales, the EDA said it should not accept an offer that low. After discussion, the EDA told the historical society they will accept \$20,000 plus closing costs. The historical society representatives will go back to their board to see if they can manage that. If yes, Somnis will schedule a public hearing on the lot sale.

*Motion by Doo-Kirk, second by Green, to accept the offer from the Cook County Historical Society for Cedar Grove Business Park, Lot 5, Block 7 for a price of \$20,000, plus closing costs, contingent on the required EDA public hearing on lot sales. Motion carried, all ayes.*

### **Consider an offer on Cedar Grove Business Park lot**

The parties interested in purchasing Block 5, Lots 8 and 9 hoped to be at the EDA meeting, but had a business conflict. Somnis, who reminded the board that she is related to the buyers, presented an email from them. Following up on the EDA's counteroffer to their original offer, Bill and Sue Nichols said they would like to purchase the lots at \$50,000.

They are working with Pat Campanaro to prepare a request to the Cook County Revolving Loan Fund on the lot purchase and establishment of their business in the county.

Harrison asked about an easement issue on lot 9. The adjacent lot 10 owner, Gary Nesgoda, constructed his driveway on lot 9. Nesgoda was at the meeting and said the first 50-feet of the driveway are encroaching. Somnis said the buyers are aware of the driveway issue and they are willing to share the road. She noted that it seems the driveway was built in the most logical place due to topography. A decision will be made in the spring, when the snow is gone. Nesgoda is willing to relocate the driveway if necessary.

*Motion by Doo-Kirk, second by Mork to accept the purchase offer, and to go to public hearing. Motion carried, all ayes.*

### **Consider letter of understanding with CADG for Assisted Living**

The board received information on a possible scenario for assisted living in Cook County from Community Asset Development Group (CADG)'s Dave Pokorney and Bob Roepke. They believe a 20-unit assisted living project is feasible. Somnis gave a draft letter of understanding, received from CADG, stressing that this is the beginning of the process. She said the EDA is not committing to anything at this point.

*Motion by Mork, second by Doo-Kirk to send the letter of understanding, stating that the EDA will continue working with Community Asset Development Group. Motion carried, all ayes.*

### **Consider First Amendment to Declarations for Four Directions Dwelling**

Somnis and Julie Petruscha of One Roof proposed amendments to the covenants, conditions and restrictions for the Four Directions Dwellings in Lutsen. They have discovered some things that need to be clarified in the document. Somnis presented the covenants, with potential changes, to the EDA board.

*Motion by Mork, second by Greenwood, to accept the changes as suggested. Motion carried, all ayes.*

### **Consider \$10,000 for Superior National Marketing for 2020**

Harrison said Superior National budget will be ready for the next EDA meeting. In the meantime, Harrison asked the EDA to approve \$10,000 for marketing Superior National. The funds will be matched by Visit Cook County.

*Motion by Greenwood, second by Green to approve that expenditure. Motion carried, all ayes.*

### **Schedule a board work session to begin succession planning**

Somnis said a work session should be held to work on succession planning. There was discussion of what part the SBDC and Cook County Chamber would play in this. Somnis said there is an opportunity for public input on the update to the Prosperity Agenda, possibly on April 6-7.

Succession planning for EDA should wait to be informed by the upcoming public input. She told the board to plan on a working session on this in May or June.

### **Business Grant Application from Nesgoda Services**

SBDC representative Pat Campanaro said she has been working with Gary Nesgoda of Nesgoda Services on organizing and automating the office of his landscaping business. It has been determined that his business could function much better with some office and payroll software. Nesgoda is requesting \$300 to purchase and install QuickBooks Pro Desktop with Payroll. The board asked Nesgoda to come back to the board to share financial reports. Nesgoda agreed to do that and thanked the EDA for its support.

*Motion by Mork, second by Green to approve a grant of \$300 from the EDA business development fund to Nesgoda Services to purchase and install QuickBooks Pro Desktop with Payroll. Motion carried 6-0, with Doo-Kirk abstaining.*

## **FINANCIALS**

The board reviewed the Superior National and Cook County/Grand Marais Economic Development Authority financials for February 2020. The financial reports will be filed for the annual audit.

The board reviewed the checks to be written for the invoices for the month. *Motion by Green, second by Mork to approve checks for the Feb. 12 – March 10 invoices as presented. Motion carried, all ayes.*

## **OLD AND ONGOING BUSINESS**

### **Discuss 2020 priorities and possibilities**

This will remain on the agenda as the EDA continues to consider all the projects underway—assisted living, housing, workforce recruitment, business park lot sales and management of the golf course.

### **Short Term Rental Property Tax Classification**

Somnis distributed a flyer on the short term rental property tax classification situation. She continues to participate in meetings on this with parties involved in the short term rental property tax classification discussion. She and other community business representatives will be at the State Capitol to talk about this during Duluth/St. Louis County Days at the Capitol.

### **Cook County Workforce Solutions**

Somnis continues to work with the Workforce Recruitment group on various methods to fill Cook County's workforce needs. She had a good meeting with Eric Frost of Bluefin Bay. They now have 15 workers on staff from Puerto Rico. Chamber Workforce Solution staffer Laura Muus has a list of 50 people who are willing to come for seasonal jobs.

### **Cedar Grove Business Park**

In addition to discussion of possible lot sales, Somnis told the EDA board that the city is in the process of issuing new bonds for the business park, which will save the city some money. There may be a need for some documentation from the EDA.

Doo-Kirk told the board that Sheriff Pat Eliassen had said the city may be putting the dog pound on a lot at the business park. She said the people discussing this need to come talk to the EDA.

### **Creative Economy Collaborative**

Somnis gave a brief update on her work with the Creative Economy Collaborative.

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

Campanaro shared a written report.

She said she has been asked to serve on an Early Childhood Coalition, which is looking at childcare needs in the county. She asked for EDA feedback on whether this is a good use of her time. The board said yes and thanked Pat for her work on this. Childcare is an important concern for county workers.

### **EDA Executive Director Report**

Somnis provided a written report in today's meeting packet.

### **OTHER BUSINESS**

Somnis said the EDA has been asked to support the Gitchi Gami Trail Association bonding request. with a letter of support. GGTA is requesting funds to complete the trail from Ski Hill Road to the Caribou Trail in Lutsen.

*Motion by Mork, second by Greenwood, to send a letter of support for the funding request.*

*Motion carried, with Heidi Doo-Kirk voting nay due to concerns about the spread of invasive species.*

The next EDA meeting is Tuesday, April 14, 2020 at 4 p.m. at Grand Marais City Hall.

The EDA is scheduled for an interview on WTIP on March 11.

*Meeting adjourned at 6:01 p.m.*

Respectfully submitted by

*Rhonda Silence*

*Minutes & More*