

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

Present: Board members Scott Harrison, Heidi Doo-Kirk, Howard Hedstrom, Anton Moody, Hal Greenwood, Carol Mork; EDA Executive Director Mary Somnis **Absent:** Bev Green,
Others present: Small Business Development Center Representative Pat Campanaro, County Administrator Jeff Cadwell, North Shore Health Administrator Kimber Wraalstad, Rhonda Silence

Meeting called to order by Hedstrom at 4:01 p.m. The Pledge of Allegiance was recited.

Public Comment

Cadwell and Wraalstad told the board that they have a need for housing. They have hired people who had to turn down the job because they could not find a place to live.

Wraalstad said a new staffer is renting at the former Hill Haven. She said the hospital has toyed with the idea of purchasing Hill Haven to rent to other employees. She has talked to Clinic Director Rita Plourde, who has experienced a similar situation.

Cadwell said the EDA, as an HRA, can own and manage housing to fill this need. He said this housing could be constructed if organizations worked together and guaranteed that there would be renters.

Hedstrom said he is on the board of the Art Colony, has seen the same problem there and this is worth studying. Harrison suggested forming a committee to discuss further. Somnis will set up a date and participants.

Agenda & Minutes

Agenda reviewed. *Motion by Doo-Kirk, second by Mork to approve. Motion carried, all ayes.*

October 9 minutes reviewed. *Motion by Moody, second by Doo-Kirk to approve. Motion carried, all ayes.*

NEW BUSINESS

Consider applying for an IRRR Downtown Streetscapes Grant

Somnis shared information on a new program, designed to encourage investments in downtown areas to create safe and attractive environments. Grants are up to \$50,000 with a deadline to apply November 30.

Somnis said she is working with the Creative Economy Collaborative (CEC) to determine where best to use grant funds in conjunction with the Highway 61 redesign. It could be for gathering spaces, streetlights or other.

Moody said that the highway work would not be completed until 2020. He asked what would happen if the EDA didn't use the funds until 2020. Moody also asked about maintenance and upkeep of the amenities. Somnis said the landscape architect has developed the amenities plan with that in mind.

Harrison said it may be less competitive this year as it is the first year that the grant is being offered.

Hedstrom said he would like to have a specific project before seeking funds and asked Somnis when the CEC would know what it would ask for.

Motion by Harrison, second by Greenwood, authorizing Board President Howard Hedstrom to make the decision of whether to apply for the grant if he deems it worthwhile after seeing the CEC plan. Motion carried, all ayes.

Consider request for amendment to IRRR Development Infrastructure Grant for 4 Directions Dwelling

Harrison explained the need for more funds for the Four Directions Dwellings project because of unexpected costs. He and Somnis presented a draft letter to the IRRR Board requesting an increase in the FY18 grant, from \$120,000 to \$208,000. Harrison said the increase is due solely to the blasting, excavation and hauling of ledge rock. *Motion by Doo-Kirk, second by Mork, to amend the original grant request to be \$208,000. Motion carried, all ayes.*

Superior National at Lutsen marketing report – Visit Cook County/Giant Voices

The board discussed last month's report from Barb Darland and Linda Jurek about 2019 marketing. They noted that there is \$50,000 from local lodging taxes available for marketing the golf course. The company will put together a marketing plan for that amount.

Consider request for 1/3rd of cost for housing study for Tofte

Hedstrom said the township of Tofte is interested in reviving its plan to construct some housing behind the Birch Grove Community Center/School. To keep the project going, there is a need to do some soil borings. The township has talked to Krech Ojard about doing the field investigation for \$5,000. Krech Ojard also submitted a bid of \$6,000 for wastewater design, but the township decided to wait on that. The township is seeking \$1,666 from the EDA to go toward the soil borings.

Hedstrom said if the soil borings come back as hoped, this could lead to a development of 20-25 houses. Harrison said he was concerned about funding for the project. Somnis said she is getting the township and One Roof together to discuss a potential project. *Motion by Greenwood, second by Mork, to commit \$1,666 toward the Krech Ojard soil borings/investigation. Motion carried, all ayes.*

Consider offer for purchase of Lot 4, Block 5 at Cedar Grove Business Park

Following up on the request from Nadder Samari, owner of Cedar Grove Veterinary Clinic, to purchase Lot 4, Block 5, Somnis said she had given Samari the EDA's counter offer. She is waiting to hear back from him.

Policy for access to housing and business development funds

At previous meetings, the board reviewed a draft policy on requests for funding for business and housing projects. The board tabled approval of the policy for attorney review. Somnis said the quote from an attorney came back at \$2,500 - \$3,500 and there is only \$2,000 in the budget for legal. Harrison said he would talk to an attorney to see if something more affordable could be done. The matter was tabled again.

EDA board and committee status

Somnis said the EDA can still appoint someone to the Personnel Committee. Currently serving are Mork and Hedstrom. It was agreed to table the decision on the personnel committee until next month.

Discuss 2019 Legislative Agenda

Somnis said she sent out requests for information from community entities that might need IRRR or legislative assistance in the coming year. Responses included the following possibilities: next phase of Village North; Nordic Star phase 3; Grandview Park at Lutsen for outdoor musical instruments; Tofte housing; and next phase at North House Folk School. The EDA discussed other possibilities, such as funding for the Grand Marais Art Colony, small business start-up funds; and housing such as that suggested by Cadwell and Wraalstad. Harrison said the number one priority should be housing.

Consider waiver form for liability

Somnis shared a waiver form from the League of Minnesota Cities Insurance Trust for board consideration. This waiver must be completed annually to set the monetary limits on liability for the EDA.

Motion by Mork, second by Greenwood, to submit the form declaring that the EDA does not waive the monetary limits on municipal tort liability established by MN Statutes, Section 466.04. Motion carried, all ayes.

FINANCIALS

Superior National at Lutsen

Harrison distributed financial reports for October 2018. Harrison said it was a solid year at the golf course with very close to 12,000 rounds played. *Motion by Mork, second by Greenwood, to accept financial reports for October 2018. Motion carried, all ayes.*

EDA financials

The EDA reviewed the financial reports for October 2018 and checks to be issued. *Motion by Mork, second by Greenwood to accept the EDA financial statements and approve payment of invoices. Motion carried, all ayes.*

OLD AND ONGOING BUSINESS

Cook County Workforce Solutions – Plan B

Somnis said a grant application has been submitted to the Lloyd K. Johnson Foundation for \$40,000 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 and the committee met with Joan Gardner Goodno to talk about the grant. We will know on December 18 whether the application is approved.

Culinary Arts program

Somnis said an instructor has been hired for Hibbing Community College culinary classes in Grand Marais (at School District 166). She said Kelsey Kennedy at Cook County Higher Education has been doing a great deal of getting the program established and recruiting students. Chef Judi Barsness is the ambassador for the program. Somnis distributed a brochure about the program.

Cedar Grove Business Park - No update.

Nordic Star - Grand Marais housing

Somnis said families are moving in to the Nordic Star homes. She said it is very moving to hear their stories. Jim Philbin of One Roof will be in Grand Marais on Friday to meet with applicants for the four homes in Phase II and the general public.

Four Directions Dwellings

Harrison gave a report on Four Directions Dwelling. The first building is up and Common Ground, One Roof's housing contractor, is working on finishing. Water and septic are nearly complete and heat will be installed soon.

Creative Economy Collaborative

Somnis has been participating in meetings on arts and amenities along the Highway 61 corridor with the CEC, CJ Fernandez, MNDOT, and the Grand Marais Park Board.

Small Business Development Center Report

Campanaro had 36.5 hours in client contacts and 12.5 hours in professional development in August. She had 36 meetings with 19 different clients. She had five new business inquiries last week.

Campanaro said Chelsea Pusc of Gunflint Mercantile has purchased Elfvin's Bakery. Johnson's Grocery is now offering Thai Food made by a woman living in Grand Marais.

Campanaro said the first Ascend Training was held, part of a series of workshops for managers. Eight business leaders took part. She said 12 people attended the Non-Traditional Lender Forum on October 30 at the Wunderbar.

Campanaro said there may be changes to the SBDC program. She will be going to a meeting in Duluth to learn more.

EDA Executive Director Report

Somnis met with IRRR grant manager Chris Ismil and toured local projects with Commissioner Phillips, Senator Bakk and Representative Rob Ecklund.

She met with Kerry Boen regarding a potential housing project at the property once owned by Howard Joynes. She also met with Mark Hansen regarding a potential housing project.

Somnis attended the ARDC board meeting; a presentation on public art by Jack Becker; and met with Steve Harsin of the Grand Marais Public Library about proposed housing presentations.

OTHER BUSINESS

Cadwell said the county board will set the 2019 budget on December 11. He suggested the EDA be there for the discussion.

The next EDA meeting will be Tuesday, December 11 at 4 p.m. at Grand Marais City Hall.

Hedstrom will be available for the WTIP interview on EDA activities on Wednesday, Nov. 14 at 8:20 a.m.

Motion to adjourn by Greenwood at 5:22 p.m. Motion carried, all ayes.

Respectfully submitted by

Rhonda Silence

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