

Cook County-Grand Marais Economic Development Authority
October 10, 2017 – Grand Marais City Hall

Present: Board members Howard Hedstrom, Heidi Doo-Kirk, Scott Harrison, Anton Moody, Hal Greenwood, Bev Green; EDA Director Mary Somnis; Small Business Development Center Director Pat Campanaro, Chamber Director Jim Boyd, Arrowhead Electric Cooperative CEO Joe Pandy, Rhonda Silence.

Absent: Carol Mork

Meeting called to order at 4:00 p.m. by EDA President Howard Hedstrom. The Pledge of Allegiance was recited.

Public Comment

No public comment.

Minutes of September 12, 2017 meeting reviewed. *Motion by Hal Greenwood, second by Scott Harrison to approve minutes. Motion carried, all ayes.*

New business

Introduction of Arrowhead Cooperative CEO

The EDA board welcomed the new CEO of Arrowhead Cooperative, Joe Pandy. Pandy shared his background and said he looks forward to working with the EDA on economic development in Cook County. He was involved in a golf course and could lend advice to managers of Superior National at Lutsen golf course.

Consider Business Subsidy Policy

The board had postponed approval of its the Business Subsidy Policy until Pat Campanaro of the Small Business Development Center (SBDC), who helped put the policy together, could be at the meeting. Campanaro was at this meeting and Scott Harrison shared some language changes. Campanaro said she would incorporate his suggestions and bring the revised business subsidy policy back to the next meeting.

Empty Bowls sponsorship

EDA Director Mary Somnis shared a message from the organizers of the Empty Bowls fundraiser which benefits the local food shelf and programs such as Snacks for Backpacks. As another means to raise funds to support Empty Bowls, the group is offering sponsorships, which would be through table top cards saying “This table brought to you by Company XYZ.”

The board agreed that Empty Bowls is a very good cause and one that the EDA would like to support. Pat Campanaro, a member of the Empty Bowls committee, said it could be argued that supporting Empty Bowls is a form of economic development as it helps meet the needs of community members who are struggling economically.

However, Campanaro said it could also set precedent for other nonprofits to come to the EDA for funding. Director Somnis agreed, saying that nonprofit entities do have other options for funding, including going to Cook County for discretionary funds. She said when she worked for the Iron Range Resources & Rehabilitation Board (IRRRB), the policy was to not fund requests like this as there would be more than the IRRRB could possibly accommodate.

The board agreed to decline the opportunity for table sponsorship, but agreed it is a great idea and a good cause. Board members said they would consider contributing individually.

Arrowhead CEO Pandy also noted that Arrowhead Cooperative has an “Operation RoundUp” program that can help local nonprofits.

Grand Marais/Cook County Historical Society study of Coast Guard building

Director Somnis shared a memo that was in the Grand Marais City Council meeting packet regarding possible future use of the Coast Guard building. There is no official notice yet, but it is the city’s understanding that the Coast Guard building may be put up for sale. The Cook County Historical Society is very interested, in not just the

Coast Guard building, but the Boulder Park/shoreline area. The historical society was gifted with a collection from the Hammer family which could result in a large maritime exhibit. Howard Hedstrom said the Grand Marais Art Colony is also interested in the space. Board Member/City Councilor Anton Moody said the city has been looking at a way to add more restrooms in the downtown area, so that is another possible use of the space. The city agreed to contribute \$7,500 toward a study of the building and area by a consultant hired by the Cook County Historical Society.

Board Member Bev Green said she is concerned about the city possibly taking on another building to take care of. All agreed this is very preliminary discussion as the Coast Guard has not yet made a formal announcement, but Hedstrom said this would have to be a community effort.

Financials

EDA Treasurer Scott Harrison distributed financial reports for September 2017 for Superior National at Lutsen. Harrison said the golf course has fewer rounds than budgeted for, but having the new holes on Canyon open for a brief time in September helped. Net income for the golf course is down, but Harrison said that is due to grow-in at the new holes and heavier water and fertilizer use and more wages.

Motion by Bev Green, second by Heidi Doo-Kirk to accept the Superior National at Lutsen financial reports for September 2017. Motion carried, all ayes.

The EDA board reviewed the financial reports for the Cook County/Grand Marais Economic Development Authority (EDA) for September 2017. Harrison also presented the list of invoices to be paid for September.

Motion to accept the Cook County/Grand Marais Economic Development Authority (EDA) financials for September 2017 and to approve payment of invoices by Heidi Doo-Kirk, second by Bev Green. Motion carried all ayes.

The EDA's budget was discussed. Somnis said the EDA got preliminary support for its budget as submitted with a 3-2 vote.

She said there has been feedback regarding the EDA's inclusion of \$25,000 for the bike association proposal to hire a staff person to help manage trails and to facilitate events, as requested by Mike Larson and Phil Larson of the Superior Cycling Association. Some citizens questioned why the bike group gets this support and not other groups (skiing, snowmobiling, ATVing). Board Member/Commissioner Heidi Doo-Kirk said she was reminded the snowmobile club came to the EDA seeking emergency funding for trail clearing after last year's ice storm and the EDA said no. Pat Campanaro said it might have been better to get all trail users together to discuss needs.

Board Member/Treasurer Scott Harrison asked what does the county's Parks & Trail Commission staffer do? Doo-Kirk said she (Lisa Kerr) is working on the Sawtooth Bluffs area, trying to develop a plan for the area.

Anton Moody said events like the LeGrand du Nord and the Lutsen 99er are great because they bring hundreds of riders, he said it is more important to keep the trails in good condition throughout the year. That is what will continue to bring riders to the area. He said that is what he would like to see this SCA position focus on.

Howard Hedstrom said he sees this as economic development, capitalizing on the rising sport of mountain biking. He pointed out that the EDA voted to include the funds in its budget, contingent on the Superior Cycling Association receiving funds from other sources.

The EDA has a line item of \$8,000 in its budget for Cook County Local Energy Project (CCLEP). The EDA requested more information about how those funds are spent, CCLEP shared a report on the Residential Energy Efficiency Program (REEP).

Old & Ongoing business

Visioning/Strategic Planning

Somnis shared a draft visioning document, which shows what the EDA would like to see happening in the county in 2020. Scott Harrison pointed out several items, such as "docks at Taconite Harbor are in use." He asked if the visioning statement included things that could actually happen. Somnis and Doo-Kirk said it is visioning—what the EDA would like to see. It may or may not happen, but the document should provide direction as the EDA moves ahead.

Hedstrom said he would like the document to include more of a "road map," with steps to take to obtain the goals. Doo-Kirk suggested taking time at the next meeting to outline those steps. A decision on adopting the vision statement was tabled.

Superior National at Lutsen update

Somnis said a request for proposals has been sent out for development of a 2018 Marketing and Media Plan for Superior National. Somnis said the golf course is currently using a tagline of "Great Golf by the Greatest Lake," which is okay, but it may be time to refresh things since the remodel is now complete. New rack cards, brochures, and a new booth for golf shows are needed. The party that receives the position would be asked to plan for all media, traditional and online. Proposals are due October 30, 2017.

Cedar Grove Business Park

Somnis said she had a local business inquire about purchase of business park Lot 10, Block 5. She said the party was discussing the site with Cook County Planning & Zoning about wetlands and what would be available for building on the lot.

Another person had inquired about another lot, but also had questions about wetland mitigation.

Anton Moody reminded the board that he had researched the wetland delineation that had been done in the past and he said looking at the records, every lot has a buildable site.

Board members asked if a sign would be erected at the entrance to the business park. Somnis said no. She said none of the businesses other than the Cedar Grove Veterinarian Clinic were interested in putting up the sign, so it won't happen.

Grand Marais housing

Somnis gave an update on the Grand Marais workforce housing project, the Nordic Star development. The forms are in place and the foundations will be ready for the homes soon. Howard Hedstrom said washed rock had been brought in for the driveways, so the sites are really looking good.

Scott Harrison asked if One Roof Housing, which is the developer for the project, has people lined up to buy the homes. Somnis said they hadn't been taking applications, but they are now. Harrison asked what the prices will be. Somnis said they will be 80% of the AMI (\$139,000) and 115% of the AMI (\$199,000).

The groundbreaking on October 2 was well-attended.

Lutsen Housing

One Roof Housing is continuing pre-construction planning. Director Somnis and Treasurer Harrison will be going to the upcoming Lutsen town meeting to give a presentation about the Lutsen housing project.

Tofte housing

There has been no action on the Tofte housing project near Birch Grove Community Center. The EDA board agreed to drop this item from its agenda until there is something to report.

Village North

Board Member Bev Green said the former Gofer Cabins, now Village North, housing area is looking great. Somnis said she is researching another grant/deferred loan possibility to assist developer Bruce Block.

Assisted Living

Somnis said she will be having a conference call with representative of Spectrum Community Health about its possible assisted living project in Grand Marais. Somnis said Spectrum has expressed concern about having an adequate workforce.

Somnis said she is looking at ways to ensure that workers can be found so the project can proceed. She said Karen Blackburn, director of Cook County Higher Education, recently attended a workshop about funding for innovative

programs for seniors. Higher Ed is looking at ways to train more CNAs. Steve Nielsen, who has been on the committee regarding assisted living, says there may be scholarships through the North Shore Health Care Foundation. Somnis said IRRRB also has a workforce training program that could help. She said because it is such a small staff (25), almost all of the employees would be CNAs.

Creative Economy Collaborative

Somnis said ArtSpace is coming to Cook County November 28-30 as part of its feasibility study work. Somnis shared a preliminary agenda for that visit, which includes a tour of the Grand Marais Art Colony, Betsy Bowen Gallery & Studios, North House Folk School, Johnson Heritage Post, Coast Guard Station and more.

Small Business Development Center report

Small Business Development Center Representative Pat Campanaro reported that she logged 37.5 hours in counseling sessions and nine hours in professional development.

Campanaro said the “Profit Mastery” class in Cook County would be November 29-30. The cost of the class is \$550, but because of a grant, the first 12 people who sign up will not have to pay. She said 10 are registered so far.

Campanaro and Linda Jurek of Visit Cook County attended an Arts Lab retreat with participants from 12 Minnesota communities. They presented the “Cook County Cultural & Economic Journey,” a presentation starting with the work of the “Go Team” to the Creative Economy Collaborative. Campanaro said the presentation was well-received with comments such as: Very inspiring. I’m jealous. I want to move to Grand Marais. Lots of wisdom. Campanaro shared a handout of the information.

She said the “Community Connect” event Sept. 25, at the Cook County Community Center went very well. She said 45 vendors took part. SBDC received grants from the North Shore Health Care Foundation and the Northland Foundation for this event, which included a dinner and free child care.

EDA Director Report

Somnis shared an itinerary for when Senator Tom Bakk, Representative Rob Ecklund, IRRRB Commissioner Mark Phillips and IRRRB Development Director Steve Peterson visit the county on October 24-25. They will visit Cook County Higher Ed, the new arrival/departure building at Cook County Airport, the hospital, the City of Grand Marais’ new PUC building, the DNR boat ramp and more.

As directed, Somnis sent a letter to the US Forest Service – Superior National Forest from the EDA in support of the proposed expansion of the Lutsen Mountains Ski Area.

Somnis shared information on a book titled “Balancing Nature and Commerce in Gateway Communities,” which she said had some interesting ideas regarding housing shortages in communities similar to ours. One of the ideas in particular – partnering with the Minnesota DNR or U.S. Forest Service – were especially interesting. She asked the EDA to think about ways the EDA could partner with these agencies.

Meeting adjourned at 5:45 p.m.

Respectfully submitted by
Rhonda Silence
Minutes & More