

MEETING AGENDA

Date: August 9, 2022, 4:00 PM

Location: Grand Marais City Council Chambers*
15 N Broadway Ave, Grand Marais, Minnesota

* Please note, location change applies to August 9 meeting only.

The mission of the Cook County/Grand Marais Economic Development Authority is to diversify the economy, create employment through retention and expansion of existing businesses and development of new businesses, support the development of housing and increase the tax base.

1. CALL TO ORDER
2. PUBLIC COMMENT
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
5. NEW BUSINESS
 - 5.1 Resolution 22-04: Submit Proposal to And Accept Project Funds from DEED
Child Care Economic Development Grant Program for \$300,000
 - 5.2 Strategic Planning
 - 5.3 Consider New Logo and Domain Name *
 - 5.4 Website
 - 5.4.1 **COOK COUNTY IS A GREAT PLACE TO DO BUSINESS** (Business Start-up and Development, Small Business, Job Creation and Retention)
 - 5.4.2 **COOK COUNTY IS A GREAT PLACE TO LIVE** (Quality of Life and Community Economic Development)
 - 5.4.3 **COOK COUNTY IS A GREAT PLACE TO WORK** (Workforce Development)
 - 5.4.4 *Cook County is a Great Place to Play! (Visit Cook County)*
 - 5.5 Commissioner Orientation Plan
 - 5.6 New Business Funding Applications *

5.7 Consider Updates to Business Funding Program *

6. FINANCIALS

6.1 Golf Course Financials (forward to audit)

6.2 EDA Financials (forward to audit)

6.3 EDA Payments (motion to approve)

7. UNFINISHED AND ONGOING BUSINESS

7.1 HRA Update-Jason Hale

7.2 2023 Budget

7.3 Assisted Living

7.4 Cedar Grove Business Park

7.4.1 Zoning Ordinance Amendment Update

7.4.2 Pending Lots

7.4.3 Consider Two Offer on Lots

7.5 SBDC Report

7.6 Personnel Committee Report

7.7 Director's Report

8. OTHER BUSINESS

Next meeting, Tuesday, September 13, 2022

Adjourn

*Action Item

EDA Board of Commissioners

Howard Hedstrom, President

Anton Moody, Vice President

Scott Harrison, Treasurer

Ann Sullivan, Secretary

Myron Bursheim, Commissioner

Mark Shackleton, Commissioner

Stephen Surbaugh, Commissioner

Cook County-Grand Marais Economic Development Authority
July 12, 2022 - 4:00 p.m.
Cook County Courthouse, Commissioners' Room

Present: Board Members Myron Bursheim, Scott Harrison (Treasurer), Howard Hedstrom (President), Anton Moody (Vice President), Mark Shackleton, Ann Sullivan (Secretary), and Steve Surbaugh

Absent: None

Others present: Pat Campanaro (SBDC), Executive Director Beth Drost, and Kalli Hawkins (WTIP)

Ann agreed to take minutes, since Rhonda Silence (our note-taker) was unable to attend again. Our President, Howard Hedstrom, called the meeting to order promptly at 4:00 p.m.

Public Comment

There was no public comment.

Approval of the Agenda and Minutes

There were no additions to the agenda. Minutes were reviewed. *There was a motion by Steve Surbaugh to approve the minutes and the agenda. Anton Moody seconded that motion.*

All ayes. Ann said she'd remove the watermark "not approved" on the minutes, since she took minutes last month, and forward them to the Director.

NEW BUSINESS

Resignation of Bev Green

Anton Moody moved to accept the resignation of Bev Green; Steve Surbaugh gave a second to that motion. All ayes. Bev represented the city of Grand Marais, so the city has recently appointed a new commissioner to serve in that capacity.

Welcome new commissioner, Myron Bursheim

Myron provided some background information about his pertinent experience in education and public service as a county commissioner. Back when Myron was a commissioner, he served as an alternate on the EDA, so he has some knowledge of our organization. Although he has 29 years at his cabin on McFarland Lake, he has been a resident of the city of Grand Marais for 16 years. Thus, he is serving as one of the city's representatives on the EDA. Myron agreed to serve on the Personnel and Design Review committees, so the CC/GM EDA Committee update is as follows:

Finance: Scott Harrison, Howard Hedstrom, Steve Surbaugh

Personnel: Myron Bursehim, Howard Hedstrom, Ann Sullivan

Business Development: Howard Hedstrom, Mark Shackleton, Ann Sullivan

Design Review: Myron Bursheim, Howard Hedstrom, Anton Moody, Mark Shackleton

(one more GM resident is still needed)


New Business and Housing Fund Applications

Pat Campanaro introduced the **new in-home daycare grant application** submitted by Grand Marais resident Hunter MacLaurin, as she had worked with Hunter on the development of her new business. Ann Sullivan shared the discussion the Business Development Committee had regarding the business. *Anton Moody moved to approve the \$5,000 grant contingent upon receiving licensure. Mark Shackleton seconded that motion. All ayes.*

Pat Campanaro also shared the next application submitted by Emily Gihlar for **redevelopment funds for replacement of the front windows of Great Gifts**, as she had visited with the applicant about the fact that AEOA’s Business Energy Retrofit Program for 2022 is no longer available. Since AEOA no longer had funds for this calendar year, the EDA was approached. Emily Gihlar has secured a contractor who can install the windows this fall. Scott Harrison suggested we consider approval contingent upon funding being provided by the Revolving Loan Fund, which meets tomorrow morning and will have immediate access to financials. *Steve Surbaugh made a motion to approve this grant contingent upon funding by the Revolving Loan Fund. Anton Moody seconded that motion. All ayes; the motion carried.*

FINANCIALS

Financials were not available at the time the board packet became available electronically, so Beth Drost had paper copies of both Golf Course and EDA financials for everyone. Scott Harrison reviewed them thoroughly and suggested pursuit of someone in the West End to do the Superior National financials and another individual in Grand Marais to do the EDA work. He pointed out areas in this month’s paperwork where there were errors. There was no check detail available through our accountant, so the Director reviewed checks orally with us. The checks were as follows:

\$100.00	USPS	P.O. Box
\$131.00	Kay Spielman	Accounting
\$473.05	Beth Drost	Reimbursement (receipts attached)
\$1,071.84	Jeremy Ridlbauer	Rent
 0.00	Pat Campanaro	Professional Business Consulting

Beth Drost also indicated that she would provide a full report on TABR loans at our next meeting which is on August 9.

Scott Harrison will work to get errors corrected. It was suggested that we consider moving our monthly meetings to a date one week later to allow time for the financials to be prepared; this will be discussed next month. *Scott Harrison moved to forward these to audit once he’s met with our accountant to make corrections and has a list of check details; Mark Shackleton gave a second that motion. All ayes.*

UNFINISHED AND ONGOING BUSINESS

Budget Discussion

Since the budget discussion will involve confidential personnel information, the group went into closed session to finalize the budget. *Howard moved to go into closed session; Ann seconded the motion. All ayes.*

The budget was finalized based on recommendations by the Finance and Personnel Committees, as well as consideration of potential Childcare Provider Incentives. There was quite a lengthy discussion; Steve Surbaugh did the calculations. *Steve Surbaugh made a motion to approve the agreed upon budget recommendations for the 2023 budget (see attached). Scott Harrison gave a second to his motion. All ayes.* Scott Harrison (Treasurer) and Steve Surbaugh will print up the final 2023 Budget and Context and forward it to Ann Sullivan to be included with the minutes. It will also be sent to Beth Drost, our Director, who will forward needed information to the County for its preliminary budget discussions later in July.

Pat Campanaro, Beth Drost, and Kalli Hawkins were asked to rejoin the group, as the EDA returned to open session. It was enthusiastically shared that the new budget included an additional line item for \$20,000 to be included specifically for Childcare Provider Incentives; the director will submit the 2023 budget to the county. Howard Hedstrom felt the move strongly supported business development, and Ann Sullivan thought it would potentially allow some individuals to return to full-time work, as some people are job-sharing due to lack of childcare. Myron Bursheim indicated there would appear to be broad community support for this, given discussion throughout the community.

CEDAR GROVE BUSINESS PARK

Howard Hedstrom and Beth Drost led a discussion regarding the recent Grand Marais Planning Commission and City Council meetings. Beth read **language recommendations (for zoning)** to make all lots open to being owner occupied or for long-term rental workforce housing units for employees. Tomorrow evening they will go to the City again, and it is hoped some members of the EDA will attend and support the recommendations, even though we know there are some other meetings which conflict with this.

Once the language is approved, pending lots in the Cedar Grove Business Park will close quickly. There are a couple of lots we need to get a down payment on soon, otherwise they will go back on the market.

Vesta Unchained Stormwater Plan

The stormwater plan for the Skildum Fitness Studio (Vesta Chained), completed by Beaver River Consulting, was received and accepted.

Assisted Living Update (none)

Cook County Real Estate Fund Update

The Heights Project, west of town, is being cleaned up. This will be mixed use (commercial with housing) and construction should begin next building season. Birchbark is pending and should close soon. North 61 is currently utilizing the front half of that building. Interior work will be done this winter, so the building is ready to be opened next spring for businesses and office space.

REPORTS

SBDC Report

Pat Campanaro's report was not in the packet, due to late receipt, but Beth Drost will forward that report to board members tomorrow.

Director's Report

There was no written report attached to the packet. Beth Drost said the Board Packet summarized her work for the month.

OTHER BUSINESS

There were photos taken of the Board for the new website. We are so pleased to have a full board!

Our next EDA meeting is Tuesday, August 9, at 4:00 p.m.

Respectfully submitted,
Ann Sullivan
Secretary

RESOLUTION NO. 2022-05: RESOLUTION AUTHORIZING COOK COUNTY/GRAND MARAIS JOINT ECONOMIC DEVELOPMENT AUTHORITY TO APPLY FOR AND ACCEPT FUNDS FROM THE DEED CHILDCARE ECONOMIC DEVELOPMENT GRANT

WHEREAS, the EDA is a public body politic and corporate and a political subdivision of the State duly organized and existing under the laws of the State. Under the provisions of the Act, the EDA has the power to authorize support for non-profit businesses; and

WHEREAS, the authorizing authority approves submission of an application to DEED Child Care Economic Development grant program for the maximum amount of \$300,000.

WHEREAS, the authorizing authority agrees to accept funding for the Grant if the application is chosen; and

NOW BE IT RESOLVED, that the authorizing authority of the Cook County/Grand Marais Joint Economic Development Authority does adopt this resolution.

Upon vote taken, the following voted:

For:

Against:

Whereupon said Resolution No. 2022-05 was declared duly passed and adopted this 12th day of August of the year 2022.

Howard Hedstrom, President

Beth Drost, Executive Director



www.CookCountyMnEDA.org

www.GrandMaraisMnEDA.org

Q4 STATUS OF TABR LOANS

August 9, 2022

	LOAN AMOUNT	PAYMENT FREQUENCY	PAYMENT, QUARTERLY	# PAYMENTS	PAYMENTS TOTAL RECEIVED BY EDA	CURRENT BALANCE ON LOAN
Cascade Vacation Rentals	\$13,500	Quarterly	\$337.50	4	\$1,350.00	\$12,150.00
Coldwater Foundation	\$13,500	Quarterly	\$337.50	4	\$1,350.00	\$12,150.00
Fika Coffee	\$13,500	Quarterly	\$337.50	4	\$1,350.00	\$12,150.00
Hedstrom Lumber	\$13,500	Quarterly	\$337.50	4	\$1,350.00	\$12,150.00
JNS Customs	\$13,500	Quarterly	\$337.50	4	\$1,350.00	\$12,150.00
Joy Enterprises	\$13,500	Quarterly	\$337.50	4	\$1,350.00	\$12,150.00
Lutzen Reflections	\$13,500	Quarterly	\$337.50	4	\$1,350.00	\$12,150.00
Lutzen Mountainside Lodge	\$13,500	Quarterly	\$337.50	4	\$1,350.00	\$12,150.00
North House Folk School	\$13,500	Quarterly	\$337.50	4	\$1,350.00	\$12,150.00
Sivertson Gallery	\$13,500	Quarterly	\$337.50	4	\$1,350.00	\$12,150.00
Voyageur Canoe Outfitting	\$13,500	Quarterly	\$337.50	1	\$337.50	\$13,162.50
Basecamp Bungalows	\$10,950	Quarterly	\$273.75	4	\$1,095.00	\$9,855.00
Mueller Studio	\$10,950	Quarterly	\$273.75	2	\$547.50	\$10,402.50
Wellspring Therapy	\$10,950	Quarterly	\$273.75	4	\$1,095.00	\$9,855.00
Gunflint Mercantile	\$6,750	Quarterly	\$168.75	4	\$675.00	\$6,075.00
The Fisherman's Daughter	\$6,750	Quarterly	\$168.75	40	\$6,750.00	\$0.00
TOTAL	\$194,850.00	\$0.00	\$4,871.25	\$95.00	\$24,000.00	\$170,850.00

ORDINANCE NO. 2022-02

AN ORDINANCE OF THE CITY OF GRAND MARAIS, MINNESOTA,
MODIFYING ACCESSORY RESIDENTIAL USES IN THE BUSINESS DEVELOPMENT AREA
ZONE

THE CITY COUNCIL OF THE CITY OF GRAND MARAIS DOES ORDAIN (deleted material is lined out; new material is underlined; subsections which are not being amended are omitted):

Section 1. That Chapter 152 of the City Code of Grand Marais, Minnesota, which chapter is entitled "Zoning Code", be modified as follows:

' **152.14 BDA BUSINESS DEVELOPMENT AREA**

(B) Permitted principal uses. Within a BDA District, unless otherwise provided by this chapter, no uses are permitted except for the following:

- (1) Light manufacturing including, but not limited to wood products, electric and electronic devices, clothing, hardware, metal stamping, printing, tools, instruments and controls;
- (2) Repair, service or storage of heavy vehicles or equipment;
- (3) Sawmills, debarking, chipping, wood products storage and other timber processing operations;
- (4) Warehousing and wholesale business;
- (5) Offices;
- (6) Retail sales;
- (7) Services;
- (8) Public utilities;
- (9) Research or testing facilities; and
- (10) Accessory uses (except employee occupied accessory residences).

(C) Uses by conditional use permit. Buildings or land may be used for the following if granted a conditional use permit as provided in § 152.48:

- (1) bulk oil or chemical storage tanks.
- (2) accessory employee occupied residences as regulated in (F).

(F) *Accessory residential use.* ~~For Lots 3 through 8, Block 5, owner-occupied r~~Residences are permitted as accessory uses subject to are required to meet all of the following standards except where provided otherwise.

(1) Lots with owner-occupied residences and/or rental workforce housing units must contain a permitted principal use.

(2) An owner occupied residence can be located on a second story or attached to the side of building containing a permitted principal commercial or light industrial use.

(3) Dwelling units for employees shall be allowed with a conditional use permit. In addition to the criteria outlined in 152.48, to determine whether the residential use is accessory, the City may also consider the area devoted to residential versus commercial, the number of residents working on-site versus off-site, and the impact the residences have on the ability to operate the permitted principal use.

(4) Dwelling units permitted under 152.14 (F) (3) shall be used exclusively by employees employed on- or off-site; by the same company that occupies the property as the principal use (the Principal Company"); a parent company to the Principal Company, or a subsidiary of the Principal Company.

~~(2)(5)~~ Separate ingress/egress shall be provided for ~~the~~ each residence and other emergency entrances shall be provided as required by applicable codes.

~~(3)(6)~~ One parking space shall be provided for the residence in addition to any other spaces as required in this chapter.

ORDINANCE 2022-02

~~(4)(7)~~ Land use permit applications including residences shall explicitly state the proposed ~~light industrial and commercial permitted principal uses in the building~~. Land use permit approval shall be limited to the disclosed and ~~approved~~ permitted uses, unless ~~and until the city approves a change of use~~ otherwise changed in the zoning code or accommodated by special City approval..

Section 3. That this ordinance shall take effect upon publication.

Passed by the City Council of the City of Grand Marais this 27th day of July, 2022.

Jay DeCoux, Mayor

Attest: _____
Michael Roth
City Administrator

August 1, 2022

Hello Board Members,

Today I am working as head election judge in the Community Center preventing me from attend our monthly meeting.

July hours totaled 66.75

Counseling	56.75 hours	72 Meetings / 40 clients
Counseling Covid	7.5 hours	14 meetings/ 10 clients
Professional Development	2.5 hours	

There is still a lot of a activity in Cook County with start-up, buys and sells.

I worked with Beth and Michael Colclough on the August 8 community listening session sponsored by Northspan and The Northland Foundation to determine priorities unique to Cook County for funding consideration under the Main Street revitalization projects. I also attended the listening session held in Grand Portage that afternoon.

I am also working as part of the team heling to increase child care slots and will be urging the county to develop a support system for childcare providers to insure availability and allow parents to work.

I will be on holiday August 11- 19 and out of county September 6 – 10 attending the 43rd Annual; ASBDC Conference in San Diego. Northland is funding registration, airfare and hotel. I would appreciate the EDA funding my transportation to and from the event and the hotel in Duluth the night before the flight.

Please let me know if you have questions.

Pat

Pcampanaro@gmail.com

651-336-2964

TO: Board of Commissioners, Cook County/Grand Marais Joint Economic Development Authority
FROM: Beth Drost, Executive Director
RE: **August Director's Report**
DATE: August 2022

GRANTS

The Sawbill Village project has seen some setbacks in the last weeks, with interest rates still rising, the gap in financing is getting larger. The project has been delayed; funding has been extended through IRRR through December 2024. The project manager is looking for alternative financing and assistance options.

Sawbill Village, Tofte project manager/owner Rob Deiter, Red Five, LLC

1. Pass Through: IRRR Development Infrastructure (\$500,000)
2. Pass Through: MHFA Workforce Housing Program (\$648,000)
3. CC/GMEDA Grant: \$50,000 (FY2022)

CEDAR GROVE

WETLANDS CREDITS

"Minnesota's Wetlands Conservation Act provides for the establishment of wetland credits that can be developed and sold as mitigation for construction projects that remove wetland areas. This procedure creates local markets for the sale of "credits" to those needing them for planned projects. "

I contacted Mitch Travis about wetland credits and the possibility of using our credits on four unsuitable lots. He says, if someone owns the lot and has a specific project in mind, there is a process to go through to be able to be able to develop on a wetland. Mitch emphasized the decision is based on a per project basis. If the EDA were to have a specific project in mind, we could proceed with the lengthy process. My takeaway is that we need to have a prove a good case to impact the remaining wetlands at Cedar Grove.

The EDA owns Minnesota Wetland Credits. The site: [BOWSR](#) says the owner is Mary Somnis (Grand Meadow Mgr), director@prosperitynorth.com, (218) 387-3112. EDA owns .633 total credits in BSA8, Mower County. These credits are not usable in Cook County, they are only usable in Mower county, per a newer law. The EDA should sell these credits.

ZONING

The GMCity Council passed the new ordinance for the BDA zone! See the entire ordinance from the Meeting Packet [here](#). The new ordinance includes two new allowances:

1. Owner-occupied residences are allowed throughout the CGBP.

2. Employee housing, or housing for anyone other than the owner must obtain a conditional use permit with the City of Grand Maris.

PENDING LOTS

- Lot 6, Block 7 (2.56 acres): \$25,000 with a check for surety of \$5,000 by Fika Coffee's, Josh Lindstrom. Josh would like to build a roasting facility, office, and potential retail space.
- Lot 4, Block 7 (1.73 acres): \$25,000 by Fort Road Properties and Sue Nichols. Sue has been approved for this offer previously, and it was contingent on zoning changes. Now that zoning has been changed, she has made an offer on one lot. (The original offer the EDABoard saw in 2020 was for two lots at \$50,000 (Lots 4 & 6 in Block 7) She is now offering \$25,000 for one lot.
- Lot 11 Block (1.45 acres): This lot was pending for Josh Tolkein of Many Waters Boats. Josh has pulled his offer (\$28,000) and requested his \$1,000 surety back. You will find that check in next months batch.

UPCOMING GRANT OPPORTUNITIES

DEED Mainstreet Grant Update

On August 8, Northland Foundation and Northspan presented to the community on the DEED Mainstreet Revitalization grants. Cook County has received \$1 million in grant funding for qualified projects. Also, \$1 million in revolving loan funds will be available to the three regional areas of Cook County, Koochiching County, and another area.

The community presentation was an information gathering event where community stakeholders identified priorities they would like to see funded through the funding. If you are interested to see what qualifies under this funding, please check out this [link](#). Again, Northland received the grant and has chosen Cook County to receive \$1 million in grants. A few months ago, Pat and I put together a list of projects that were mostly “shovel-ready” that could qualify for this funding. We submitted over \$12 million in projects to Northland for the scoping.

DEED Childcare Economic Development Program

The childcare planning team is excited to present to Cook County Public Health on August 10th to discuss how the County can support child care providers. The EDABoard's continued support of the Child Care Initiative is essential to garner buyin from other stakeholders. I am very thankful to the board for its continued support of childcare providers and early childhood issues.

The childcare planning team is strategizing easier to attain goals to get momentum and support. One goal is to get the local YMCA infant room open. It is currently closed due to

staffing issues. The group is focusing on funding subsidies for providers to pay a living wage and also create opportunities for infant care trainings.

A bigger picture goal needs funding and the DEED Childcare Economic Development Grant could be that funding we need to make something big happen. The childcare planning team is working on the application, it will look a bit like last year's application using what we have learned over the year. The maximum amount to ask for is \$300,000 for two project locations. We intend to ask for the full amount.

STRATEGIC PLANNING:

It would be great to be able to address our mission in strategic planning and any needed updates. On paper, the mission of the EDA states:

“The mission of the Cook County/Grand Marais Economic Development Authority is to diversify the economy, create employment through retention and expansion of existing businesses and development of new businesses, support the development of housing and increase the tax base.”

PRIORITIES (Background Info)

Investment priorities of the US EDA can be found [here](#).

They include:

Equity, Recovery and resilience, workforce development, manufacturing, tech-based economic development, environmentally-sustainable development, and exports

Workforce Development

Also, the U.S. Department of Labor has identified key workforce solutions through the [Workforce Development](#) Solutions program. Here is an overview:

- Recruitment and Screening
- Training and Education
- Retention and Up-Skilling
- Transitioning
- Education and Training

TACONITE AREA BUSINESS RELIEF LOANS

Please find the status of all loans in the attached chart. This program is rolling along. The most confusing part of this program is finding out who has paid electronically.

- Mueller Studio-Two quarters of payments not in – He forgot and will be sending in the check ASAP
- Voyageur Canoe Outfitting has made one payment. I have not connected with Mike Prom on this account yet.