

**COOK COUNTY/GRAND MARAIS EDA MEETING AGENDA
TUESDAY, FEBRUARY 9, 2021, 4:00 PM**

TO BE HELD ELECTRONICALLY BY ZOOM, SEE ATTACHED LINK

The mission of the Cook County/Grand Marais EDA 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.

4:00 PM CALL TO ORDER

Welcome and introductions, new member, Virginia Detrick-Palmer
Public Comments – if any are received prior to the meeting
Adjustments to and approval of Agenda (motion)
Approval of January 12, 2021 Minutes (motion)

4:05 PM NEW BUSINESS

SBDC Annual Report by Pat Campanaro (information)
Consider vision and priorities for proposed HRA (discussion)
-Please read attachment and come prepared to provide input
pages 7+8

5:00 PM FINANCIALS

Superior National and EDA Financials (forward to audit)
EDA Payments (motion to approve)

5:15 PM OLD AND ONGOING BUSINESS – UPDATES AS NEEDED

GM Fire Redevelopment
Taconite Area Business Relief Loans
Housing and Redevelopment Authority
Assisted Living
Cook County Workforce Solutions – Puerto Rico and Pine Ridge
Cedar Grove Business Park
Creative Economy Collaborative
SBDC Director's Report
Executive Director's Report

6:00 PM OTHER BUSINESS

Other as needed, next meeting March 9, 2021, WTIP interview

Cook County-Grand Marais Economic Development Authority
January 12, 2021 – meeting conducted via Zoom

Present: Board members Scott Harrison, Howard Hedstrom, Anton Moody, Bev Green, Carol Mork, Ann Sullivan

Others present: Executive Director Mary Somnis, Small Business Development Center Representative Pat Campanaro, Elizabeth Glidden, deputy executive director and Ella Mitchell, community development director for the Minnesota Housing Partnership, Sue Nichols and minute taker Rhonda Silence

Meeting called to order by EDA President Howard Hedstrom at 4:01 p.m.

Public Comment – none

The EDA board welcomed new member Ann Sullivan, the county EDA representative.

Agenda & Minutes

Agenda reviewed.

Motion by Carol Mork second by Anton Moody to approve the agenda with addition of the Northland Foundation grant for the Small Business Development Center. Motion carried, all ayes.

Minutes of December 8, 2020 meeting reviewed. *Motion by Carol Mork second by Anton Moody to approve December 8, 2020 minutes. Motion carried, all ayes.*

Minutes of the December 15, 2020 public hearing reviewed. *Motion by Carol Mork, second by Scott Harrison. Motion carried, all ayes.*

NEW BUSINESS

Presentation by MN Housing Partnership about HRA

Elizabeth Glidden, deputy executive director and Ella Mitchell, community development director for the Minnesota Housing Partnership (MHP) gave a presentation on their organization. They gave a brief overview of what a Housing and Redevelopment Authority (HRA) can look like and what the Minnesota Housing Partnership can do for communities. They shared some information on HRAs in Chisago County; Virginia; and in southeastern Minnesota. Different HRAs have different authorities, but in general HRAs can sell, buy, lease and own properties. They are able to do so because HRAs have unique financing and funding tools, such as levy authority, special assessments, TIF, and state and federal funding.

The MHP representatives shared housing and wage data for Cook County.

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They also talked about their work to date with EDA Director Mary Somnis. When MHP advertised that there were funds available for the organization to work with communities exploring the idea of forming an HRA, the EDA applied for technical assistance. The EDA was awarded a grant to help determine if the community could benefit from the formation of an HRA. MHP will work with the EDA until November 2021.

Glidden and Mitchell said the things to consider if an HRA were formed for Cook County and Grand Marais are the geographic scope that would be included; would it be part of the EDA or another board; and what programs would be offered.

To date, they have had meetings with Somnis, County Administrator James Joerke, and City Administrator Mike Roth. They also gave a presentation to the county board in a Committee of the Whole meeting. They were scheduled to give the presentation at the city council meeting on January 13.

EDA President Howard Hedstrom asked about the next steps. Glidden and Mitchell will continue to research options for Cook County/Grand Marais, but the next step would be for the city, county and EDA to decide if it wants to move ahead with the formation of the HRA.

Consider request for housing development funds

Director Mary Somnis told the EDA board that a request had been received from Hedstrom Lumber Company for \$100,000 in housing development funds to build housing for employees. Somnis said although Board President Howard Hedstrom is no longer employed at Hedstrom Lumber, he has excused himself from the discussion. EDA Vice-Chair Anton Moody stepped up as board chair for this agenda item.

Somnis said Hedstrom, Heidi Doo-Kirk, and Carol Mork served on the Business and Housing Development Fund committee. Doo-Kirk is now off the EDA board and with Hedstrom not participating, that left only Carol Mork on the committee, so Scott Harrison joined the committee to review this application.

Harrison and Mork said they supported the Hedstrom Lumber project for a variety of reasons. Harrison said first because it would be supporting manufacturing, which is a unique business in the county. And second, Harrison said the lumber mill doesn't just support its workers, but loggers, truckers, Minnesota Department of Natural Resource workers and so on.

However, Harrison said he was not comfortable granting \$100,000. He said the EDA business and housing development fund total for 2021 is \$100,000. The EDA has \$60,000 remaining from its 2020 fund. He said it would not be wise to use so much of the funding for one project so early in the year and he suggested a grant of \$50,000.

Harrison suggested another way to assist Hedstrom Lumber, as well as numerous other businesses, through the county's Revolving Loan Fund. He said if the Revolving Loan Fund could reduce its coupon rates to 2 percent, it would give Hedstrom Lumber a reduction in its loan payments and could make the housing project feasible for them. Harrison said he talked to

Auditor Braidy Powers, who oversees the fund, and heard support for the idea. Harrison is on the agenda to talk to the Revolving Loan Fund committee this week.

Carol Mork added that the grant would be contingent on completion of the project.

Board Member Bev Green said she would not support a \$100,000 loan, but \$50,000 was more reasonable. She said having housing for Hedstrom Lumber employees means other housing may be available elsewhere for others. Board Member Anton Moody noted that the homes would have a shared septic and well and asked if there was an option for expansion at some point. Somnis said yes, the capacity is there.

Motion by Scott Harrison, second by Anton Moody to approve a grant not to exceed \$50,000 to Hedstrom Lumber Company for construction of employee housing. The grant request is contingent on the county reducing the coupon rate for the Hedstrom Lumber Company loan from the Cook County Revolving Loan Fund. The funds will be paid contingent on the company purchasing the land, obtaining appropriate zoning permits, installing septic and water systems, having homes in place and occupied. Motion carried, with Howard Hedstrom abstaining.

Consider autopay/electronic transactions for banking and credit card activities

Somnis said EDA bookkeeper Paul Goettl suggested setting up automatic payments for recurring bills from Arrowhead Electric and True North Broadband. It was also suggested that the EDA obtain a credit card to be used by management at Superior National at Lutsen. Bookkeeper Goettl will continue to closely monitor transactions, but it will be a more efficient way to handle expenses than having to get signatures on checks.

There were questions about who would be able to use the card. It was agreed that the EDA should have a written policy for use. Director Somnis will put that together for board review.

Motion by Anton Moody, second by Carol Mork, to authorize EDA bookkeeper Paul Goettl to set up automatic recurring payments for Arrowhead Electric and True North and to obtain a credit card for use at Superior National at Lutsen. Motion carried, all ayes.

Consider request to change lots for previously approved offer

Sue Nichols joined the EDA meeting. She and her husband, Bill Nichols had submitted a purchase offer for Lots 8 and 9, Block 5 in the Cedar Grove Business Park in May 2020. The purchase of the lots for \$50,000 was approved and the sale went to public hearing. However, Sue Nichols told the EDA board that their company had determined that Lots 4 and 6, Block 7 would better fit their needs. They asked for approval to purchase those lots instead. Nichols told the EDA board that they understood that the lots they are now requesting are not next to one another.

Howard Hedstrom asked if another public hearing would be needed. Director Somnis said she would research whether another hearing was needed or not.

Motion by Carol Mork, second by Bev Green, to approve the request and approve the sale of Lots 4 and 6, Block 7 in place of the previous offer. Motion carried, all ayes.

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Administer State of MN Business Relief Grants

Somnis told the board that the county had received \$250,000 to be used for COVID-19 business relief grants. The EDA has again been asked to administer the grants. Somnis, Small Business Development Center Representative Pat Campanaro, Cook County Chamber director Jim Boyd and County Administrator James Joerke are on the application review committee. The EDA can request reimbursement for time spent on this, up to \$6,000.

Motion to allow EDA Director Mary Somnis to administer the distribution of the MN Business Relief grants. Motion carried, all ayes.

City of Grand Marais advertisement to fill board position

Somnis told the EDA board that the city had advertised for the EDA vacancy due to the passing of Hal Greenwood. She said the EDA doesn't have any input on the decision, but board members can encourage people to apply.

Northland Foundation – Small Business Development Center

The EDA has received notification of funding for the Small Business Development Center, which funds the work of SBDC Representative Pat Campanaro. Scott Harrison spoke with the foundation and all seems to be in order.

Motion by Howard Hedstrom, second by Bev Green, to accept the Small Business Development Center contract and funding. Motion carried, all ayes.

FINANCIALS

EDA Treasurer Scott Harrison presented financial information for Superior National at Lutsen and Cook County/Grand Marais Economic Development Authority financials for December 2020. The golf course and EDA financial reports will be filed for the annual EDA audit.

Harrison also presented the draft three-year operating proforma for Superior National, as well as the plan for capital expense purchases for the golf course.

The board reviewed the checks to be written for the invoices for the month. *Motion by Ann Sullivan, second by Carol Mork to approve checks for invoices as presented. Motion carried, all ayes.*

OLD AND ONGOING BUSINESS

Grand Marais Fire Redevelopment

Howard Hedstrom said this group had heard from one developer who is working on some concept drawings, but there is nothing to attempt at this time.

Taconite Area Business Relief Loans

Pat Campanaro and Somnis said this plan is not being taken advantage of, but they believe it is because of COVID-19 and business uncertainty, as well as other sources of financing available due to the pandemic. They will continue to share information on this business loans with clients.

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Cedar Grove Business Park

Somnis said she continues to try to coordinate storm water management in the business park. She told the EDA board that although they thought the \$15,000 price tag for individual lot owners to complete storm water management plans, she has learned that is an average cost. She is looking for ways to have several lot owners work together on a storm water plan at the same time as a possible way to reduce that expense.

Somnis said she is working with the Cook County Chamber and the Greater MN Partnership to introduce legislative language to amend the State of MN Greater MN Business Development Public Infrastructure grant program. Current language includes restrictions on the use of these properties, statewide. The new language will remove the restrictions 10 years after grant awards if lots remain unsold and unused.

Other Old Business

There was nothing to report at this time on Assisted Living, Workforce Solutions and the Creative Economy Collaborative.

Small Business Development Center Report

Small Business Development Center Representative Pat Campanaro shared a written report.

EDA Executive Director Report

In addition to the agenda items already discussed, Somnis reported that she had attended the last meeting of the Revolving Loan Fund as requested that the fund be renamed in honor of Hal Greenwood. She also attended a meeting with Senator Tom Bakk and Representative Rob Ecklund, and another with Senator Susan Kent. She met with some potential developers; with the Cook County Joint Powers Group; the North Shore Scenic Drive Council; the Grand Marais Business Coalition; the Arrowhead Regional Development Commission; the Pandemic Economy Group and others. She worked with WTIP on "Tip Jar" grants for local musicians, funded by an anonymous donor. She was invited to join the board of the Upper Midwest Film Office, but declined at this time.

OTHER BUSINESS

The next EDA meeting is scheduled for Tuesday, February 9, 2020 at 4 p.m. Mary Somnis will be available for the WTIP interview on January 13.

Meeting adjourned at 6:01 p.m.

Respectfully submitted by

Rhonda Silence

Minutes & More



COOK COUNTY/GRAND MARAIS EDA
HOUSING AND REDEVELOPMENT AUTHORITY
FOR DISCUSSION FEBRUARY 9, 2021
CONSIDER VISION AND PRIORITIES

The next step in the exploration of the proposed HRA is for the EDA to brainstorm these things. When the EDA has agreed to its vision and priorities for the HRA, these will be shared with the County Board, City Council and Grand Portage Tribal Council for feedback and input. NOTE: Nothing is being decided in this discussion. This is the beginning of a community process, which will include opportunities for Public Meetings and Public Comment.

Options for Geographic Area

1. Geographic area is all of Cook County, including Grand Portage Reservation
2. Other?

Options for Structure

1. County and City each create separate HRAs
2. County and City create one joint HRA
3. County and City add HRA to current EDA with the same board
4. County and City add HRA to current EDA with a separate board

Options for Staffing

1. Add HRA duties to EDA executive director position and add an administrative assistant
2. Add another professional-level position and both positions perform their own administrative support
3. Include bookkeeper/accountant duties in administrative support position in 2022 for EDA, HRA and Superior National

Options for Funding

1. Levy, with consent of authorizing city/county (up to .0185% of prior EMV)
2. Special assessments, bonds, tax increment financing (TIF), interest reduction
3. Apply for state and federal funds: DEED Small Cities, HOME

Scope of Authority

1. Plan, implement, and administer housing and redevelopment programs
2. Sell, buy, own, and lease property
3. Construct, rehabilitate, improve, or repair properties
4. Designate blighted or unsafe areas for redevelopment

HRA Common Program Areas

1. Manage redevelopment/economic development programs
2. Administer homeownership & rehab programs
3. Own and manage housing
4. Administer rental assistance programs

Community Partners

1. Banks
2. Developers
3. Employers
4. Schools, Health Care, Local Governments (county, city, tribal, townships)

Timeline for this Process with MN Housing Partnership

1. The Memorandum of Understanding ends in November 2021



February 1, 2021

Dear Board Members

It was a wild January! The last stimulus package passed by Congress combined with the business relief grant program approved by the Minnesota legislature has opened a variety of new opportunities for our small businesses. Couple that with the fact that many of these same businesses were already wrestling with closing their first Paycheck Protection Program loans, and their questions and needs kept me really busy.

As exciting is a raft of new opportunities that includes 4 new business starts, a successful application to the Cook County Revolving Loan Fund and some work in helping two small businesses try to navigate the expensive costs of storm water mitigation in Cedar Grove.

I also worked with Mary Somnis in developing the Success(ion) Planning workshop designed to help the small business owner prepare for a successful and profitable transition. It's scheduled to begin on February 18TH. Thanks to the EDA's support, tuition is only \$250 and CCHE is offering a \$50 scholarship. Please share this with your network!
For more information : <https://mycche.org/event/business-successioncreating-a-plan/>

I anticipate this level of activity to continue into February when the Biden administration passes another stimulus package.

January Hours:

Covid Related:	65.75
Covid Inquires	1.75
Total	67.50

Consulting	43.75
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Total Jan Hours 111.25

Questions, let me know.

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Be Safe and Mask Up!

Pat

Executive Director's Report
February 9, 2021

- Meetings and follow up work on the following:
- Planning Business Success(ion) training with Pat, U of M Extension and Higher Ed
- WTIP interview after January board meeting
- Senator Tomassoni re Greater MN BDPI
- Grand Marais City Council presentation with MHP re HRA
- Pandemic Economy group
- Real Estate Investment Trust Fund
- SNAL Board of Governors, marketing team and Stay and Play
- One Roof, Ehlers and developer of a project in Tofte
- State of MN Business Relief Grants
- Legislative updates with Judy Erickson
- TIP Jar fund for local musicians
- ARDC Revolving Loan Fund and Commission
- Cook County Chamber board
- Cook County Joint Powers
- Senator Wiger re Greater MN BDPI
- Auditor Braidy Powers re SNAL documents and agreements
- Preliminary discussions regarding a potential development in Tofte
- Odyssey and One Roof re housing development
- CEC monthly meeting and Kiosk Committee
- Grand Marais Project 61 Committee
- Grand Marais Business Coalition
- Hamilton Habitat re grant opportunities
- SNAL Superintendent search
- IRRR Regional Trails grant reimbursement and advisory committee
- Representative Sanstede re Greater MN BDPI
- EDA board orientation with Ann and Virginia
- Representative Ecklund and Senator Bakk re Gitchi Gami Trail funding