

# Meeting of the Koochiching Economic Development Authority

Wednesday, August 16<sup>th</sup>, 2017

Birchdale Community Building

**Board Members Present:** Bob Anderson, Mike Hanson, Brian McBride, Brian Briggs (Alternate), Kallie Briggs (Alternate)

**Members Absent:** Wade Pavleck, Allen Rasmussen, Harley Droba

**Staff Present:** Paul Nevanen, Kyra Hasbargen

**Others Attending:** Emily Gedde (The Journal), Ann Ellis, Ralph and Lois Lewis, Lori Bitter, Jan & Dave Imes

Meeting called to order at 10:00 a.m. by Vice Chairman Hanson in Chairman Rasmussen's absence.

- 01 Approve agenda – **Motion by B. Briggs, a second by Anderson to accept the agenda as presented. Motion carried unanimously.**
- 02 Approve minutes from 7/12/17 – **Motion by McBride, a second by Anderson to approve the 7/12/17 meeting minutes. Motion carried unanimously.**
- 03 Public Comment – Hanson explained KEDA's history and how it was started. Hanson introduced Lori Bitter, Principal of Indus School. Bitter explained the school's new Outdoor Education program that was started last year, adding the culinary, art and industrial courses provide lots of hands on experience for the students. Bitter noted students utilize the full 40 acres of the school property and are more active, adding their goal is to increase enrollment. Hanson questioned how many employees the school has. Bitter responded there are 42 employees.
- 04 Treasurer's Report – Treasurer McBride presented the CWT financial reports for July and monthly bills for August in the amount of \$4,654.69 and JLR bill for \$24,080. McBride mentioned there is also a transfer to KEDA in the amount of \$27,000. **Motion by McBride, a second by B. Briggs to approve the July CWT financial reports and bills for August with a total of \$4,654.69 and \$24,080 for JLR and a \$27,000 transfer to KEDA. Motion carried unanimously.** McBride presented the KEDA financials for July and bills for August in the amount of \$34,118.51. **Motion by McBride, a second by Anderson to approve the July KEDA financial reports and bills for July in the amount of \$34,118.51. Motion carried unanimously.**
- 05 NorthStar Electric Coop – General Manager, Ann Ellis – Hanson introduced Ann Ellis. Ellis handed out a document with some statistics and explained NorthStar's coverage area while giving a brief background of NorthStar Electric Coop. Ellis read through the document and explained their mission to provide affordable, reliable and safe electricity for rural areas. Ellis explained their revolving Economic Development Fund. Ellis stated there are 1437 miles of line with roughly 21 employees. Short discussion on wind farms and solar power. Ellis noted a link to track wind/solar power on the NorthStar Electric Coop website. The Board thanked Ellis for her presentation.
- 06 2018 Draft Budget – Nevanen explained the auditor's were here last week and are preparing the 2016 audit. Nevanen referenced the budget process, funding and expenses and read through the budget narrative. Nevanen continued with explaining CWT Budget expenses, noting the difficulty in estimating snowfall. Anderson questioned capital improvements. Nevanen explained the new 3<sup>rd</sup> Cold Box for JLR at an estimated \$550,000. Anderson noted Frontier is putting in fiber into the new Airport Terminal and questioned if there is an opportunity for JLR to share the line and have it put into the Cold Weather Testing Building. Nevanen responded he spoke with JLR who has agreed to pay for the fiber to put in, adding their addition of a fast charging station for electric vehicles.

The Board agreed to have the KEDA and CWT Budget on the September agenda for adoption.

- 07 Koochco Administrative Agreement – Nevanen explained Koochco and their revolving loan fund, noting the KEDA charges Koochco \$450 per month for administrative costs and they use to meet monthly, however, due to deficiencies in loans trending and rule changes, lending has been made more difficult and Koochco hasn't been meeting monthly due to the lack of need. Nevanen explained the proposal to charge Koochco \$400 for meeting months and \$150 for non-meeting months which covers Hasbargen's time, adding the agreement is a 2-year agreement. **Motion by McBride, a second by K. Briggs to approve the 2017 Administrative Service Agreement between KEDA and Koochco for a 2-year term at a cost of \$450 for meeting months and \$150 for non-meeting months.. Motion carried unanimously.**
- 08 Director's Report – Nevanen referenced Granite Digital and explained the project in more detail. Nevanen touched on Cold Weather Testing and JLR's new 5-year agreement with a new 3<sup>rd</sup> Cold Box being built and the recent acquisition of additional acreage at the Business Park, noting developing a site plan will begin soon. Nevanen noted the recent notification that the County is holding an auction on Friday, October 6<sup>th</sup>, for the old Fisheries Building and corresponding lot. Nevanen referenced the Summer Network Social noting there were 37 attendees that included a mix of locals and seasonal residents. Anderson stated it was a great opportunity. Nevanen referenced the Logistics Development Forum he recently attended earlier this month which brings site selectors to discuss the role of logistics in locating manufacturing, warehousing and distribution, noting there are some takeaway notes in the packets.
- 09 Other (City/County Updates) – Anderson reported on summer projects and street improvements and noted Rainy Lake Medical Center is in the process of improving their Chemo department. Anderson stated the Airport Terminal Ribbon Cutting is scheduled for October 10<sup>th</sup>, adding he recently went on air with the Weather Channel for the Top 10 Coldest Places, noting this summer's average has been 78° daytime temp and 50° nighttime temp. Anderson referenced the Highway 53 Safety Task Force will meet on August 29<sup>th</sup> to tour the new bridge across the taconite lake, adding they are looking at many improvements to the highway and talked about some of the main safety concern and additional passing lanes. McBride stated the Island View Sewer Project has been started and touched on the healthcare program with RRCC which continues to be a challenge. McBride noted the road construction on Highway 11-71 will begin mid-September, adding on October 6<sup>th</sup> a Tax Forfeit Land Sale will be held which has about 30 parcels listed.
- 10 Public Comment Period – Lois Lewis stated economic development and infrastructure is needed in Birchdale, adding people want to move there but are in need of internet and phone service and it is preventing them from doing so. Lewis mentioned child care is also a big need and referenced a certificate kids can get in high school and Bemidji has additional education available, noting the possibility of contacting a daycare center to see their interest in opening a branch in the area. Nevanen stated there have been lots of discussion surrounding childcare, especially those who work shift work. Discussion on daycare and centers. Hanson touched on technology and internet, noting broadband is just as important as electricity today. Discussion on broadband in rural areas. Hanson referenced the North American Sturgeon Contest on August 19<sup>th</sup>.
- 11 The next board meeting was scheduled for Wednesday, September 20<sup>th</sup> at 10:00 a.m. at the County Boardroom. **Meeting adjourned at 12:02 p.m.**