

Meeting of the Koochiching Economic Development Authority

Wednesday, July 15th, 2015
Northome City Office

Board Members Present: Allen Rasmussen, Bob Anderson, Brian McBride, Pete Kalar, Wayne Skoe

Members Absent: Soren Olesen, Wade Pavleck

Staff Present: Paul Nevanen, Kyra Briggs

Others Attending: Ken Anderson, Dave Elhard, Teener Swane, Sara Fahey, Paula Lowe, Mary Lukenbill, Don Lukenbill,

Meeting called to order at 6:30 p.m. by Chairman Rasmussen.

- 01 Approve agenda – **motion by Kalar, a second by Skoe to accept the agenda. Motion carried unanimously.**
- 02 Approve minutes from 5/18/15 –**Motion by McBride, a second by Kalar to approve the 5/18/15 meeting minutes. Motion carried unanimously.**
- 03 Public Comment – Mary Lukenbill questioned the difference between KEDA and KCDA. Don Lukenbill stated there is a lot of confusion on the two. Nevanen responded there are a lot of acronyms and it is often tough to differentiate between them all. Referring to an organizational chart in the packets, Nevanen explained the breakdown of each. Mary questioned who represents Northome on each board. McBride stated County Commissioner, Wayne Skoe represents the area and explained the KCDA funding by the County. Skoe explained a little more detail of the KCDA.
- 04 Treasurer's Report – Treasurer McBride presented the financials for May, noting due to the situation of canceling June's meeting and the timing of billing dates, the bills were paid prior to the Boards approval. **Motion by McBride, a second by Anderson to approve the May KEDA financial reports. Motion carried unanimously.** McBride then presented the CWT financial reports for May, adding there was a transfer of \$24,000 from CWT to KEDA to cover the bills. Nevanen explained the transfers and accounts receivables. **Motion by McBride, a second by Kalar to approve the May CWT financial reports and transfer of funds. Motion carried unanimously.** McBride then presented the financials for June and bills for July totaling \$21,935.30. Nevanen referred to the Budget vs. Actual page, noting the numbers are very close to budget. Anderson questioned the additional rent covered by the Airport Commission. Nevanen responded the cost is split by KEDA and the Airport Commission. McBride questioned if any expenses were incurred for the Rail Siding Project. Nevanen responded only legal fees were incurred. Anderson stated that by looking at the 2016 budget, there may be a need to look at the County and City for funding. Nevanen stated they may need to at some point. McBride commented with taconite production down this year it will affect the KEDA funding. **Motion by McBride, a second by Anderson to approve the June KEDA bills and financial reports. Motion carried unanimously.** McBride then presented the CWT financial reports for June and July bills totaling \$3,462.00 and a transfer of \$20,000 from CWT JLR to KEDA to cover the bills. Nevanen referred to the Accounts Receivables and explained the hold up on the payment from GM, adding JLR's payment is expected very soon. **Motion by McBride, a second by Skoe to approve the June CWT bills, financial reports and transfer of funds. Motion carried unanimously.**

05 Staff/Director Review – Nevanen reported he and Jenny Herman recently conducted an annual review of Kyra Briggs and explained the evaluation process, touching on a previous comp worth study for all positions at KEDA. Nevanen noted a formal review of he and Herman have not been conducted since 2012, suggesting the board look at forming a personnel committee. Nevanen added in speaking with Elaine Hansen of the Center for Economic Development (CED), Herman is the lowest paid Business Consultant and feels it is important to discuss her position and wage. Rasmussen added Herman is a star employee and brings a great deal of knowledge to the community, adding a personnel committee was once used back in 2011 and also suggested one be formed consisting of one member from the City, one member from the County and himself. **Motion by McBride, a second by Anderson to approve the formation of a personnel committee consisting of the Chairman, one member from the City, and one member from the County.** **Motion carried unanimously.** McBride questioned the timetable of when the formation will take place. Nevanen responded it would be best to be done in conjunction with the 2016 Budget. McBride stated he will represent the County. Kalar stated he will represent the City. Rasmussen appointed both McBride and Kalar to the personnel committee and stated a date and time will be set up for the committee to meet soon. Nevanen commended Briggs on the many job duties she undertakes and thanked her for all her hard work.

06 Rail Siding Project Follow-up – Nevanen briefly explained the Rail Siding project and how they have been working on it for over a year to bring a rail spur into two local businesses; however, at this time the project is not moving forward and read an email from Gary Bergstrom of Bergstrom Wood Products regarding their withdrawal of the rail spur request and thanking the KEDA for all its efforts. Nevanen stated Larry Keep, who was the other business owner involved with the project, has now approached the City after the withdrawal, due to a spur currently into the Multimodal district. Anderson commented Bergstrom's are still hoping to do something, noting the KEDA should put out some sort of public notice or news release about the project coming to a close. Nevanen respond he will do so as a follow up with The Journal.

07 Project Funding Strategy Discussion - Nevanen talked about the importance of also securing support and project funding, adding a DEED grant in the amount of \$250,000 was in the works for the project but needed a 50% match from the City and County. The City had their half available, however the County could not commit to the funding at the time, adding in the future will need to look at different options, referencing the FTZ rock. Anderson mentioned there may be a need to look at wetland credits, adding it would be a good idea for the KEDA to have some pool of money to assist in projects such as this and possibly the City and County could help contribute. Ken Anderson commented that there are a lot of different aspects that go into financial assistance for projects, referencing site prep, infrastructure, labor force, transportation and cost of the property. Short discussion on other state's incentives for businesses and JOBZ. Rasmussen asked to keep the funding discussion on the agenda for future discussion and how to get business to come to our area.

08 Director's Report – *RECAP* – Nevanen reported Coronel recently conducted an extensive site determination report on several possible sites for the RECAP project in the area and as of today, they have began the EAW permitting process for one of the sites; a forty acre site owned by the City of International Falls which is just south of the Multimodal District and adjacent to MD&W's rail, adding the other site is a privately owned forty acre parcel on Highway 332. Nevanen stated that after factoring in a number of variables, Coronel chose to move forward with the City site due to the rail access, and the County Board moved on the recommendation yesterday. *Newmark, Grubb, Knight, Frank (NGKF)/Voyage Forward* – Nevanen stated the NGKF team had planned to be here July 27th and 28th to present their Economic Adjustment Strategy Report, but due to some last minute schedule changes it has been rescheduled for August. Nevanen mentioned the Voyage Forward on-line survey that was recently conducted, showed 904 people within the county completed the survey, adding the results will be compiled and will be used to guide the “destiny drivers” in the next phase of the process. *Marketing* – Nevanen informed the board of the new print

ad in Site Selection magazine, noting the new ad will take advantage of the relationship with Jaguar Land Rover. McBride questioned if they were reluctant of others viewing their testing area. Nevanen responded the ad will be in a Minnesota feature in Site Selection and not in auto magazines, adding they are very sensitive to that and have hired security while testing here. Nevanen mentioned a logistics mailing he will be sending out to target third party logistic providers who have a large presence in the Midwest and/or Canada. Nevanen stated he will be attending the Logistics Development Forum Conference in August which focuses on logistics as a key element in site selection, adding this will be his second time attending the conference, giving a brief overview of agenda. *Miscellaneous – Con-Con Advisory Board Meeting* – Nevanen reported he was invited to a recent Con-Con Advisory Board Meeting in Birchdale to share KEDA's economic development work plan and discuss economic development in general. *2016 Budgets* – Nevanen stated he's begun setting the 2016 budgets for the KEDA and CWT and is expecting to have a draft ready at the next meeting. *North Star Electric Cooperative* – Nevanen reported he contacted the new General Manager, Ann Ellis, of North Star Electric to introduce himself and talked briefly about their new revolving loan fund, adding they plan to get together soon to discuss things further.

- 09 Other (City/County Updates) – McBride commented on yesterday's County Board meeting regarding Coronal's selection of the City property for RECAP, adding a meeting regarding the Grand Mound was also held recently and touched a little on the details. Skoe also touched a little on the Grand Mound meeting. Skoe reported a new Land Commissioner was recently hired by the County who will be a great asset, naming Nathan Heibel as the candidate. McBride added there will be coffee and cake at the Court House tomorrow for Dennis Hummitzsch and his retirement. Skoe gave a brief update on the status of the Northome Nursing Center, noting there is no estimated timeframe of the demolition of the building. Skoe also mentioned a meeting was held a while ago regarding a potential business for the Northome Business Park, adding the business decided to partner with a company in Brainerd instead. Anderson commented the Voyage Forward program has seemed to put some confidence back into the community after some of the business closures. Anderson also mentioned the Rainy Lake Medical Center has recently spent several million on improvements and just approved an additional \$2.3 million for more improvements/renovations, noting TruStar's investment in the community and its expansion that is currently under construction. Anderson commented the recent fire that took a bridge in Ericsburg was a large mishap, but was very good for economic development as it surged huge activity in the community, adding CN has over 30 rooms per night rented at local hotels currently. Anderson touched on the idle mill in Fort Frances, noting he recently spent time with Fort Frances Mayor Avis who is hopeful something positive will come out of a firm that is currently looking at the mill. Kalar mentioned some of the construction taking place in the county and County Road 107 currently being done. Anderson added KGM will begin the construction of 11 miles on Highway 11 East.
- 10 Public Comment Period – D. Lukenbill mentioned the Koochiching County Fair will be held on August 7th, 8th and 9th of August, adding there will be a parade on Saturday. Elhard questioned if there is ongoing communication with New Mark after their analysis was conducted. Nevanen responded he has a conference call every 2 weeks with them and there is ongoing communication and is really looking forward to the final report. Discussion on different resources available in the County. Discussion on snowmobile, ATV and bike trails. Discussion on tourism and gas prices.
- 11 The next board meeting was scheduled for Wednesday, August 26th at 10:30 p.m. at the County Boardroom. **Meeting adjourned at 8:04 p.m.**