

Meeting of the Koochiching Economic Development Authority

Monday, May 18th, 2015

County Boardroom

Board Members Present: Allen Rasmussen, Bob Anderson, Soren Olesen, Brian McBride, Pete Kalar, Wade Pavleck

Members Absent:

Staff Present: Paul Nevanen, Kyra Briggs

Others Attending: Emily Gedde (The Journal) Whitney Jackson (The Journal), Harley Droba, Shawn Mason and City residents: Jane Wagner, Eric Todd, Connie Todd

Meeting called to order at 10:04 a.m. by Chairman Rasmussen.

- 01 Approve agenda – **motion by Kalar, a second by Anderson to accept the agenda. Motion carried unanimously.**
- 02 Approve minutes from 4/20/15 –**Motion by Kalar, a second by Pavleck to approve the 4/20/15 meeting minutes. Motion carried unanimously.**
- 03 Public Comment – None.
- 04 Treasurer’s Report – Treasurer McBride presented the financials for April and bills for May totaling \$20,360.03 and a transfer of \$16,000 from KEDA to KEDA to cover bills for the month along with a \$20,000 transfer to CWT/JLR for JLR’s wire transfer into the KEDA account. Briggs explained TruStar Federal Credit Union (where the JLR bank account is held) does not have International transfer capability, so the monies are wire transferred into the KEDA bank account at Wells Fargo Bank and then the funds are paid back to the JLR account. **Motion by Pavleck, a second by Anderson to approve the April KEDA bills and financial reports. Motion carried unanimously.** McBride then presented the CWT financial reports for April and May bills totaling \$7,399.89. McBride questioned the Safety Coordinator position and if it is a local person who fills that position. Nevanen responded there are actually two local people filling the position. **Motion by Pavleck, a second by Anderson to approve the April CWT bills, financial reports and transfer of funds. Motion carried unanimously.**
- 05 Rail Siding Project – Update/Public Comment – Eric Todd approached the board stating he has spoken to individual members of the KEDA, but wanted to address the board as a whole today. Todd explained there have been two meetings over the last 3 weeks, one of which was on-site at the location of the project with residents and a couple elected officials. Todd distributed a handout to the board listing the concerns on zoning while explaining each bullet point. Anderson stated after last week’s meeting with elected officials and residents who voiced their concerns, the consensus is they are mainly concerned on the zoning. Anderson stated the Zoning Director sees rail going into the property, the same as a road going into the property, which is allowed in a manufacturing zone. Anderson added the City Council is preparing a letter to the League of Minnesota Cities to see what their view is on the zoning language and what is allowable. McBride stated there is no “rubber stamping” on the project and officials will do their best due diligence.

06 Director's Report – *Cold Weather Testing* – Nevanen reported he compiled economic impact information from the 2014-2015 cold weather testing season, adding the facility supported 19 distinct test group trips along with 4 other groups testing in the area. The groups spent nearly one million dollars in the area through facility rent, hotels, meals, rental cars, fuel and parts; noting air travel is not calculated in the figure. Nevanen mentioned there were 7 part-time employees hired to support the groups, adding one local, Ron Sutherland, has become a full-time employee for Jaguar Land Rover (JLR) and goes back and forth to Arizona for them. Nevanen stated a conference call with JLR will be conducted next week to go over upcoming facility projects. *Hangar Space Lease* – Nevanen mentioned JLR has requested the KEDA's help in securing additional temporary space to support their future testing. Nevanen stated they would like to use Hangar Site G (adjacent to the Cold Test Building) during the testing season, He is working with a private individual that will build a hangar on the lot and would make some space available to JLR during the season, adding due to the KEDA having a vendor relationship with JLR, the KEDA would lease the hangar lot and the private individual would eventually build the hangar and JLR would reimburse the KEDA for the lease. Nevanen stated he approached the Airport Commission regarding a private individual building the hangar and the KEDA leasing the space, adding the Commission approved the proposal with a contingency of KEDA's support. Olesen reiterated a private individual will build the hangar, the KEDA will lease the hangar and JLR will sublease the hangar from the KEDA. Discussion on how the lease will work. **Motion by Pavleck, a second by Olesen to move forward with a contract lease agreement and allow the Director to gather additional information on the lease details and bring it back before the Board. Motion carried unanimously.** *Northome Project* – Nevanen reported he and Jenny Herman are continuing to work with two Northome couples that are looking at the possibility of bringing a manufacturing business to the area, adding they also met with the Deerwood Bank branch manager in Northome to talk about the local economy, Voyage Forward, local resources and areas of focus. *Logging Workshop* – Nevanen mentioned Jenny has been working with a number of partners to put together a Logging Transition/Succession workshop in Big Falls on Thursday, May 28th, adding it will be a 4 hour workshop with 4 presenters, including public and private sector specialists and logging business owners, to discuss the elements of successfully transferring their business. Nevanen stated there are 23 people currently signed up for the workshop. *Grand Mound Meeting* – Nevanen reported he has been attending a series of meetings hosted by the Minnesota Historical Society that is exploring the prospect of re-opening the Grand Mound Site. Anderson mentioned the Historical Society is committed to doing something at the Grand Mound over the next couple years and would like to see a step process of putting signs up for people to just get out and walk around, and then work on getting the museum up and running. Pavleck added it is the largest burial mound in the Upper Mid-West, noting the Rainy River First Nations Tribe wants to see it funded and reopened, but the first proposal is to get the trails open. Short discussion on possible work to be done at the site, funding, jobs and the importance of having it open to the public. *Marketing* – Nevanen stated the KEDA is currently working on the next E-Newsletter and hope to get it out this month, adding a new ad for print marketing regarding the relationship with JLR is also currently in the works. Nevanen explained how the ad would look and where it would be published. McBride questioned if JLR's approval was needed for the ad. Nevanen responded that JLR is in approval of the ad and are talking about providing the vehicles. McBride added it is huge for our community, having JLR here. Nevanen stated there is an opportunity to grow, however it is very difficult to put all the different pieces together. *Other* – Nevanen mentioned Jenny attached the 2015 Minnesota Small Business Week Awards Program earlier this month to accept the Women in Business Champion of the Year Award, adding the event was in celebration of National Small Business Week, recognized small business owners and organizations that support small business development and success. Rasmussen commented Jenny does great work and the award is well deserved. Nevanen referred to a couple articles in the packets on Dislocated Workers and Federal Observation Distresses County.

07 Other (City/County Updates) – Anderson stated the City is partnering with the Chamber of Commerce to sponsor the Annual Gala, where a Voyage Forward report will be given and Bert

Brown with Packaging Corporation of America as guest speaker, this Thursday. Anderson mentioned the highway improvements have began on Highway 53 with includes replacing culverts, new turn lanes and an overlay, adding Highway 11 East bid opening is on Friday and hoping to get that started soon also. McBride noted Highway 332 construction is underway with the detour through town. Nevanen questioned the time frame of the 332 project. McBride responded the detour will be all summer, adding the hope is there won't be too big of an impact when Main Street is closed for the 4th of July and the Bass Tournament. Discussion on businesses who are making investments in our community.

- 08 Public Comment Period – Shawn Mason mentioned Bruce Carman of Mariner Farms, LLC will be presenting at the Chamber Lunch & Learn at Lenard's, adding the EDA will meet tomorrow morning at 7:15am. Olesen stated he spoke to Jerry Struss who would like to host the next KEDA meeting in Northome, adding Sonja Pelland would also like to host one in Littlefork.
- 09 The next board meeting was scheduled for Wednesday, June 17th at 6:30 p.m. at the Northome City Office. **Meeting adjourned at 11:15 a.m.**