

Meeting of the Koochiching Economic Development Authority

Wednesday, January 24th, 2018
City Council Chambers

Board Members Present: Bob Anderson, Allen Rasmussen, Mike Hanson, Wade Pavleck, Ron Norby (Alt for McBride), Harley Droba, Representative Rob Ecklund

Members Absent: Brian McBride

Staff Present: Paul Nevanen, Kyra Hasbargen

Others Attending: JoAnn Smith, Dan McCarthy, Cheyanne Farmer (KCC-TV), Beth Slatinski

Meeting called to order at 1:02 p.m. by Chairman Rasmussen.

- 01 Approve agenda – **Motion by Droba, a second by Anderson to accept the agenda. Motion carried unanimously.**
- 02 Approve minutes from 12/18/17 – **Motion by Pavleck, a second by Anderson to approve the 12/18/17 meeting minutes. Motion carried unanimously.**
- 03 Public Comment – None
- 04 Treasurer’s Report – Nevanen presented the CWT financial reports in Treasurer McBride’s absence for December and monthly bills for January in the amount of \$30,164.70, one late bill to K&K Meyer’s in the amount of \$720, and JLR bills of \$40,706.57, along with a transfer of \$35,000 to CWT while explaining the details. Nevanen referenced a bill for snow removal and explained in further detail the reason for it. Anderson questioned the revenue on the Budget vs. Actual. Nevanen explained the timing of payments and entering into the system. **Motion by Pavleck, a second by Anderson to approve the December CWT financial reports and bills for January with a total of \$30,164.70, one late bill to K&K Meyer’s in the amount of \$720, and JLR bills of \$40,706.57, along with a transfer of \$35,000 to CWT. Motion carried unanimously.** Nevanen presented the KEDA financials for December and bills for January in the amount of \$21,997.07. **Motion by Anderson, a second by Pavleck to approve the December KEDA financial reports and bills for January in the amount of \$21,997.07. Motion carried unanimously.**
- 05 Koochiching County Housing Study – Nevanen explained the Housing Collaborative and how it was started, along with those involved, including the Minnesota Housing Partnership, noting housing is an issue all over the County. Nevanen talked about the cost for a county wide housing study, noting the cost of roughly \$30,000 and referenced those who have committed funds. Nevanen state there has not been a formal request of the KEDA for a contribution but believes it would be good to do so. Nevanen noted a RFP will go out in February, adding there has never been a housing study done on this area. Norby questioned if the City budgeted funds for the study. Anderson responded it did not budget specific funds, but has pledged to give up to \$6,000. Pavleck spoke about past conversations regarding housing in AB/Backus, noting that funding cannot be requested from institutions without a completed study to make determinations from. Anderson added there has been consideration of adding Fort Frances to the study which would bring the cost of the study up an additional \$5,000, adding he would like to see KEDA put in some funds for a contribution. **Motion by Anderson, a second by Hanson to approve a \$1,000 contribution from**

KEDA to the Koochiching County Housing Collaborative for a Housing Study. Voting Yes: Anderson, Hanson, Norby, Pavleck, and Rasmussen. Voting No: Droba. Motion carried. Discussion on housing issues, affordability and the cost of building new. Nevanen questioned Anderson on the amount of homes that have been demolished in the city. Anderson responded in the last 5 years there have been roughly 150-200 homes and buildings taken down. Droba questioned the shelf life of the study being 5 years, adding the study typically is used to draw investors into the area, however there is not an economic boom happening in the area and wondered what the draw would be to get investors to this area. Nevanen stated it would target affordable housing and senior transition housing. Anderson referenced the Governors Bonding Bill and asking legislation to put \$5 million into grants to aid in housing, recognizing the housing issues.

06 Director's Report – Nevanen stated Bob Palmquist of Northspan is completing his 3rd-party financial review of the Cantilever Distillery project which will then be included in the Business Subsidy Application to the County. Nevanen stated once the application is completed and reviewed it will come back to the KEDA Board for a recommendation, and then they will coordinate public hearing, adding they initially were going to do 2-phase project, however, they now plan on doing it all in one to save on costs. Nevanen noted he had a chance to sample some of the products last week, adding there is a lot more to the process than he realized. Nevanen stated cold weather testing activity remains high and the recent cold weather helped turn the attention to our area as a test destination, noting he has turned away more requests this year over any other year in the past. Anderson questioned what could be done to accommodate more testers. Nevanen responded the facility is currently at capacity, noting the need for more private sectors to add to their testing capacity. Droba questioned what types of products the testing requests were for. Nevanen responded there have been several different requests, noting tractors, construction lighting generators, charcoal and many from past customers. Pavleck raised the history of the cold boxes that was ultimately vetoed by the Governor then, and questioned if it is something that could be revisited by the KEDA. Discussion on the cold test facility in Baudette and being privately owned. Pavleck gave kudos to Nevanen on the growth of cold weather testing, noting he only hears positive comments. Nevanen mentioned he and Mayor Anderson recently had an opportunity to visit with CN Operations representatives regarding their operations in Ranier as well as an opportunity to share information and the history about the FTZ site in Ranier, noting the volume of trains is growing and they have worked well with the City of Ranier on specific issues. Nevanen referenced some of the upgrades CN is doing with a siding addition and refrigeration examination station. Anderson stated they seem very pleased about their service in the area and the contractors they are working with, adding the work is creating additional jobs with CN and CBP due to the growth. Nevanen stated United Health Care will be making its 30th year of operations here in International Falls and in talking with Mayor Anderson, he would be sending a letter to their CEO to signify the event and thank them for their investment and job creation here. Short discussion on UHC and their history. Short discussion on RRCC and their nursing program. Nevanen referenced an article in the packets on Workforce and what is wanted by millennials in terms of Quality of Life, retail and amenities, noting a need to have things for people to do in order to get them to draw them here.

07 Growing Entrepreneurship in Koochiching County – Droba handed out an article on Entrepreneurship to the Board and explained the article, questioning who is going to provide the amenities and how to get youth to buy into the community. Droba stated an important piece to try to get into the school system to talk about entrepreneurship, noting the community often overlooks the creativity of working for themselves and are typically encouraged by others to go to college and go elsewhere for a career. Droba stated the question can be asked for people to come to the Community, but it is first needed to have those who are already here step forward and use their creativity. Nevanen stated there have been conversations in the KEDA office due to the Junior Achievement (JA) program and entrepreneurship in the schools, and referenced the Summer Social that was help last summer and the reason for it. Discussion on the struggles and issues of

entrepreneurship in the community. JoAnn Smith referenced the “Entrepreneurs on Tap” seminar that was held on the Range, adding it was broadcasted live on Facebook and there were 3 business owners who talked about their start up challenges, adding the possibility of doing something similar here. Droba stated building a business isn’t all roses, there are lots of struggles of funding, staffing, training, etc. adding the need for a good team. Droba stated the need to get into the school and have kids shadow business owner to help peak their interest. Beth Slatinski stated she is excited the conversation is being had to get youth involved and referenced there are lot of kid who go through school but then not onto college and have very creative minds and great ideas, and the need to get those kids involved. Short discussion on business incubators, business start up costs and struggles. Rasmussen stated to keep the item on the agenda for additional conversations.

- 08 Other (City/County Updates) – Anderson stated Icebox Days went well. Short discussion on Icebox Days. Anderson stated the Highway 53 Taskforce will be meeting tomorrow in Virginia on additional passing lanes and further improvements to Highway 53. Short discussion on the history of the Task Force. Norby stated the County has approved a Work Camp for 150 people in Big Falls, adding he is confident things will go well, adding the economic impact and explained the process for the camp. Hanson explained all the clearing they have completed in the Birchdale area, adding they hope to open a small café in Big Falls during the time fame of the Transmission Line. Pavleck noted Northland Mental Health has now relocated to International Falls and is all set up, adding a grand opening will take place in the spring.
- 09 Public Comment Period – None.
- 10 The next board meeting was scheduled for Wednesday, February 21st at 1:00 p.m. at the County Boardroom. **Meeting adjourned at 2:40 p.m.**