

Meeting of the Koochiching Economic Development Authority

Friday, July 18th, 2018
City Council Chambers

- Board Members Present:** Allen Rasmussen, Brian McBride, Harley Droba, Bob Anderson, Wayne Skoe (Alternate)
- Members Absent:** Mike Hanson, Wade Pavleck
- Staff Present:** Paul Nevanen, Kyra Hasbargen
- Others Attending:** JoAnn Smith, Darci Sullivan (KCC-TV), Crystal Clance, Ricky Roche

Meeting called to order at 1:00 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 6/22/18 – **Motion by McBride, a second by Droba to approve the 6/22/2018 meeting minutes. Motion carried unanimously.**
- 03 Public Comment – None
- 04 Treasurer’s Report – McBride presented the CWT financial reports for June and monthly bills for July in the amount of \$5,917.64, JLR bills in the amount of \$1,193.40 and a transfer from JLR to KEDA in the amount of \$27,000, while explaining the details. Nevanen stated the JLR payment may be delayed a little due to an invoicing confirmation. McBride questioned the Frontier bill split. Hasbargen stated CWT pays for 15% and JLR pays 85%. Anderson questioned if JLR is still running. Nevanen replied, yes, they are still testing with durability cars, adding they hired local citizens and will become the new norm of seeing them run year round. Anderson questioned electric vehicles. Nevanen stated they will eventually be testing electric vehicles and explained the current capabilities for charging them. **Motion by McBride, a second by Anderson to approve the June CWT financial reports and bills for July with a total of \$5,917.64, JLR bills in the amount of \$1,193.40 and a transfer from JLR to KEDA in the amount of \$27,000 from JLR to KEDA. Motion carried unanimously.** McBride presented the KEDA financials for June and bills for July in the amount of \$32,113.17 and an add-on bill of \$1143.00. Droba questioned the bill for Mike Hanson. McBride responded it is a quarterly bill submitted for mileage and per diem. **Motion by McBride, a second by Droba to approve the June KEDA financial reports and bills for July in the amount of \$33,256.17. Motion carried unanimously.**
- 05 Business Park Update – Ricky Roche – Roche explained he is moving forward and adding clay to build up a 9.5 foot droop, noting he will need approximately 150-200 more loads of fill to bring it up level. Roche stated he anticipates the sewer and water to go in next week and the concrete to be completed in the next couple weeks for an 80’x120’ building which has been order, adding he is currently working on a lease agreement with a tenant for the building. Discussion on the bringing the property level and the board viewed a map of the area. Nevanen referenced the other acquired property in the Business Park and explained the wetlands and useable lots. Short discussion on the old Fisheries building and its status of tax forfeit. McBride suggested visiting with the Land Commissioner and County Attorney again to look at possibly declare eminent domain on the property and try to move the process forward again. Discussion on subgrade correction and water

lines. Rasmussen thanked Roche for his update on the property and recommended a letter be sent to the County Attorney from KEDA, to see what he suggests for dealing with the leans on the Fisheries property and get the process moving again. Discussion on the building and Lots A, B, and C, useable & unusable space and buffers.

- 06 Personnel Committee – Rasmussen stated the Personnel Committee met on July 11th to consider staff reviews, noting Hasbargen received strong remarks for objective & subjective areas, referencing the entities she manages. Rasmussen stated the Committee recommends a \$100 per month increase, which equals approximately 2.7%. Rasmussen stated this is Smith’s first year as the SBDC Consultant and received very high remarks on objective and subjective areas by both Nevanen and Elaine Hansen, adding she also helped with duties while Hasbargen was on leave. Rasmussen stated the Committee recommends a \$100 per month increase. Rasmussen stated Nevanen had an excellent year on cold weather testing and recommends a \$1,500 annual increase. Short discussion on the great work each staff member does and the Board thanked them. **Motion by Rasmussen, a second by Anderson to approve \$100 per month increase for Hasbargen and Smith, and \$1,500 annual increase for Nevanen effective July 1st, 2018. Motion carried unanimously.**
- 07 Director’s Report – *Cantilever Bridge Distillery & Hotel* – Nevanen stated the County Attorney has review the Abatement/Developer’s Agreement with Cantilever and the County can move forward with a Public Hearing which will be scheduled in August, adding construction is slated to begin August 1st. *Koochiching Housing Study* – Nevanen mentioned Steve Griesert of Community Partners Research travelled to the Ranier/Littlefork/International Falls area last week to begin gathering information and interviewing a variety of housing stakeholders as part of the study, adding he will travel to and conduct interviews at all of the incorporated communities within the county for the study. Nevanen reported the he and members from the Regional Forest Products Alliance recently toured PCA, noting the Alliance is a regional advocacy group for forest product manufacturers and forest managers, noting as part of the tour they had an opportunity to hear a presentation from the mill manager. Nevanen stated the KEDA Newsletter recently went out the last week of June, adding the KEDA had a presence at the Northern Minnesota District Fair in Littlefork again this year with material on the KEDA and SBDC services. Nevanen referenced the second Summer Networking Social in partnership with the International Falls Area Chamber of Commerce, scheduled for Thursday, August 9th at Thunderbird Lodge, and gave a brief description of the purpose of the social, adding last year was very well received. Droba referenced the CWT facility that was vetoed by the Governor several years ago and questioned if it is something that needs to be revisited. Nevanen responded CWT is a growing industry but the amount of maintenance and equipment needed is specific to the manufacturer, noting having a manufacturer to partner will would be the best route to go at this point, adding it is hard to finance without a 5-7 year commitment with the manufacturer. Roche stated he deals with Hyundai/Kia and most all manufacturers have a test track of their own, referencing a 2.7 mile track in Michigan with Dodge. Droba questioned looking at a 5-year plan for CWT and a look forward with year round testing. Discussion on a test track being feasible, what happened with the old plan and looking forward. Anderson questioned scheduling a special meeting around strategic planning for CWT.
- 08 Other (City/County Updates) – Anderson referenced the 4th of July celebration went great, and gave an update on the Northeast Transportation Council meeting he recently attended. Anderson noted the INL Electrical Vault being completed so the old terminal can be torn down the end of July, and referenced the Airport Runway Reconstruction meeting with FAA and MnDOT on July 26th and 27th for utilizing the taxiway as a runway during the construction of the runway. Anderson noted he has been contacted by several businesses regarding their need for employees, and referenced the continued investment in the community by Sammy’s Pizza. Skoe touched on areas with down trees and areas impacted by the recent big storms, noting some timber sales may be coming back to the

County due to impact. McBride noted the weather here has been great but 20 miles south have experienced torrential rains, and referenced Hwy 332 closure and the truck traffic through town. Skoe noted Big Falls City Council is moving the process with the park forward but need an archeologist to go in to look for artifacts, noting the City will need to cover that cost. Discussion on the Big Falls area and it's past use. Skoe also referenced the Koochiching County Fair in Northome on August 9-11th.

- 09 Public Comment Period – Clance questioned putting pressure on the Orsi Property to clean up the building and rotting cardboard. McBride stated there are ongoing negotiations.
- 10 The next board meeting was scheduled for Thursday, August 23rd at 1:00pm in the City Council Chambers. **Meeting adjourned at 2:02p.m.**