

Meeting of the Koochiching Economic Development Authority

Thursday, August 23rd, 2018
City Council Chambers

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

Meeting called to order at 1:00 p.m. by Chairman Rasmussen.

- 01 Approve agenda – **Motion by Pavleck, a second by Briggs to accept the agenda. Motion carried unanimously.**
- 02 Approve minutes from 7/18/18 – **Motion by Anderson, a second by Norby to approve the 7/18/2018 meeting minutes. Motion carried unanimously.**
- 03 Public Comment – None
- 04 Treasurer’s Report – Rasmussen presented the CWT financial reports in Treasurer McBride’s absence for July and monthly bills for August in the amount of \$8,675.86, JLR bills in the amount of \$1,193.40 and a transfer from JLR to KEDA in the amount of \$20,000, while explaining the details. Anderson questioned the Frontier bill split. Nevanen explained JLR’s request of fiber into the CWT building of which CWT pays for 15% and JLR pays 85%, adding that fiber will also be brought into the other part of the building. **Motion by Anderson, a second by Hanson to approve the July CWT financial reports and bills for August with a total of \$8,675.86, JLR bills in the amount of \$1,193.40 and a transfer from JLR to KEDA in the amount of \$20,000 from JLR to KEDA. Motion carried unanimously.** Rasmussen presented the KEDA financials for July and bills for August in the amount of \$21,562.21. Anderson questioned the bill for Group C Media. Nevanen explained it is for a ¼ page ad in the Business Facilities magazine and explained further. Nevanen also referenced the Budget vs. Actual report, noting things are tracking slightly below budget. **Motion by Pavleck, a second by Anderson to approve the July KEDA financial reports and bills for August in the amount of \$21,562.21. Motion carried unanimously.**
- 05 Business Park Informational Meeting Update – Nevanen explained the purpose of the Public Meeting, noting a mailing was sent out to all surrounding neighbors and an ad was placed in the paper to get feedback on the business park expansion. Nevanen noted it was a very informal meeting with three neighbors that attended, as he referenced a map of the additional area the KEDA will acquire.
- 06 IRRRB Resolution – Nevanen explained a portion of the KEDA’s funding comes from Iron Range Resources and Rehabilitation Board (IRRRB), and gave a brief history on how the funding works, adding it is based on a formula of taconite production, noting this year’s amount is \$77,941.60. Nevanen stated a formal resolution needs to be passed as part of the funding process.
- 07 Draft 2019 Budget – Nevanen explained the budget process and read the narrative, noting the

budget is very consistent with the last 7 years and explained the budget in more detail. Nevanen noted the estimated beginning balance for KEDA, adding the expenses are greater than its income which will be offset with CWT funding as in the past, noting payroll is the largest expense. Anderson recommended increasing the Survey/Wetland amount. **Motion by Anderson, a second by Pavleck to approve the 2019 KEDA Budget with the increased amount of \$2000 for Survey/Wetlands. Motion carried unanimously.** Nevanen continued with the CWT 2019 Draft Budget, noting the 5-year commitment with JLR exclusive use and a 5-year commitment with GM for 3 weeks per year. Nevanen referenced the capital improvement project line. Anderson questioned the Electric charging stations, if they are owned by JLR or by KEDA. Nevanen responded 3 slow chargers and 1 fast charger are owned by JLR, adding they have given permission to use if they are not in use by JLR. Anderson questioned if there is a need to put one in that is owned by KEDA. Discussion on charging stations, the investment, and the difference between fast and slow charging stations.

- 08 Director's Report – *Cantilever Bridge Distillery & Hotel* - Nevanen stated the County held its Public Hearing for tax abatement for the Cantilever Bridge and Hotel project on Tuesday, noting most of the comments were positive with some concerns regarding parking, adding the Board will take action on the request at its next meeting on Tuesday. Discussion on the Cantilever project. *FTZ-Digi-Key Sub-Zone Application* – Nevanen stated he was approached by an FTZ consultant who stated Digi-Key of Thief River Falls is interested in applying for an FTZ Sub-Zone application for its new warehouse facility in Thief River. Nevanen noted that due to the KEDA being the nearest FTZ Grantee, the activity will fall within the KEDA's jurisdiction, adding if it is designated, there will be no direct job creation or activity here, the KEDA will be able to charge an annual administrative fee and record the activity under the zone. Discussion on Digi-Key, its growth and history, and the FTZ and rail here in Koochiching County. Rasmussen questioned the administrative fee. Nevanen explained the fee and how it is calculated, noting things have not been finalized yet it looks good. *International Falls Business Park Expansion* – Nevanen referenced a public informational meeting that was held last evening regarding the expansion of the existing International Falls Business Park, noting a public notice was published in The Journal and notices were sent to neighbors within proximity for the property. Nevanen stated the turnout was small but received some good input from citizens and city staff on the initial conceptual site plan and will make some modifications based on that input and bring back to the board for formally begin the Preliminary Plat process. *Blandin Broadband Communities Initiative* – Nevanen reported the Koochiching Technology Initiative continues to meet as part of the Blandin Broadband Communities Initiative, noting members of the group through the Blandin Broadband Communities Program have been invited to attend a Border to Border Broadband Conference in Brainerd on October 23-24, adding they would like to have 5 representatives from the area. **Motion by Anderson, a second by Pavleck to approve expenses for Director Nevanen to attend the Border to Border Broadband Conference in Brainerd on October 23-24, 2018. Motion carried unanimously.** *Summer Networking Social* – Nevanen stated forty-one people attended the second summer social held on August 9th at Thunderbird Lodge and co-sponsored by the International Falls Chamber of Commerce, adding there were four presentations, including one by him, on various projects in progress or being planned for the area. Nevanen stated he received very positive feedback from attendees, noting his hope is that the event will gain momentum and become an annual event sponsored by private entities in the future. *DEED Visit* – Nevanen reported Jeremy LaCroix of DEED stopped in the area earlier this month to tour the new cold box build for JLR with the help of a DEED Grant, noting it was an opportunity to thank him again and tour the test facilities. *Northome Fair* – Nevanen stated the KEDA had a presence at the fair again this year with materials on the KEDA and SBDC services. *Childcare* – Nevanen stated JoAnn Smith is leading an effort to gather stakeholders in the area to discuss the current childcare shortage, noting she is having a meeting tomorrow with those stakeholders. Norby stated there is a need for childcare

particularly for shift workers in the area. Nevanen replied shift workers and healthcare workers see difficulty. Short discussion on childcare needs in the area.

- 09 Other (City/County Updates) – Hanson touched on the North American Sturgeon Contest, noting numbers were down a little this year, adding there were 247 fishers and over 80 kids. Hanson stated many organizations are very generous for donating to the contest, adding each child received 2 very nice prizes. Hanson noted The Journal does a great job reporting on the event and referenced other events in the County and rural area. Pavleck commended Hanson on the articles written on folk who settled in this area. Anderson stated the summer was great and many projects are coming to a close as he referenced a few of them, Hwy 53 project projected for 2019 & 2020 is over \$1 million, the Airport Terminal Phase II has begun, while explaining the agencies that will be housed in Phase II, noting the project is approximately \$6 million with no local shares. Anderson added the Runway Project Phase I is expected to start the summer of 2019 as a \$3 million project. Anderson expressed his congratulations to Northland Counseling on their upcoming new facility and to RLMC on their new completed Chemotherapy center and explained the center. Pavleck stated Hwy 332 is now complete, and a meeting for the extension to the Park, Project C for the sewer project was held yesterday, noting there is still a long ways to go yet, and explained the project, future and difficulty to find funding for the project completion. Briggs stated a lot of money is being spent in the community with projects and events. Pavleck noted all hotels have been full. Anderson added they have been using camping overflow at City Beach also, and referenced an issue with plane breakdown and passengers needing accommodations who were taken to the La Place Rendez-Vous in Fort Frances as there were no available rooms anywhere in the County. Norby stated the County recently put in a new sidewalk in front of the High School, noting there has been a request to have one in the area of Good Sam also. Discussion on the sidewalk on Keenen Drive and the Good Sam request. Norby mentioned a meeting in the Twin Cities regarding the future of the Grand Mound, and added a new committed has been formed to address blight issues in the County/City. Anderson referenced a potential detention center in Pine Island and wondered if there would be a need for one here. Discussion on a potential need for one here. **Motion by Anderson, a second by Pavleck to authorize the Director to contact I.C.E. and/or Mayor Rod Steel to let them know of Koochiching County’s interest for a detention facility. Motion carried unanimously.**

10 Public Comment Period – None

11 The next board meeting was scheduled for Monday, September 24th at 10:00am in the County Boardroom. **Meeting adjourned at 2:30p.m.**