

Meeting of the Koochiching Economic Development Authority

Thursday, December 20th, 2018
Koochiching County Boardroom

Board Members Present: Bob Anderson, Mike Hanson, Brian McBride, Representative Rob Ecklund, Kevin Adee (Alternate)

Members Absent: Allen Rasmussen, Wade Pavleck, Harley Droba

Staff Present: Paul Nevanen, Kyra Hasbargen

Others Attending: JoAnn Smith, Darci Sullivan (KCC-TV), Emily Gedde (The Journal)
Ricky Roche

Meeting called to order at 1:00 p.m. by Vice Chairman Hanson in Chairman Rasmussen's absence.

- 01 Approve agenda – **Motion by Anderson, a second by McBride to accept the agenda. Motion carried unanimously.**
- 02 Approve minutes from 11/21/18 – **Motion by McBride, a second by Anderson to approve the 11/21/2018 meeting minutes. Motion carried unanimously.**
- 03 Public Comment – None
- 04 Treasurer's Report – Treasurer McBride presented the CWT financial reports for November and monthly bills for December in the amount of \$27,346.82, JLR bills in the amount of \$1,693.40 and a transfer from JLR to CWT in the amount of \$22,000, while explaining the details. **Motion by McBride, a second by Adee to approve the November CWT financial reports and bills for December with a total of \$27,346.82, JLR bills in the amount of \$1,693.40 and a transfer from JLR to CWT in the amount of \$22,000. Motion carried unanimously.** McBride presented the KEDA financials for November and bills for December in the amount of \$29,359.59. **Motion by McBride, a second by Anderson to approve the November KEDA financial reports and bills for December in the amount of \$29,359.59. Motion carried unanimously.**
- 05 Business Park – Ricky Roche Update – Roche reported the building is going up and the metal frame is complete, noting the weather has been great. McBride questioned if the slab has been completed yet and what the size of the building is. Roche responded the building is 80x120 (9,600 square feet) and the concrete will not be completed until after the shell of the building is in place. Roche explained he has had a difficult time keeping people from driving down to the site despite the "Road Closed" signs and expressed his concern for safety and preventing someone from getting hurt. Nevanen questioned him purchasing other parcels in the Business Park. Roche stated he has purchased the Borderland Auto building and would like an additional 150' of land to the east for a parking lot. Nevanen referred to the land on a map of the Business Park and showed the Board the area in which Roche is referring to. Discussion on the road into the Business Park and the available lots. Roche stated he is working with another potential customer who is potentially looking to build a building roughly 1200-1300 square feet, adding he would be interested in purchasing the entire 193x200 lot. Discussion on the lot Roche is referring to and the purchasing process for that particular lot. McBride stated a formal proposal to purchase the property will be needed from Mr. Roche. Roche referenced the brick building that is connected to his building, noting it is tied up until 2024 and referenced a quiet title suit, that was suggested by Ron Bowman. McBride explained the last tax forfeit and \$370,000 in liens on the building. Discussion on the building and how to push the process forward. The Board requested a formal written proposal from Roche for the purchase of either 100' or the entire lot.

- 06 Koochiching Resource Council (KRC) 501 C 3 Request – JoAnn Smith explained the Koochiching Resource Council (KRC), its purpose and its core people. Smith referenced the shortage of child care in the county and the recent finding of a study recently conducted. Discussion on the childcare shortage. Smith explained the next steps of the Council and the purpose for creating an official name with a non-profit status, or look at being a committee under KEDA. McBride questioned if KEDA would be the fiscal agent. Smith respond, yes, and explained that applying for a non-profit status would be \$90 for the official name and \$275 for a 501C3 status. Anderson recommended looking at legislation and if KRC can be a designated committee under KEDA or if they have to be on their own. Nevanen explained the need to access grant funds for some of the planned projects the Council is looking at and stated additional research may need to be done on how best to set it up, along with consulting the KEDA attorney. Discussion on KEDA’s status of government nonprofit and not a 501c3, and how some agencies require a 501c3 status to be eligible to apply for grant funding. Anderson recommended the Director to research with the attorney on the best type of structure for the group, adding if it becomes a 501c3, it will require a board of directors. Discussion on a 501c3 being cleaner and leaving government out of it, along with having the House of Representatives research the best form. Ecklund referenced a formal request letter and contact information to have staff research enabling legislation to KEDA. **Motion by Anderson, a second by McBride to authorize the Director to do additional research on how best to form the Koochiching Resource Council. Motion carried unanimously.**
- 07 2017 KEDA Audit Report – Nevanen explained Walker Giroux Hahne has conducted the KEDA audit for approximately the last 10 years, and explained the 2017 audit. Nevanen referenced the deficiencies, noting they are typical for smaller entities, adding there were no red flags. McBride added the process is good, noting all checks require two signatures. Anderson stated KEDA is the fiscal agent for several entities. **Motion by Anderson, a second by McBride to approve the 2017 KEDA Audit. Motion carried unanimously.**
- 08 Director’s Report – *Cantilever Bridge Distillery & Hotel* – Nevanen reported construction is underway with the foundation concrete and structural steel being erected. *International Falls Business Park* – Nevanen stated he has been working with Matt Gouin of the County to get the right language for an RFP for the survey and formal platting process of the International Falls Business Park. Nevanen added, Allison O’Hara of Northland Counseling Center requested a letter of support for Koochiching County’s request to the Minnesota Department of Human Services for a Qualified Grantee for construction or rehabilitation of a behavioral health crisis center, noting their plan would be to site the facility in the expanded business park. Anderson stated the City also provided a letter of support, along with RLMC. *Blandin Broadband Communities Initiative* – Nevanen stated team representing the Koochiching Technology Initiative attended the kick-off meeting in Grand Rapids for the Blandin Broadband Community Initiative, adding it was an opportunity to meet the Blandin Team and understand the process of the two-year initiative. *Housing Collaborative/Study* – Nevanen stated dates have been set for the formal presentation of the Community Partners Research’s (CPR) Koochiching County Housing Study, adding Steve Griesert of CPR will make public presentations of the study starting January 16th in Northome at noon; Littlefork at 6pm; and Backus at 6pm on January 17th. *Cold Weather Testing* – Nevanen stated at last month’s meeting there was discussion regarding earlier efforts to use State bonding dollars for a larger test facility due to current facility requests and capacity, however after GM’s recent announcement to eliminate cars and downsize, that needs to be taken into consideration, adding the need to take a step back and look at what makes sense. Nevanen recommended creating a committee to look at how best to approach an additional facility. Hanson questioned who the committee would consist of. Nevanen suggested a representative from each the City and County. Anderson stated he would volunteer to sit on the committee. Ecklund suggested having a request for Bonding dollars in by June if the committee felt the need to move forward with doing so. Hanson recommended Anderson and Pavleck to take the lead with the CWT Committee. Nevanen reported the VSO offices is fully moved into the front of the KEDA offices and referenced a document in the packets pertaining to Site Selectors, noting there has been a recent shift in top most important factors for selecting a site,

adding the top is now Workforce Skills which used to be Transportation Costs.

- 09 Other (City/County/Out-County Updated) – Anderson stated Phase II of the Airport Terminal continues to move forward, adding the weather has been helpful, and referenced the Hwy 53 Taskforce recently held a meeting on December 6th regarding improvements between International Falls and Cook. McBride referenced a fire alarm that sounded at yesterday’s Airport Commission Meeting and how many stayed in their seats not believing it was real, noting it being a safety lesson and the importance of evacuating when the alarms go off. McBride noted the Hwy 11 Overpass and the work that is currently being done due to the south side sloughing off, so a crew is driving pilings in to prevent it from continuing to do so.
- 10 Public Comment Period – None
- 11 Hanson questioned meeting out-County for the January meeting. Discussion on Committees, dates and times for the next meeting. The next board meeting was scheduled for Wednesday, January 16th at 10:00am the Ranier Community Building. **Meeting adjourned at 2:13p.m.**