

Meeting of the Koochiching Economic Development Authority

Monday, September 24th, 2018
Koochiching County Boardroom

- Board Members Present:** Allen Rasmussen, Bob Anderson, Mike Hanson, Wade Pavleck, Harley Droba, Brian McBride
- Members Absent:** Representative Rob Ecklund
- Staff Present:** Paul Nevanen, Kyra Hasbargen
- Others Attending:** JoAnn Smith, Darci Sullivan (KCC-TV), Crystal Clance, Whitney Jackson (The Journal)

Meeting called to order at 10:09 a.m. by Vice Chairman Hanson in Chairman Rasmussen's delayed attendance.

- 01 Approve agenda – **Motion by Pavleck, a second by Droba to accept the agenda. Motion carried unanimously.**
- 02 Approve minutes from 8/23/18 – **Motion by Anderson, a second by Pavleck to approve the 8/23/2018 meeting minutes. Motion carried unanimously.**
- 03 Public Comment – None
- 04 Treasurer's Report – Treasurer McBride presented the CWT financial reports for August and monthly bills for September in the amount of \$19,157.97, JLR bills in the amount of \$1,193.40 and a transfer from JLR to KEDA in the amount of \$28,000 and from JLR to CWT in the amount of \$20,000, while explaining the details. McBride questioned Jackson Electric bill being high. Nevanen noted it is for equipment for the exhaust system in the cold box. **Motion by McBride, a second by Pavleck to approve the August CWT financial reports and bills for September with a total of \$19,157.97, JLR bills in the amount of \$1,193.40 and a transfer from JLR to KEDA in the amount of \$28,000 and from JLR to CWT in the amount of \$20,000. Motion carried unanimously.** McBride presented the KEDA financials for August and bills for September in the amount of \$32,970.85. **Motion by McBride, a second by Pavleck to approve the August KEDA financial reports and bills for September in the amount of \$32,970.85. Motion carried unanimously.**
- 05 VSO Office Space – Nevanen explained the County Veterans Service Office's (VSO) current office space is not adequate and have been looking for additional space, noting the KEDA has office space in the front that is not being used except for storage, adding it would need some minor modifications. Nevanen stated the County is working on a lease agreement to which the KEDA will sub-lease the space to the VSO. Nevanen noted Phase II of the Airport Terminal construction and there being office space for the Airport Secretary and are currently exploring the possibility of KEDA moving to the space also, adding it would be a good fit with being on site for Cold Weather Testing and it is also on the agenda to discuss it at the Airport Commission meeting. Pavleck explained the VSO has struggled in finding a location and thanked KEDA for allowing it to move forward, adding they will be asking the City for the possibility of a handicap parking spot on the corner of the building. Anderson questioned the lease agreement being between the County/VSO and KEDA and utilizing the front entrance. Nevanen stated that is correct. Discussion on the office

space and utilization by the VSO. Anderson questioned the effective date of the VSO moving into the space. Nevanen stated they are reviewing a draft agreement and expect them to begin renovations sometime in October. Droba questioned if a motion was made for lease of the space as he did not see anything in last month's minutes. Discussion on the lease agreement and making a motion. **Motion by Droba, a second by McBride to approve the KEDA Director to work with the County on a sublease with the Veteran's Service Office, and bring back before the board once the agreement is finalized. Motion carried unanimously.** Anderson questioned the KEDA moving their office to the Airport and if there would be a problem with entrepreneurs or citizens to find the office, adding with CWT being located at the airport it seems to be a good fit. McBride stated it makes the most sense for the KEDA to be on site. Nevanen responded to Anderson that some folks still don't know where the KEDA is, adding they will communicate office location move. Hanson gave a brief history of the KEDA office space and how Wells Fargo was not the first choice. Pavleck stated the space will allow having meetings for the KEDA in one location with the conference room in the new terminal building. Anderson questioned if the KEDA was in agreement to bring the option before the Airport Commission. **Motion by McBride, a second by Droba to approve the KEDA to approach the Airport about office space in the Phase II portion of the new terminal. Motion carried unanimously.**

- 06 Director's Report – *Cantilever Bridge Distillery & Hotel* – Nevanen stated construction has formally begun for Phase I of the distillery and hotel projects, adding they are putting in footings and have a rendered drawing on the property. Nevanen noted the owners are planning a ceremonial kick-off event sometime in October. *Koochiching Childcare Initiative* – Nevanen mentioned he had reported last month that JoAnn was gathering various stakeholders to discuss the current childcare shortage in the County, noting this has led to the creation of a formal group to work on the issues as well as connecting with Jeff Andrews of First Children's Finance and referred to a flyer in the packets. Smith gave a brief explanation of First Children's Finance and how Koochiching County was chosen for the Rural Childcare Innovation Program. Smith explained a study that was completed on the childcare shortage in Northeastern Minnesota, noting Koochiching County has 266 licensed childcare spots and is in need of 331 more according to the survey. Smith added some providers have available spots, however they are for Preschool and older, noting the need to find where the shortage is and explained the guidelines and regulations for providers. Discussion on State and County licensing, total childcare providers in the county, requirements and understanding the issues. Droba mentioned a 7.1% unemployment rate and every business is hiring, noting shift work and one parent needing to stay home due to not working the same shift as the other issue, adding it is something that needs to be looked at. Short discussion on a childcare center and preschool being offered at the schools. McBride stated this is a great first step, noting it is a struggle everywhere and how it affects Economic Development. Discussion on First Children's Finance, their role and how they can aid in the process. **Motion by Anderson, a second by Pavleck to approve expenditures for refreshments at the two Childcare Forums. Motion carried unanimously.** *Blandin Broadband Communities Initiative* – Nevanen mentioned the Koochiching Technology Initiative first reached out to all of the providers that service Koochiching County to get an understanding of their service areas, opportunities and challenges, adding then they created a brief survey to help establish some baseline information to bring to the Border to Border Broadband Conference in Brainerd on October 23-24. Droba stated information on the survey needs to get out to the community so they can get a good census, noting there are less than four weeks to gather and compile information, adding Big Falls and Northome are the best served areas in the County. Anderson questioned who provided basic broadband in the northeast corner of Koochiching County. Droba responded Midco, Frontier, Exide or Satellite, and cellular data. Discussion on Frontier fiber lines, broadband services and the cell towers that were to be built in the county. *Granite Digital* - Nevanen stated he was invited to sit in on a conference call with the Granite Digital team and representatives from EYP and HPE to discuss market conditions and trends in the

data center industry, adding Granite Digital is focusing on finalizing the first round of funding to secure the services of EYP to begin engineering and design. *Housing Collaborative/Study* – Nevanen stated the Koochiching County Housing Collaborative will be reviewing the initial draft of the county-wide housing study on Monday, October 15th with Steve Griesert of Community Partners Research, noting after the review they will provide a final draft within 30 days and then will work with Griesert to schedule community presentations throughout the County. *DEED Visit* - Nevanen stated Kari Howe, the regional DEED representative, will be visiting the area on October 4th to discuss current projects. *Minnesota Power* – Nevanen noted at last month’s meeting the discussion of electric vehicle charging stations, noting he received a call from Arik Foresman of Minnesota Power who stated they are looking to site several Level 2 (slower) Vehicle Charging Stations within the service area. Nevanen stated he discussed it further with the project lead and made a strong case for the area, adding they will be making a decision soon on a location.

07 Tour of International Falls Business Park – Nevanen stated at the last meeting things are moving closer to draft platting of the International Falls Business Park and thought it would be helpful to do a brief view of the current foot print. Rasmussen questioned if there would be more progress next month. Nevanen responded Roche should have activity then. Rasmussen stated due to the weather to move to next month and keep on the agenda.

08 Other (City/County/Out-County Updated) – Anderson stated the City is in the budget process and referenced the proposed sales tax the City is considering, noting there will be Public Meetings held on October 8th and 23rd at 7pm, adding they want to ensure the public understands the questions. Anderson stated there are currently 32 communities who have a sales tax in place, noting there are 4 more seeking a sales tax. Anderson stated the Falls International Airport will host a Public Meeting tomorrow at 6:30pm at the County Boardroom on the airport projects over the next 4-5 years and explained in more detail. Droba referenced the City budget, noting the airport is a big ticket item and they are trying to keep the budget as low as possible. Discussion on the City budget and infrastructure needs within the City. Droba stated the City is struggling and without the sales tax, they will need to increase the levy. Pavleck referenced the passing of Past County Commissioner Chuck Lepper who was a Commissioner for over 20 years. Pavleck stated the County budget will need tough decisions to cut spending. McBride stated the Airport is a big hit on the City and County however looking at the amount of federal money secured over the next 5 years at 95% of the project costs, there is sometimes the need to own up to get those funds available. McBride referenced a conference call on Friday with the Historical Society on the Grand Mound, noting it doesn’t look good however will wait for the official discussion. Anderson noted the City sent the Historical Society a letter of disappointment. Hanson reported a recent luncheon he and Nevanen attended in Northome, who is looking at putting in new grandstands to replace the current 112 year old stands. Hanson noted Big Falls is closing on the campground land for the project to continue moving forward, and referenced the Whitetails Unlimited event in Birchdale this past weekend, adding Oktoberfest will be coming up the end of October. Nevanen stated CN has invested lots of money on the rail line improvement, noting Customs & immigration have hired additional employees due to the increased rail activity. Discussion on the trains, the VanLynn Road and CN improvements.

09 Public Comment Period – Clance questioned seeing more support at RRCC for a potential Child Care Certification and child care for those students, noting the college is a vital part of the community. Rasmussen stated lots of Community Colleges have child care onsite, noting RRCC did for about 5-6 years in the past, adding the current Provost has included in the new student housing plan to also have childcare.

10 The next board meeting was scheduled for Monday, October 22nd at 1:00pm in the City Council Chambers. **Meeting adjourned at 11:44a.m.**