



**MINUTES OF THE REGULAR EDA MEETING**

**EDA Members Present:** Russ Smith, Shelly Peterson, Steve Micke, Dave Bjerkness, Mike Schultz, Ross Peterson

**EDA/Ex-Officio Members Absent:** Adam Bailey, Connie Christenson (Carlton County EDA)

**Staff Present:** Brian Fritsinger, Holly Hansen, Al Cottingham (City); Kelly Zink (Cloquet Area Chamber of Commerce)

**Others Present:** Lori Rubin, Joe Buttweiler (CTC), Tim Erkkila (E&H Custom Builders), Jamie Simmons (Cornerstone State Bank), Ron Tondryk (Coldwell Bankers East West Realty)

**CALL TO ORDER**

President Ross Peterson called the meeting to order at 8:18 a.m.

**ANNOUNCEMENTS, ADJUSTMENTS, CORRESPONDENCE AND OTHER**

None.

**APPROVAL OF MEETING MINUTES**

President Ross Peterson asked for any corrections or additions to the November 9, 2016 Meeting Minutes? Hearing none he asked for a motion.

**Motion:** Commissioner Shelly Peterson moved, and Commissioner Smith seconded, that the EDA approve the Meeting Minutes from November 9, 2016. (Motion passed 6-0.)

**APPROVAL OF NOVEMBER 2016 EDA FINANCIALS**

Ms. Hansen reviewed the November 2016 cash balances and loans for the EDA. For the cash balances, she noted increases in Fund 201 and 203 (from Avenue C/Rivdogg 75% loan repayment); no change in Funds 202 and 204, and a cash poor operational balance in Fund 207 furthered by a half payment to Ady Advantage, and Fund 208 for new Small Cities projects. President Ross Peterson asked for a motion to approve the November Cloquet EDA financials.

**Motion:** Commissioner Micke moved, and Commissioner Shelly Peterson seconded, that the EDA November 2016 financials be approved. (Motion passed 6-0).



**BRIEF REGIONAL ECONOMIC UPDATES**

Ms. Hansen asked the EDA to review the updates at their leisure.

**ACTION ITEMS / PRESENTATION / DISCUSSION**

**BROADBAND BUSINESS FIBER UPDATES AND DISCUSSION, LORI RUBIN AND JOE BUTTWEILER, CTC**

Lori Rubin and Joe Buttweiler from CTC introduced themselves and provided the EDA with an informational overview of their company and partnership with NESC to leverage the existing fiber backbone network. Mr. Buttweiler stated that CTC is a co-op of 8 board members that started out in the rural Brainerd Lakes area. Being a co-op they are not strictly profit driven like many of their competitors. Commissioner Shelly Peterson stated this is a key issue for businesses in the Cloquet area and while its easier for major companies to absorb broadband construction costs, it's far more difficult for small businesses. Commissioner Smith asked questions about the NESC original project and in the future ways that Cloquet can benefit by working with CTC? Joe Buttweiler explained he is working on the Carlton County Broadband Feasibility study and his role is to identify funding, grants, and different ways communities can accomplish their broadband goals. He provided several examples in a powerpoint of various ways that CTC has worked on broadband projects in the state. The EDA thanked CTC staff for attending the meeting.

**PROPOSED IMPROVEMENTS TO 1013 CLOQUET AVENUE, TIM ERKKILA (E&H CUSTOM BUILDERS)**

Ms. Hansen welcomed Tim Erkkila of E&H Custom Builders, Jamie Simmons of Cornerstone State Bank (building owner of 1013 Cloquet Avenue), Ron Tondryk of Colwell Bankers East West Realty (realtor for 1013 Cloquet Avenue), and Al Cottingham, City Planner/Zoning Administrator to this discussion item with the Cloquet EDA.

Ms. Hansen provided an overview of the City's commitment to the state (DEED) of expending \$25,000 to improve the exterior appearance of 1013 Cloquet Avenue, a source of frequent community complaints, if Cloquet were awarded \$885,500 in Small Cities Development Program (SCDP) funding. Ms. Hansen stated that based on last summer's RFP that received no responses during a busy construction season and that she has outreached to line up a contractor to do the work March-April before the busy construction season begins. Ms. Hansen reported that several people looking at the building call and ask the city about the \$25,000 committed to the building and have preferred that funding be used towards various mechanical upgrades. In an effort to be clear on the City's commitment staff recommends the EDA authorize the hiring of a contractor for improvements selected by the city rather than marketing the building in this



confusing current manner. In so doing, this does not preclude any future buyer for applying for SCDP if it is available in the future or other qualifying city loan programs. Mr. Fritsinger asked for clarification on DEED's position if the work is not able to be done, Ms. Hansen stated DEED suggested the City try another route at this juncture therefore the recommendation is marketing the money with the sale of the building has not worked, it is in the city's best interest to directly hire this work.

Ms. Hansen noted the prepared scope of work from E&H Custom Builders which provided some concepts to improve the building. Ms. Hansen suggested that perhaps the storefront façade is the most important wall face and consistent with program policies to address and then the east wall face. Ms. Hansen asked Mr. Erkkila to weigh in on the idea of painting over the white paint on the east side of the building. Mr. Erkkila suggested that it is likely (though unknown technically) lead paint and painting over the white paint would be a short term solution and is inevitable that it would peel over time, therefore the staff report "alternative priority 2" is not viable nor recommended professionally. Priority 3, the west wall, is not necessary. Using metal siding on the east wall face of 1013 Cloquet Avenue will require a variance from the Planning Commission as the visibility of this wall as it is not allowed under the Downtown Design Standards.

There was significant discussion and brainstorming from EDA members, staff, the building owner, realtor, and contractor. Ron Tondryk stated that the EDA's investment will help sell the building. President Ross Peterson asked Mr. Tondryk and Mr. Simmons about the feedback they have received from folks looking at the property. Mr. Tondryk stated that the limitation of parking in front of and behind the building has been a concern (Mr. Simmons noted that Cornerstone formalized off-street parking behind Calin Deas for this building), the exterior appearance being unsightly, and the price for the building.

**Motion: Commissioner Schultz moved, and Commissioner Russ Smith seconded, that:**

1. Priority 1 of the EDA's rehabilitation project will be the east wall face of 1013 Cloquet Avenue.
2. The Cloquet EDA recommend to City Council the hiring of E&H Custom Builders to rehabilitate the exterior of 1013 Cloquet Avenue per the scope finalized by the EDA, subject to the completion and mutual approval of a legal agreement between the City and Cornerstone Bank for the City to



hire the contractor for specified scope of work and a legal agreement between E&H Custom Builders and the City of Cloquet; and

3. Authorize \$25,000 from Loan Fund 202 to be expended for exterior rehabilitation improvements to 1013 Cloquet Avenue under the terms of the agreement with E&H Custom Builders; and
4. Recommend the following course for the Rehabilitation Scope of Work be: (1) that the roof cap be repaired, (2) that all vinyl white siding and furrow strips be removed from the east wall face, (3) that the building owner (Cornerstone State Bank) apply for a variance to the Downtown Design Standards to allow the use of vertical matt finished metal siding in a brown hue close to the original brick color for the east wall face (Mr. Cottingham also suggested Planning Commission discussion to amend the Downtown Design Standards related to building side wall visibility from Cloquet Avenue as a more appropriate solution), (4) as funding allows, storefront façade enhancements will continue (e.g. placement of glass/false window over upper left story wood board, replacement of doors, etc.). **(Motion passed 6-0).**

**Next meeting date**

February 1, 2017

**ADJOURNED 10:00 a.m.**

Respectfully submitted,

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Holly L. Hansen, Community Development Director