



MINUTES OF THE SPECIAL MEETING MINUTES OF THE EDA

EDA Members Present: Russ Smith, Shelly Peterson, Dave Bjerkness, Ross Peterson

EDA/Ex-Officio Members Absent: Adam Bailey; Steve Micke; Mike Schultz (EDA), Kelly Zink (Cloquet Area Chamber of Commerce); Connie Christenson (Carlton County EDA)

Staff Present: Aaron Reeves, Holly Hansen (City of Cloquet)

Others Present: Nate Radoush (Radoush Holdings LLC), Uriah Wilkinson (NE BBQ); Brenda Nyberg (Carlton County Economic Development Department); Bob Palmquist (the Northspan Group)

CALL TO ORDER

President Ross Peterson called the meeting to order at 8:03 a.m.

ACTION ITEMS / PRESENTATION / DISCUSSION

Ms. Hansen called Bob Palmquist via telephone to join the meeting and asked the applicants to introduce themselves. Nate Radoush, building owner of 7 – 8th Street and Uriah Wilkinson, of NE BBQ Restaurant who operates this business along with his wife Elise out of the building, introduced themselves to the Cloquet EDA. Ms. Hansen provided an overview that Radoush Holdings has applied to use Cloquet’s Small Cities Development Program (SCDP) funding and is applying for Cloquet EDA gap financing loan as match funding to their business equity into the SCDP project. Mr. Palmquist provided a detailed summary of his loan review concluding the loan is well collateralized by Mr. Radoush and is a reasonable risk to the EDA. Commissioner Bjerkness asked some clarifying questions about how the SCDP funding is viewed in terms of being grant funding provided by the City vs. the Loan Fund 202 funding pot. Ms. Hansen responded that SCDP is viewed as State DEED SCDP grant funding via the City of Cloquet and the applicant is striving to use the full amount allowed \$25,000, the Cloquet EDA’s gap financing is at 22% of the project, and owner equity is 25%. President Ross Peterson asked if there were any more questions? The EDA asked who would be the contractor on the project, Ms. Nyberg responded. It was explained that if approved, after this Special EDA meeting that the City, County, and applicant would close on the SCDP loan. President Ross Peterson asked for a motion.

Motion: Commissioner Bjerkness moved, and Commissioner Shelly Peterson seconded, that the EDA approve a loan to Radoush Holdings LLC in the amount of \$10,475 for a term of 7 years (to match the SCDP loan) at a rate of 3.25%. (Motion passed 4-0.)



CLOQUET ECONOMIC DEVELOPMENT AUTHORITY
City Hall 1307 Cloquet Avenue Cloquet, MN 55720
October 13, 2017

President Ross Peterson thanked Mr. Radoush and Mr. Wilkinson for their investment into Cloquet.

Next meeting date

November 1, 2017

ADJOURNED 8:18 a.m.

Respectfully submitted,

Holly Hansen, Community Development Director