



MINUTES OF THE REGULAR EDA MEETING

EDA Members Present: Russ Smith, Dave Bjerkness, Mike Schultz, Ross Peterson, Adam Bailey

EDA/Ex-Officio Members Absent: Shelly Peterson, Steve Micke, (EDA Commissioners); Kelly Zink (Cloquet Area Chamber of Commerce); Connie Christenson (Carlton County EDA)

Staff Present: Aaron Reeves, Al Cottingham, Holly Hansen (City)

CALL TO ORDER

President Ross Peterson called the meeting to order at 8:00 a.m.

ANNOUNCEMENTS, ADJUSTMENTS, CORRESPONDENCE AND OTHER

None.

APPROVAL OF MEETING MINUTES

President Ross Peterson asked for any corrections or additions to the November 1, 2017 Meeting Minutes? Hearing none he asked for a motion.

Motion: Commissioner Bailey moved, and Commissioner Bjerkness seconded, that the EDA approve the Meeting Minutes from November 1, 2017.
(Motion passed 5-0.)

APPROVAL OF OCTOBER 2017 EDA FINANCIALS

Ms. Hansen reviewed the October 2017 cash balances and loans for the EDA. For the cash balances, she noted increases in Fund 201 and 203; Fund 202 had a gap financing loan made to NE BBQ in the amount of \$10,475 as part of a SCDP project, there were no changes in Fund 204, a zero balance in Fund 206, and an operational deficit in Fund 207 which will be addressed structurally by the City for future years. Ms. Hansen noted in the future there will be a Fund 208 for new Small Cities funding from DEED. President Ross Peterson asked for a motion to approve the October 2017 Cloquet EDA financials.

Motion: Commissioner Schultz moved, and Commissioner Bailey seconded, that the EDA October 2017 financials be approved. (Motion passed 5-0).

ACTION ITEMS / PRESENTATION / DISCUSSION

MCPP APPLICATION

Ms. Hansen explained the MCPP application and request for the EDA to recommend renewed participation in the program for 2018. The state doesn't have a full year of data but thus far Cloquet's usage has been 170%, of the \$192,730.67 designated \$327,465 has been used. Hansen noted some



changes to participating local Cloquet banks doing the program for 2018, some have dropped out, others added.

Motion: Commissioner Bailey moved, and Commissioner Smith seconded, that the MCPP Application be recommended to Council for approval. (Motion passed 5-0).

EDA GOAL SETTING

Ms. Hansen noted the goals of 2017 and highlighted accomplishments. Then she noted areas that have not sufficiently been addressed and may need specific attention and program development in 2018 to work to resolve including:

- Crafting a program that is marketed for the West End Business District
- Actively market for the Cloquet Business Park
- Holding an informational business resources meeting for Cloquet businesses with regional ED partners
- Utilizing the brochures created by Ady in a new standalone Cloquet EDA website
- Providing meeting space in City Hall to downtown businesses who'd like to meet and plan events downtown
- Examine partnership opportunities with FDL on potential broadband opportunities
- Continue to implement housing study recommendations
- Conduct ongoing BRE visits with Cloquet businesses led by the City
- Workforce development initiatives between businesses and ISD 94

DOWNTOWN CLOQUET: WEST END BUSINESS DISTRICT

Commissioner Schultz suggested the importance for an attraction for the West End and suggested something cultural, perhaps FDL museum/arts center/artist studio related. Ms. Hansen stated that based on past EDA conversations about creating cultural aesthetics she had outreached to FDL related to partnering on a cultural mural project or art project in the West End to convey both cultures' history and they mentioned interest. Commissioner Bjerkness expressed concern over what appears to be simply apathy on behalf of some West End Business District owner's buildings with lack of participation in grant program etc. Ms. Hansen stated that indeed they are struggling and to put down additional match money for building upgrades is not the priority when there is a very high vacancy rate with buildings, some buildings without utilities on, some buildings being used for simply storage purposes. Ms. Hansen said many cities wind up adopting vacant building registries to create financial disincentives to prolong this behavior which create a net drag to surrounding property values. Cloquet has discussed in the past, but never moved forward to enact one, it would help push this issue in the West End and some buildings would be flagged for having utilities off and no consistent occupancy in the buildings.. Lastly, Hansen drew attention to the handout on the Lincoln Park program encouraging a wide range of business types to locate in Lincoln Park and various city building purchase/rehab programs tied to job creation in the



district, a program similar to this could work well to market for the West End. Lastly, ongoing parks/trails/riverfront improvements will continue to upgrade the aesthetics and draw traffic into the West End. In summary, the EDA discussion identified the goals for the West End is a four-pronged approach:

1. Work on a destination type anchor, perhaps cultural or artist related.
2. Devise a program for the West end encouraging building upgrades/purchase and job creation in the West End. Holding an informational business resources meeting for Cloquet businesses with regional ED partners. Conduct ongoing BRE visits with Cloquet businesses led by the City. Examine partnership opportunities with FDL on potential broadband opportunities.
3. Enforcement, the City should consider a vacant building registry with a financial disincentive fine for buildings that have had utilities off and/or lack of consistence use/occupancy.
4. Continue roadway, park, trail development drawing attraction to the Riverfront area bringing traffic past the West End. Continue work for off-road trail connection to Munger along Cloquet's downtown riverfront corridor.

Commissioner Russ Smith, part owner/investor in the Avenue C Restaurant, stated that this month they closed the Avenue C Restaurant. It was a difficult decision but debt service versus sales volumes did not match what they projected them to be. He doesn't blame the location and stated that he learned in hind sight that more marketing was needed into the region versus relying on the local community for sales volumes, it was a locally known destination. Secondly, he shared that staffing levels should have been adjusted sooner than they were to address the gap in sales volume. They tried hard and are proud of what they did to open it, EDA thanked them for opening the business and stated they enjoyed it while it was open.

SUPPORT DOWNTOWN COMMITTEE ORGANIZING TO CREATE EVENTS DOWNTOWN

- Providing meeting space in City Hall to downtown businesses who'd like to meet and plan events downtown
- Examine partnership opportunities with Chamber events planning as well.
- Celebrate successes and create positive PR– ribbon cutting for Riverfront when complete

CLOQUET BUSINESS PARK

There was discussion on DEED's Shovel Ready Program and grants available for \$2,000 in the region to be used towards registration. Ms. Hansen drew attention to DEED's response requiring an Alta Survey be done, she stated she could obtain a quote if there was interest by the EDA in pursuing Shovel Ready. DEED has gained more success, however there was still skepticism on the program and costs required to reach this status.

Al Cottingham provided information on the Cloquet Business Park stating that Design Standards largely do not provide the perceived barrier that is thought to in the community. The EDA discussed concepts of businesses that do not have job creation ties that the City has said no to in the past, is it time to examine



those now and reach back out? Discussion was had on various business types including mini storage.
Discussion items:

- Engage in business lead generation activity work
- Actively market the Cloquet Business Park (no to Shovel Ready by the EDA at this point)
- Stay apprised of FDL broadband opportunities with fiber.
- Ady Advantage Study recommended Twin Cities based broker to get more statewide generation on the site

MARKETING

- Market programs developed for West End and Cloquet Business Park
- Launch separate Cloquet ED website
- Holding an informational business resources meeting for Cloquet businesses with regional ED partners.
- Examine partnership opportunities with FDL on potential broadband opportunities.
- Conduct ongoing BRE visits with Cloquet businesses led by the City

WORKFORCE DEVELOPMENT

- Further workforce development initiatives between businesses and ISD 94

2018 JOINT EDA-COUNCIL MEETING DATE (WORK SESSION)

Staff will send out an email with proposed dates in January, February, or March. FYI the PLA discussion is tentatively on the January 16th Work Session agenda.

BRIEF REGIONAL ECONOMIC UPDATES

Skipped, informational in the packets.

DISCUSSION / CLOQUET EDA INFORMATIONAL UPDATES

Discussion.

Next meeting date

January 3, 2018

ADJOURNED 9:25 a.m.

Respectfully submitted,

Holly L. Hansen, Community Development Director