



## **MINUTES OF THE REGULAR EDA MEETING**

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

**EDA Members Absent:** None.

**Staff Present:** Brian Fritsinger, Holly Butcher; Al Cottingham (City);

**Others Present:** None.

### **CALL TO ORDER**

President Ross Peterson called the meeting to order at 8:02 a.m.

### **ANNOUNCEMENTS, ADJUSTMENTS, CORRESPONDENCE AND OTHER**

None.

### **APPROVAL OF MEETING MINUTES**

President Ross Peterson asked for any corrections or additions to the February 10, 2016 Meeting Minutes? Hearing none he asked for a motion.

**Motion:** Commissioner Bjerkness moved, and Commissioner Shelly Peterson seconded, that the EDA approve the February 10, 2016 Meeting Minutes. (Motion passed 6-0).

President Ross Peterson asked for any corrections or additions to the February 22, 2016 Special Meeting Minutes? Hearing none he asked for a motion.

**Motion:** Commissioner Smith moved, and Commissioner Wilkinson seconded, that the EDA approve the February 22, 2016 Special Meeting Minutes. (Motion passed 6-0).

Commissioner Schultz joined the meeting.

### **APPROVAL OF JANUARY FINANCIALS**

Ms. Butcher reviewed the January 2016 cash and loan balances. She noted the Cloquet Home Center loan as delinquent on December and January loan payments with no water/sewer bill payment since



August 2015. President Ross Peterson asked to hold discussion until after all financial reports have been provided and asked for a motion to approve the January financials.

**Motion: Commissioner Shelly Peterson moved, and Commissioner Micke seconded, that the January 2016 Financials be approved. (Motion passed 7-0).**

#### **APPROVAL OF FEBRUARY FINANCIALS**

Ms. Butcher reviewed the February 2016 cash and loan balances. She noted the Cloquet Home Center loan as delinquent on December, January, and February loan payments with no water/sewer bill payment since August 2015. President Ross Peterson asked to hold discussion until after all financial reports have been provided and asked for a motion to approve the February financials.

**Motion: Commissioner Micke moved, and Commissioner Shelly Peterson seconded, that the February 2016 Financials be approved. (Motion passed 7-0).**

#### **APPROVAL OF MARCH FINANCIALS**

Ms. Butcher reviewed the March 2016 cash and loan balances. She noted the Cloquet Home Center loan as delinquent on December, January, February, and March loan payments with no water/sewer bill payment since August 2015. President Ross Peterson asked to hold discussion until after all financial reports have been provided and asked for a motion to approve the March financials.

**Motion: Commissioner Smith moved, and Commissioner Bjerkness seconded, that the March 2016 Financials be approved. (Motion passed 7-0).**

Ms. Butcher provided an update that she and Brenda Nyberg from the County had visited onsite with the Cloquet Home Center owner Bob Goewey and he reported no ability to repay loan debt at this time. Ms. Butcher noted the business has closed and was recently listed for sale with a commercial realtor. President Ross Peterson provided the update that he had met with the owner looking for an update as the EDA President and is comfortable that with the asking price and the amounts due on the Woodlands, SBA, City, and County loans that the City should be repaid in full the \$39,000 outstanding and there will be a cooperative liquidation. There have been several businesses who have toured the buildings and one accepted offer at this time, no specific details available. Ms. Butcher reported the offer was from Friend of Animals (FOA) which the EDA discussed. Mr. Cottingham provided a historical overview of Business Park zoning and changes made last year.

#### **BRIEF UPDATES**

Ms. Butcher provided an overview of City updates and highlighted information provided by the County and Chamber.



**ACTION ITEMS / PRESENTATION / DISCUSSION**

**HWY 33 RETAIL AGREEMENTS STATUS**

Ms. Butcher reported that Ryan Companies had terminated the preliminary development agreement with the City effective 3-31-16. With that, all other agreements the City has in place with DNR and Nels Nelson are formally impacted. Requested action from the EDA today will be the request to recommend to the City Council providing formal written notice of termination of Option Agreements between the City and DNR and City and Nels Nelson.

Ms. Butcher reported that financial relocation requirements related to the Cloquet DNR site foremost in combination with retail contraction into urban markets and mall areas had led to stagnant market reactions from both junior and major anchor tenants. As such with no viable leads or paths forward Ryan Companies has terminated their preliminary development agreement with the City.

Ms. Butcher reported that she and President Ross Peterson traveled to the DNR St. Paul office on March 2<sup>nd</sup> to touch base on existing site redevelopment interests or options in the Cloquet Business Park and received the update that there are no current plans as the site is not triggered on their system as a major need. Ms. Butcher reported 7 major development chains she spoke directly with during March and their responses to the Cloquet site. Commissioner Schultz stated disappointment with the amount of time and energy invested into the site to get to this point of no leads.

**Motion: Commissioner Ross Peterson moved, and Commissioner Schultz seconded, that the EDA recommend to City Council that the City provide formal written notice of termination of Option Agreements with Nels Nelson and the DNR. (Motion passed 7-0).**

**Next meeting date**

May 4, 2016.

**ADJOURNED 9:40 a.m.**

Respectfully submitted,

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Holly L. Butcher, Community Development Director