



MINUTES OF THE REGULAR EDA MEETING

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

Absent: Ex-Officio Members Kelly Zink (Chamber), Connie Christenson (Carlton County); Brian Fritsinger (City)

Staff Present: Holly Butcher (City)

CALL TO ORDER

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

ANNOUNCEMENTS, ADJUSTMENTS, CORRESPONDENCE AND OTHER

Ms. Butcher requested the addition of the June 2016 Financials.

APPROVAL OF MEETING MINUTES

President Ross Peterson asked for any corrections or additions to the June 1, 2016 Meeting Minutes. Hearing none he asked for a motion.

Motion: Commissioner Micke moved, and Commissioner Bjerkness seconded, that the EDA approve the June 1, 2016. (Motion passed 7-0).

APPROVAL OF MAY 2016 EDA FINANCIALS

Ms. Butcher reviewed the May cash balances and loans for the EDA. For the cash balances, she noted new activity in Fund 208 with Small Cities projects and noted the Cloquet Home Center loan remains delinquent.

President Ross Peterson asked for a motion to approve the May 2016 Cloquet EDA Financials.

Motion: Commissioner Bjerkness moved, and Commissioner Micke seconded, that the EDA May 2016 financials be approved. (Motion approved 7-0).

APPROVAL OF JUNE 2016 EDA FINANCIALS

Ms. Butcher reviewed the June cash balances and loans for the EDA. She noted a further negative cash balance but displayed the net position of the fund being solvent (the net drag being operational expenses and two active loans with longer repayment timeframes). She noted the



Cloquet Home Center as a delinquent loan. President Ross Peterson asked for a motion to approve the June 2016 Cloquet EDA Financials.

Motion: Commissioner Bjerkness moved, and Commissioner Micke seconded, that the EDA June 2016 financials be approved. (Motion approved 7-0).

BRIEF REGIONAL ECONOMIC UPDATES

Updates provided.

ACTION ITEMS / PRESENTATION / DISCUSSION

A. Ed's Bakery Rehabilitation: 1013 Cloquet Avenue RFPs

Ms. Butcher reported that no contractor responses were received to the RFP for rehabilitation of Ed's Bakery building at 1013 Cloquet Avenue. She stated that 16 contractor packets were direct mailed and several outreach phone calls were made to local contractors and the few comments back negatively referencing the amount of paperwork requirements using the proposed funding source (Fund 202 Federal CDBG) and Davis Bacon prevailing wage requirements. Several EDA members stated they were not surprised being the restrictions on the funding source limit the amount of return on investment on the project.

Ms. Butcher suggested instead of using Fund 202 perhaps the EDA consider Fund 201 which does not require prevailing wages, Commissioner Bjerkness stated that the Council typically wants to see prevailing wage requirements in place for city projects. A variety of brainstorming occurred including using a SCDP slot (same requirements plus hold property for 7 years – bank will not do that), city buying the building (risk if no tenant to fill it), let the property continue to sit, discuss situation with DEED as the city's grant leverage was this project, or to market more for the purchase of the building and rehab and/or just rehab more significantly across the region.

Direction: Ms. Butcher thanked the EDA for their feedback stated she would contact the bank, DEED, and would outreach in marketing within the region. The EDA also discussed the idea of targeting this rehabilitation project during fall/winter to see if there was strong contractor interest. Lastly, revisit recent space inquiries and promote this specific opportunity.



B. RFP Cloquet Business and Community Marketing Strategy

Ms. Butcher reviewed the Cloquet Business and Community Marketing Strategy draft RFP seeking feedback from the EDA. Commissioner Shelly Peterson discussed past efforts of the Chamber Marketing Committee and discussed marketing vs. branding and noted that perhaps in the future a follow up to a marketing study could be branding work. Commissioner Bjerkness stated that the Chamber and its business community should be integrated as stakeholders and mentioned in the RFP. EDA asked about the list of marketing firms to send the study to – local, national etc. Ms. Butcher stated that it would be posted on the League website and direct mailed to marketing firms. EDA members discussed recent Council action on the Visioning Plan and discussed the need to show up to support this plan when brought forward to the City Council. Ms. Butcher asked if since she would be gone in NDC class next week if this should be pushed out on the Council agenda, the EDA responded yes.

Direction: Ms. Butcher said she would tweak per suggestions, generate a direct mailing list of marketing firms, and would inform EDA members when this would be on the Council Agenda (tentatively August 2nd).

C. Cloquet Business Broadband Priorities

Ms. Butcher provided an overview of a pilot project the City has underway with local businesses lacking sufficient broadband and connecting them with FDL connectivity options to the NESc fiber line. FDL will pilot one wireless project and another direct fiber line with local businesses struggling with adequate affordable broadband service related to upload and download speeds. The costs are directly between FDL and those businesses, no EDA funding is involved. The EDA stated that the opportunity was exiting.

D. Cloquet Capital Improvement Plan: Economic Development Priorities

Ms. Butcher reviewed three project budget concepts for the EDA 1) Municipal parking lot entry into the West End 2) Mural project and 3) Broadband fiber extension to the Cloquet Business Park (NESc line).

EDA members responded that staff should examine the Fauley Park project to see if there are ways to expand that project with signage and landscaping elements as there is not much ROW in the location of the proposed municipal parking lot (back of the sidewalk). Secondly, the EDA was impressed with the quality of the mural artist from the Ashland area and improved board surfaces murals are done on, however they'd rather see money into buildings than murals. Ms. Butcher noted many building owners have recently



turned away city grant programs for their buildings being unwilling to invest the 30% project match. Lastly, there was interest especially after the marketing study that perhaps the broadband expansion could be important in getting to the Cloquet Business Park. Ms. Butcher did express some concern related to the initial cost estimates provided by NESC last year after reviewing what came forward this month in other estimates that are much shorter in distance. EDA stated the goal is valid, cost could be evaluated in the future. Commissioner Micke wondered if the June/July fiber extension bids were high due to urban roadway network, railroad tracks etc. in Cloquet.

Direction: Review Fauley Park improvements with City Engineer to investigate if any landscaping or signage elements could be included in that section for the West End / Gateway entrance signs. Return to mural concept for re-discussion in beginning of 2017. Wait to see recommendations Marketing Study / FDL have for broadband extension to Business Park.

DISCUSSION / CLOQUET EDA INFORMATIONAL UPDATES

President Peterson discussed updates on the Cloquet Home Center property.

Next meeting date

August 3, 2016

ADJOURNED 9:40 a.m.

Respectfully submitted,

Holly L. Butcher, Community Development Director