



MINUTES OF THE REGULAR EDA MEETING

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

EDA Members/Ex-Officio Absent: Steve Micke (Commissioner); Kelly Zink (Cloquet Area Chamber of Commerce)

Staff Present: Brian Fritsinger, Holly Butcher (City); Connie Christenson (Carlton County EDA)

Others Present:

CALL TO ORDER

President Ross Peterson called the meeting to order at 8:01 a.m.

ANNOUNCEMENTS, ADJUSTMENTS, CORRESPONDENCE AND OTHER

None.

APPROVAL OF MEETING MINUTES

President Ross Peterson asked for any corrections or additions to the July 13, 2016 Meeting Minutes? Hearing none he asked for a motion.

Motion: Commissioner Shelly Peterson moved, and Commissioner Bjerkness seconded, that the EDA approve the Meeting Minutes from July 13, 2016. (Motion passed 6-0.)

APPROVAL OF July 2016 EDA FINANCIALS

Ms. Butcher reviewed the July 2016 cash balances and loans for the EDA. For the cash balances, she noted levy disbursements increasing Fund 207, she also noted Fund 208 SCDP projects. In terms of active loans, all loans are current with the exception of the Cloquet Home Center. Ms. Butcher attached the sales flyer by Follmer and noted the sale price was \$650,000. President Ross Peterson asked for a motion to approve the July 2016 Cloquet EDA financials?

Motion: Commissioner Smith moved, and Commissioner Schultz seconded, that the EDA July 2016 financials be approved. (Motion passed 6-0).



APPROVAL OF August 2016 EDA FINANCIALS

Ms. Butcher reviewed the August 2016 cash balances and loans for the EDA. The status of the funds and balances generally mirrored July's with a further deficit of the operating fund. President Ross Peterson asked for a motion to approve the August 2016 Cloquet EDA financials?

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

REGIONAL ECONOMIC UPDATES

Ms. Christenson mentioned communication from the Chamber expressing an interest in updating the Cloquet/County maps which are running low. She had taken this discussion to her board and discussed what types of updates the County could assist with on the map. The County would like trails added to the map, it was her understanding that the general cost was \$6,000 for 15,000 maps. She also provided an update on the Blandin Broadband project within the County. She reported the Esko Industrial Park received a DEED grant to pave the roadways within the Park. She mentioned a key focus of County ED staff was pursuing loans and grants to extend water along Hwy 210 to address arsenic issues. Ms. Butcher drew attention to the local articles on Carlton County area business parks in the press and a Duluth article featuring a loan program to stimulate reinvestment into the Lincoln Park Business District. She noted the completion of Split Rock Financials façade which was a commercial SCDP award.

ACTION ITEMS / PRESENTATION / DISCUSSION

CLOQUET HOME CENTER LOAN

Ms. Butcher summarized that the City is in third position on the real estate behind Woodlands National Bank and the SBA (with the County in fourth). The bank initiated foreclosure on September 1st and the building remains for sale. Ms. Butcher stated it is too soon to know what will occur, if the building will sell or not, what the response of other lenders will be during any future redemption periods but as a junior lender if the situation is not positively resolved the City would request an alternate asset from the owner e.g. boat, vehicle etc. to look to be made whole and would rely on their cooperation. EDA Members stated that based on legal feedback and status there is little to do other than hope it sells and that the sale is high enough for the city to be made whole.

EDA President Ross Peterson stated that the most prudent strategy for the owner is to actively continue lowering the building's sale price and suggested staff document the city's response and expectation for the owner to identify alternative collateral to make the city's loan whole. He stated that the city should be prepared to further discuss with the City Attorney if filing a judgement on the property to collect or attach to the real estate was an appropriate path forward. Ms. Butcher provided



information on the remaining bank, sba, city, and county loan balances providing a total working number for lenders to be made whole.

RFP CLOQUET BUSINESS AND COMMUNITY MARKETING STRATEGY

Ms. Butcher distributed a summary sheet of the nine firms had submitted proposals for the City's Marketing RFP, they included:

- Westmoreland Flint (Duluth)
- Gide (Washington D.C.)
- AE2S Communications (Grand Forks, ND)
- Ady Advantage (Madison, WI)
- Ainsley Shea (St. Paul)
- Cubic (Tulsa, OK)
- CEL (Minneapolis)
- Giant Voices (Duluth)
- North Star Destinations (Nashville)

She provided a draft criteria review sheet and asked if the categories and points were appropriate asking for EDA feedback. She stated that the review team would be meeting to narrow the list to 3 or 4 and would work to schedule interviews to narrow the search to a final candidate. She asked for any suggestions related to key stakeholders to involve in this effort – businesses or chamber members—the EDA responded best to leave that to the consultant to recommend their approach.

CLOQUET BUSINESS PARK STRATEGY DEVELOPMENT

Ms. Butcher reviewed her staff memo attached to which was the original business park map and an updated one with sales price suggestions for further EDA discussion. She stated the updated map strives to clarify pricing and development expectations for potential buyers. EDA members made suggestions to the map, Ms. Butcher will update and have a new sign face installed up in the park.

DISCUSSION / CLOQUET EDA INFORMATIONAL UPDATES

Next meeting date

October 5, 2016 – *note may be moved back depending on Marketing Firm interviews*

ADJOURNED 9:37 a.m.

Respectfully submitted,

Holly L. Butcher, Community Development Director