



MINUTES OF THE REGULAR EDA MEETING

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

EDA Members/Ex-Officio Absent: Ross Peterson (EDA), Connie Christenson (County)

Staff Present: Brian Fritsinger, Holly Butcher (City); Kelly Zink (Cloquet Area Chamber of Commerce)

Others Present: Kevin Schroeder, Cloquet Area Fire District, Todd Olson and Bruce Ahlgren, Enbridge

CALL TO ORDER

Vice President David Bjerckness called the meeting to order at 8:00 a.m.

ANNOUNCEMENTS, ADJUSTMENTS, CORRESPONDENCE AND OTHER

None.

APPROVAL OF MEETING MINUTES

Vice President David Bjerckness asked for any corrections or additions to the October 12, 2016 Meeting Minutes? Hearing none he asked for a motion.

Motion: Commissioner Smith moved, and Commissioner Schultz seconded, that the EDA approve the Meeting Minutes from October 12, 2016. (Motion passed 6-0).

APPROVAL OF OCTOBER 2016 EDA FINANCIALS

Ms. Butcher reviewed the October 2016 cash balances and loans for the EDA. For the cash balances, she noted an increase in Fund 201, a decrease of \$75,000 in Fund 203 for the Avenue C Restaurant project; no change in Funds 202 and 204, an operational deficit but solvent Fund 207 which will be addressed structurally by the City for future years, and ongoing new activity in Fund 208 with SCDP projects. Vice President Dave Bjerckness asked for a motion to approve the October Cloquet EDA financials.

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



REGIONAL ECONOMIC UPDATES

- a. Carlton County Economic Development
- b. Cloquet Area Chamber of Commerce
- c. City of Cloquet

ACTION ITEMS / PRESENTATION / DISCUSSION

a. Cloquet Area Fire District Request: Land in the Cloquet Business Park

Kevin Schroeder, Fire Chief of the Cloquet Area Fire District (CAFD), introduced himself and provided an overview of the CAFD request to secure land in the Cloquet Business Park as a back-up site to their current first preferred site they are working on adjacent to Jarden Home Brands along 22nd Street. He explained that with recent ownership changes with Jarden that the process has slowed on land progress and CAFD has come under pressure from the City Council as their lack of progress has placed the larger City Facility upgrades in limbo with lack of progress. Things have improved recently with new Jarden legal teams, but CAFD at this juncture needs to secure a secondary back-up site. He also mentioned that CAFD is in discussions with Sappi who has offered a site to the east of their facility, however no due diligence work has been conducted by CAFD related to the actual physical site conditions (wetlands, bedrock etc.). What makes the Cloquet Business Park attractive is that it is completely shovel ready with all infrastructure in place (water, sewer, gas, electric, broadband). As such, CAFD is requesting to the EDA that CAFD secure the following lots as a secondary site - Block 3: Lots 13, 14, and 15; and Block 5: Lots 1, 2, and 3. Mr. Schroeder explained that CAFD is planning 2018 construction and moving into the new location in 2019.

Commissioner Bjerkness asked about the CAFD fire response calls and where those are coming from? Mr. Schroeder explained that 80% of the calls come from Cloquet with 10% of those coming from Sappi and 2% other industries. Commissioner Bjerkness expressed concern that securing a location in the Cloquet Business Park as the listed secondary back up site is a premature request being that no site due diligence has been conducted on the Sappi parcel to see if it is viable or not. Commissioner Bjerkness specifically expressed concerns with fire response being located on the north side of the city versus in the heart of the city near large industry. Secondly, Commissioner Bjerkness asked if there has been any feedback related to noise concerns about relocating to the Cloquet Business Park with fire sirens etc.? Mr. Schroeder responded being that the lots selected are near North Hwy 33, with existing roadway noise there is no specific concern that CAFDD has but if they were to locate there indeed more siren noise would be present in that area. There was general questions about property insurance rates and business / residential costs. Commissioner Bjerkness asked if CAFD was planning to pay for these lots in the Business Park or if there was an expectation that these would be provided free by



the city, being a city service. Mr. Schroeder stated that the request would begin asking for city to city in-kind land donation as all of the other sites – Jarden and Sappi to date have been in-kind land donations. Commissioner Bjerkness said he would strongly prefer to not, at this time, approve this CAFD request, instead CAFD should fully vet the viability of the Jarden site first, the Sappi site second, and should return to the Cloquet EDA to continue discussions if those sites fall through, along with potential other site concepts in Cloquet.

Commissioner Schultz stated that obviously with his EDA hat on he can clearly understand the CAFD request for shovel ready Business Park space. However, as the Managing Director of Cloquet Operations at Sappi North America - Sappi Fine Paper North America and the critical fire response to Sappi and active discussions on the parcel to the east of their facility, that he is not currently supportive of discussing a site in the Business Park. Vice President Dave Bjerkness asked for a motion from the EDA.

Motion: Commissioner Mike Schultz moved, and Commissioner Smith seconded, that the Cloquet Area Fire District request for lots in the Cloquet Business Park not be approved at this time until other viable sites are explored more proximate to industry such as land owned by Jarden and Sappi. (Motion was denied 6-0).

b. Enbridge Project Presentation

Enbridge affiliate staff Bruce Ahlgren and Todd Olson Public Affairs Specialist with Environmental Resources Management introduced themselves to the Cloquet EDA. Mr. Olson began by explaining that the “Sandpiper Project,” the new construction pipeline project, was pulled in its entirety after several years of work on September 1st due to ongoing permitting challenges. Instead, Enbridge has decided to purchase a series of existing pipelines and to rehabilitate and upgrade these lines to facilitate their petroleum project needs. This new direction of line rehabilitation work is referred to as the “Line 3 Replacement Project.” He also mentioned facility details related to pump stations siting Cromwell and Floodwood examples of design upgrades. Mr. Olson stated that EIS materials are being completed and the current timeline is to have his underway in late 2019 for construction.

With that summary, Commissioner Shelly Peterson asked questions about the impacts of the loss of the Sandpiper project. Mr. Olson responded there was an overall loss of staff of 5% company-wide amounting to 255 people. In the Duluth-Superior area there was a loss of 50 staff, the loss of staff related to the consultants and Canadian affiliates was also 50 staff total.

The EDA thanked Enbridge affiliates for attending the meeting.

c. MN City Participation Application



Ms. Butcher presented information to the EDA on the opportunity to apply for the Minnesota City Participation Program (MCP) for first time homebuyer loans within the City of Cloquet. If successful, funding would be awarded by Minnesota Housing Finance Agency (MHFA) to three locally approved Cloquet banks (US Bank, Woodlands, and North Shore Bank) to directly provide those programs to eligible citizens. Ms. Butcher noted the normal award amounts of funding provided in the past by the state and as noted by MHFA the minimum amount to be allocated is \$100,000 but is examined on a population basis and is typically more. Cities are eligible to apply. Vice President Dave Bjerkness asked for a motion from the EDA.

Motion: Commissioner Micke moved, and Commissioner Smith seconded, that the EDA recommend to City Council the approval of the MCP application to MHFA. (Motion passed 6-0).

d. EDA 2016 Goals / 2017 Directions

Ms. Butcher reviewed the 2016 goals for the EDA and asked for feedback in preparing goals for 2017. Feedback provided by the EDA was as follows, move the Cloquet Business Park up to Goal #2 and move Hwy 33 Property Redevelopment to the bottom as Goal #7. **As such the Goals would for 2017 would be:**

1. Downtown Redevelopment / Revitalization
2. Develop the Cloquet Business Park
3. Promote the Development and Maintenance of Housing by implementing the 2014 Cloquet Housing Study
4. Develop the Cloquet Business and Community Marketing Plan with Ady Advantage
5. Conduct Business Retention and Expansion Outreach
6. Provide Proactive Economic and Community Development Leadership and Support
7. Develop Land Along Hwy 33/I-35 for Redevelopment into Retail and Office Oriented Uses

DISCUSSION / CLOQUET EDA INFORMATIONAL UPDATES

- No December meeting
- Next meeting date: January 4, 2017

ADJOURNED 9:37 a.m.

Respectfully submitted,

Holly Butcher, Community Development Director