



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

**EDA Members Present:** Shelly Peterson, Steve Micke, Dave Bjerckness, Mike Schultz

**EDA Members/Others Absent:** Russ Smith, Lara Wilkinson, Ross Peterson; Connie Christenson (Ex-Officio)

**Staff Present:** Holly Butcher, Brian Fritsinger, Kelly Zink (Chamber)

**Others Present:** Debra Washenesky and Walter Ableman (Hongistos), Al Cottingham (City); Bob Palmquist (Northspan Group)

### **CALL TO ORDER**

President Shelly Peterson called the meeting to order at 8:05 A.M.

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

None.

### **APPROVAL OF MEETING MINUTES**

President Shelly Peterson asked for any corrections or additions to the April 1, 2015 Meeting Minutes? Hearing none she asked for a motion.

**Motion:** Commissioner Bjerckness moved, and Commissioner Micke seconded, that the EDA approve the Meeting Minutes from April 1, 2015. (Motion passed 4-0).

### **APPROVAL OF MONTHLY FINANCIALS**

#### **MARCH 2015**

Ms. Butcher reviewed the March cash and fund balances for the EDA and noted an operating deficit, a structural deficit that has been addressed by the City for future years. Secondly, she noted that all loans are current. President Shelly Peterson asked for a motion to approve the March Cloquet EDA financials.

**Motion:** Commissioner Micke moved, and Commissioner Schultz seconded, that the EDA March 2015 financials be approved. (Motion passed 4-0).



### **APRIL 2015**

Ms. Butcher reviewed the April cash and fund balances for the EDA and noted quarterly interest payments into the fund. Secondly, she noted that all loans are current. President Shelly Peterson asked for a motion to approve the April Cloquet EDA financials.

**Motion: Commissioner Micke moved, and Commissioner Schultz seconded, that the EDA April 2015 financials be approved. (Motion passed 4-0).**

### **ACTION ITEMS / PRESENTATION / DISCUSSION**

#### **Hongisto Implement City Financing Request**

Ms. Butcher introduced Ms. Debra Washenesky and her husband Walter Ableman who have applied for an Entrepreneur Fund loan and City of Cloquet gap financing participation in that loan to purchase the Hongisto's business in Cloquet. Ms. Butcher called Bob Palmquist of the Northspan Group who joined the meeting by phone and went over his detailed loan review with the Cloquet EDA.

Mr. Palmquist summarized what is being proposed is that the City purchase a participation in the Entrepreneur Fund's loan to Deb Washenesky and her husband Walter Ableman, this will provide the City a shared first collateral position on the loan. The collateral on the loan has been increased to include additional land owned by Ms. Washenesky in Wrenshall, MN. Mr. Palmquist reviewed business income projections, sources and uses of the loan, debt service coverage ratios and discussed the business plan. Key plans by the new owners to turn the negative business status around include adding a paint booth, involving new equipment sales and vendor relationships with consignment floor plans, providing online parts sales, and increasing business marketing noting the change in ownership. President Shelly Peterson asked for a motion to approve the Hongisto Implement City Financing Request.

**Motion: Commissioner Schultz moved, and Commissioner Bjerkness seconded seconded, that the EDA approve the Hongisto Implement City Financing Request. (Motion passed 4-0).**

#### **Business Park Rezoning**

Ms. Butcher stated that for the past several months the EDA has discussed the zoning in the Business Park and has expressed an interest in clearly stating the types of development uses the City would like to occur here which could help the City more clearly market the Park. Currently the rear is zoned IP or Industrial Park while the front is zoned Regional Highway Commercial.



Ms. Butcher recommended to the EDA that the IP zoning district be the zoning guide for the entire district but that it be renamed to the Office/Manufacturing zoning district. Commissioner Schultz stated that he would like to see the name service somehow be included in the title as industrial services are often seen in business parks. Ms. Butcher noted the prohibited commercial uses and the EDA responded to have those be listed as conditional uses instead. Mr. Cottingham stated he would do some research on industrial services. EDA members clarified that the Hwy 33 Design Standards would apply to the front portion of the Park with visibility. President Shelly Peterson asked for a motion to approve the Business Park Rezoning.

**Motion: Commissioner Bjerkness moved, and Commissioner Schultz seconded, that the EDA recommend to the Cloquet Planning Commission that the Cloquet Business Park's front portion be rezoned to be consistent with the rear portion of the Business Park, however the Hwy 33 Design Standards will apply to the front portion of the Park. The zoning district will be renamed to Office/Manufacturing/Service and commercial uses will be allowed via Conditional Use Permit, commercial listed under prohibited uses will be deleted, and staff is to research appropriate industrial services that may fit the park to be listed in this category. (Motion passed 4-0).**

### **INFORMATIONAL UPDATES / EDA QUESTIONS**

#### **Next meeting date**

Wednesday June 3, 2015 at 8:00am.

#### **ADJOURNED 9:15 A.M.**

Respectfully submitted,

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Holly L. Butcher, Community Development Director