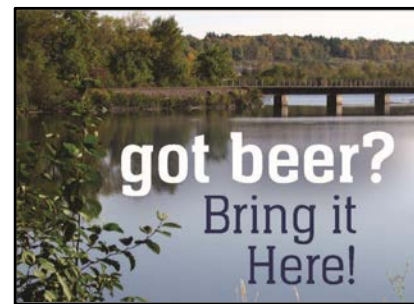


REQUEST FOR PROPOSALS
Recruitment of Brewery/Cidery Taproom and/or Brew/Cider Pub for
Cloquet, Minnesota's West End Business District
POSTED: June 27, 2019

DUE DATE: August 31, 2019





REQUEST FOR PROPOSALS: Brewery/Cidery Taproom and/or Brew/Cider Pub for Cloquet, Minnesota’s West End Business District

SUMMARY

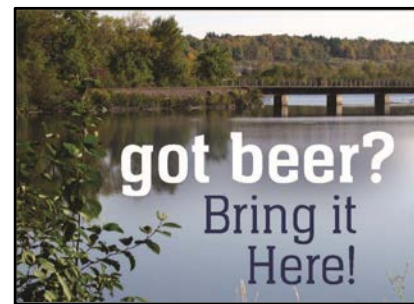
The City of Cloquet Economic Development Authority (EDA) is seeking a skilled and qualified applicant to open an authentic brewery/cidery taproom and/or brew/cider pub business (non-chain preferred, expansion of an existing regional business or chain also eligible) in the City’s West End Business District. The West End Business District is the most historically unique and architecturally significant area of the City tying into the City’s riverfront area. To proactively stimulate revitalization of this historic district, the Cloquet EDA is seeking a catalyst project to induce change. The vision for this venue would be, slightly up-scale destination, that is family friendly, and would enhance and bolster the character of this business district.

The City understands that producing quality beer or cider is one business in itself while operating a restaurant establishment is truly a second business. For that reason, the taproom option is eligible for consideration of non-restaurant/pub business operations and looking to creative alternative options such as ordering in food from area restaurants, pop-up restaurants within the business, or working with food trucks. Also key to successful brewery/cidery taproom businesses are family friendly venues for young parents with children.

The project must be sited in the West End Business District (see attached map for details) and whether looking to improve business space via a lease or building purchase, the City of Cloquet EDA is committed to this project. For leasehold improvements, the historic First National Bank Plaza at 207 Avenue C has 5,500 sf of space available and is a viable location to open this business, however there are other buildings for lease/sale in this district and the City encourages direct negotiations with other owners to lease or purchase (the city will provide contact information as available). The Cloquet EDA is a willing low interest rate gap financing partner (loan participation preferred) with a primary bank/lending agency on leasehold improvements or building purchase. The City of Cloquet is also willing to provide a \$10,000 grant of Small Cities Development Program Funding towards eligible business space building improvements (exterior repairs/improvements e.g. roofs, windows, doors, signage, awnings, code violation corrections e.g. handrails, exit signs, health and safety issues, energy improvements, and ramps and bathroom accessibility conversions). A match of 30% from the business is required by the grant program as is prevailing wages to contractors). Total gap financing/grant resources by the City should not exceed \$175,000.

WHY CLOQUET?

Cloquet believes our location has untapped potential located between Duluth and the Twin Cities on Interstate 35 at Hwy 33, just 18 miles southwest of Duluth and part of the Duluth-Superior Metropolitan Statistical area. The transportation corridor of Hwy 33 brings significant seasonal traffic through the City. A community of water and woods, Cloquet is located on the shores of St. Louis River and is home to Pine Valley Park (ski, hiking, and mountain bike trails) and is just 15 minutes up the road from Jay Cooke State Park. Located in Carlton County, this area has the



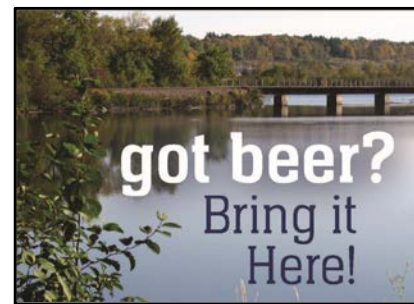
highest number of community supported agriculture farms in the region due to its warmer climate (being just outside of the Lake Superior watershed) and has unique farm-to-table organic options at your doorstep. Cloquet has a small-town feel (population 12,000) with excellent local schools and community college opportunities.

- Be the first Cloquet brewery or cidery!
- Cloquet EDA incentive package!
- Cloquet is located on Interstate 35 at Hwy 33, just 18 miles southwest of Duluth, MN and is part of the Duluth-Superior Metropolitan Statistical area. The transportation corridor of Hwy 33 brings significant tourism/seasonal traffic through the City.
- Cloquet is located in Carlton County which is home to the highest number of community supported agriculture farms in the region, due to its warmer climate being predominantly outside of the Lake Superior watershed and has unique farm-to-table organic options at your doorstep.
- Water and woods, Cloquet is located on the shores of St. Louis River and is home to Pine Valley Park (ski, hiking, and mountain bike trails) and just 15 minutes up the road from Jay Cooke State Park.
- A small town feel in a community of 12,000 with excellent local schools and community college opportunities.
- Join the Duluth-Superior, Moose Lake, Two Harbors, Grand Marais brewery/cidery/distillery growth!
 - ❖ *Castle Danger Brewery – Two Harbors, MN*
 - ❖ *Fitger’s Brewery—Duluth, MN*
 - ❖ *Blacklist Artisan Ales Taproom—Duluth, MN*
 - ❖ *Bent Paddle Brewing Company—Duluth, MN*
 - ❖ *Hoops Brewing Company—Duluth, MN*
 - ❖ *Canal Park Brewing—Duluth, MN*
 - ❖ *Ursa Minor Brewing—Duluth, MN*
 - ❖ *Earth Rider Brewery—Superior, WI*
 - ❖ *Thirsty Pagen Brewing—Superior, WI*
 - ❖ *Moose Lake Brewing Company—Moose Lake, MN*
 - ❖ *Duluth Cider—Duluth, MN*
 - ❖ *Wild State Cider—Duluth, MN*
 - ❖ *Vikre Distillery—Duluth, MN*

BUSINESS SPACE & INCENTIVES!

Option 1: Leasehold Space Project

The historic First National Bank Plaza at 207 Avenue C has 5,500 sf of space available and is a viable location to open this business, however there are also other buildings in the district open for lease, direct negotiations with owners must be done (the City will provide contact information as available). The Cloquet EDA is a willing gap financing partner (loan



participation preferred) with a primary bank/lending agency on leasehold improvements (e.g. SBA 7A). The City of Cloquet is also willing to provide a \$10,000 grant of Small Cities Development Program Funding towards eligible business space building improvements (30% match from building owner and prevailing wage/Davis Bacon contractor wages required). Total gap financing/grant resources by the City should not exceed \$175,000.

Option 2: Building Purchase Project

If the business wants to purchase their own building within the West End Business District via negotiations with private owners (city will assist with contact information), the loan and grant commitment from the City remains. The City of Cloquet is also willing to provide a \$10,000 grant of Small Cities Development Program Funding towards eligible business space building improvements (30% match from business and prevailing wage/Davis Bacon contractor wages required). Total gap financing/grant resources by the City should not exceed \$175,000.

LENDING RESOURCES

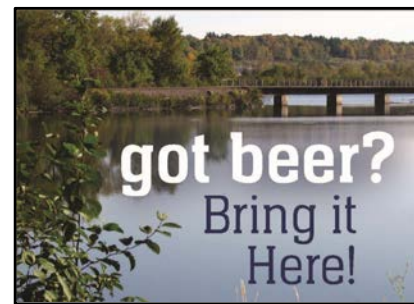
- *Cloquet EDA* gap financing loan programs/loan application www.cloqueteda.com
- The *Northland Foundation* in Duluth has partnered as a primary/gap financier to close several brewery/cidery taproom projects in the region <https://www.northlandfdn.org/loans/index.php>
- The *Entrepreneur Fund* assists start-up businesses with the details of structuring a business and primary/gap financing resources as eligible <https://www.entrepreneurfund.org/>
- The *ARDC Revolving Loan Fund* has also been a gap financier on several microbrew and distillery projects in the region <https://ardc.org/rlf/>
- The *UMD Center for Economic Development* can assist with the development of a Business Plan, needed to obtain primary bank financing <https://ced.d.umn.edu/>
- Primary financing: *regional financial institutions/banks*

VERIFY

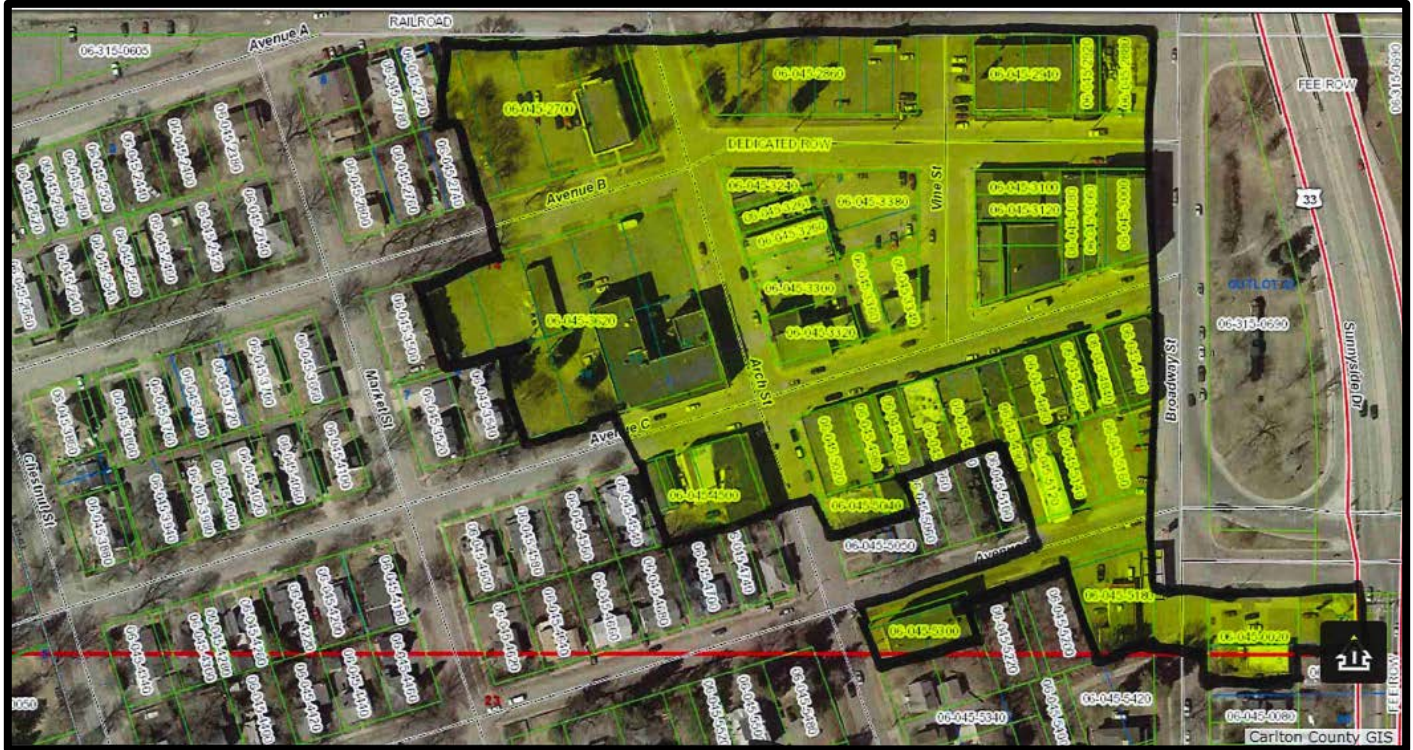
- See the map, the business must be sited in the West End Business District
- Ability to successfully operate a brewery/cidery taproom / restaurant management
- Submittal requirements



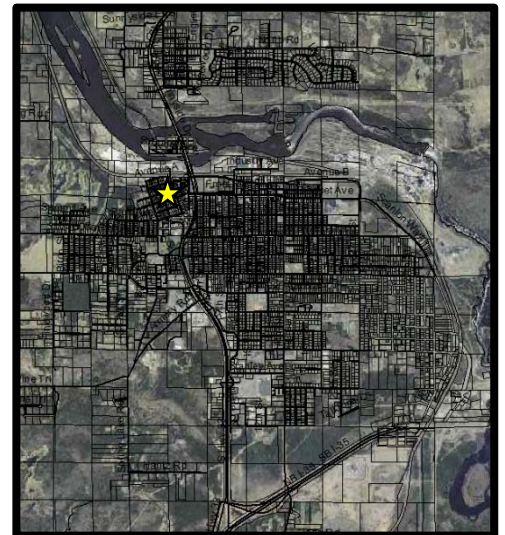
Cloquet Economic Development Authority



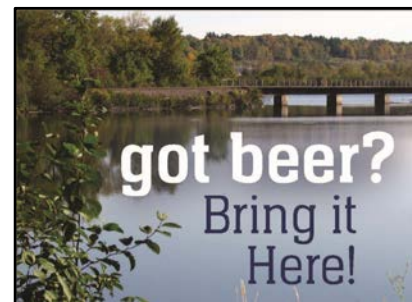
WEST END BUSINESS DISTRICT MAP, CLOQUET, MN



The West End Business District is located west of Hwy 33 in Cloquet at the intersection with Cloquet Avenue. Properties located within this District are eligible for siting a business.



207 Avenue C: has 5,500 sf of space available with a large rear parking lot, and large green space located on the west side of the building.



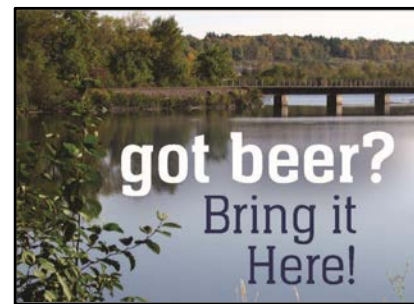
SUBMITTAL REQUIREMENTS

The proposal must be received on flash drive in pdf format or via compressed email in pdf format and should not to exceed 40 pages. Information should include:

1. **COVER LETTER:** Provide a cover letter describing the interest in opening and operating a Brewery/Cidery Taproom and/or Brew/Cider Pub and summarizing the major points contained in the proposal.
2. **TEAM MEMBERS:** Identify each team member of proposer and who would be the lead entity to contract with if selected. Include contact information for each team member (address, phone, email). Identify the business owners, partners, or members that will own, operate or manage.
3. **RELEVANT EXPERIENCE OF TEAM MEMBERS:** Identify applicable team experience in both brewing, cidery, and restaurant operations management. Please tell us about the role and experience of each team member related to the brewing, cider making, or restaurant industry and how the team will ensure it works effectively.
4. **BREWING:** Provide resumes and 2 references for each team member that will be involved with the brewing aspect of the business. Describe successes and/or failures of team members in the brewing industry. Describe how quality, unique, tasteful beer to the average customer will be brewed.
5. **CIDER MAKING:** Provide resumes and 2 references for each team member that will be involved with the cider making aspect of the business. Describe successes and/or failures of team members in the cidery industry. Describe how quality, unique, tasteful cider to the average customer will be made.
6. **RESTAURANT:** Provide resumes and 2 references for each team member that will be involved with the operation and management of the restaurant, if applicable. Describe any successes and/or failures of team members in the restaurant industry. Describe how the team will ensure food served in the brewery/cidery pub will have consistent quality and strong customer service provided.
7. **MARKETING:** Describe a viable marketing plan for the proposed Brewery/Cidery Taproom and/or Brew/Cider Pub and provide examples of how it will be marketed to locals and tourists. Describe planned participation in local, regional, and other events.
8. **BUSINESS PLAN:** Provide an estimate of project development costs, a project proforma with estimated costs and revenues, and an outline of the project financing strategy. Also note the total amount of capital required to develop and operate, and key assumptions in this financial analysis. Discuss the short and long term vision for the proposed project and its consistency with industry trends.
9. **FINANCIAL CAPACITY:** Provide reasonable evidence that you have the capacity to secure financial commitments to construct building improvements that will bolster and enhance the historic character of this district.

SUBMISSION CONTACT INFO/QUESTIONS?

- Community Development Director Holly Hansen 101 14th ST Cloquet, MN 55720 (218) 879-2507 x4 hhansen@cloquemn.gov, DUE DATE August 31, 2019



DISCLAIMERS

- Neither City of Cloquet/Cloquet Economic Development Authority nor any other entity is responsible for the expenses that Applicants may incur in preparing and submitting proposals. Nothing in this RFP will be construed as obligating the City to award a contract and/or to grant any assistance described herein.
- The City of Cloquet reserves the right to amend, revise or reject this RFP in whole or part any and all proposals received in response to this RFP. The decision as to who shall receive a contract award, or whether or not an award shall be made as a result of this RFP, shall be at the sole discretion of the City of Cloquet/Cloquet Economic Development Authority.
- All proposals are the property of the City of Cloquet, will be retained as such, and will not be returned to the Applicants. Any proposal submitted may be subject to public information requests as permitted by Minnesota law. The city will attempt to maintain confidentiality of materials marked “confidential” as feasible especially as it relates to business “trade secret information” per Mn. Stat. 13.37 Subd. 1 (b), however the entire proposal may not be marked as such, only those pages that are business “trade secrets.” While the City will take reasonable measures to hold in confidence all such labeled information, in no event will the City be liable for release of any information when required by law or order to do so, whether pursuant to Minnesota Law or otherwise, and will also be immune from liability for disclosure or release of information.
- Qualifying proposals will be reviewed, evaluated, and ranked by a committee who may conduct follow-up calls or interviews to seek written or verbal clarification to supplement materials submitted in response to the RFP. The committee will recommend the proposal that offers the best ability to successfully develop and implement the project. Past experience and the quality of the development team’s professional personnel to be assigned to the development project will be a key factor. Interviews will be held if deemed necessary. A recommendation will be made by the EDA which includes the option of rejecting proposals if they do not meet the City’s expectations.