



Cloquet Economic Development Authority
MEETING AGENDA
Wednesday April 6, 2022
8:00AM
Cloquet City Hall (IN PERSON)

ACTION TAKEN

1. **Call Meeting to Order** _____

2. **Announcements, Adjustments, Correspondence, and Other Comments** _____
Please make sure to turn your microphones on when speaking for Swagit Video sound

3. **Public Comments?**

a. Public Comments

Please give your name, and address. Visitors may share concerns on any issue, which is not already on the agenda. The Chair reserves the right to limit an individual's presentation if it becomes redundant, repetitive, irrelevant, or overly argumentative. All comments will be taken under advisement by the Commission. No action will be taken at this time. Public Comments will be limited to 10 minutes per topic or 30 minutes total. The Commission may request an item be placed on a future agenda for further discussion as part of the regular meeting.

4. **Approval EDA meeting minutes** _____
a. Regular Meeting March 2, 2022

5. **Approval of Monthly Financials:** _____
a. February 2022

6. **Action Items:**
a. None.

7. **Presentations:**
a. Cloquet Broadband Directions

8. **Informational Updates** _____

9. **Adjourn** _____



Cloquet Economic
Development Authority

AGENDA INFORMATIONAL UPDATES 3-31-22

CHAMBER

- Our Easter Coloring Contest is back! We'll be delivering all the Easter goodies to Churchill/Washington/QOP schools next week. Each student will receive a treat to eat while they color their page. After we collect all the final coloring sheets, we'll randomly draw for a winner in EACH class for a bigger prize, grades E5-4th grade!
- Annual Meeting and Banquet – April 28th at Black Bear Casino, Otter Creek Event Center
- April 7 @ 12:00 – Zoom Lunch. Modern Day Networking – Shelly Peterson, Promoting Me LLC
- Our Leadership Program continues and will be meeting on April 19th with Tony Sertich from the Northland Foundation and Ryan Hampton from the Workforce Center / JET NEMOJT. They'll be speaking on Organizational Culture and Leadership Styles.

COUNTY

- We will be appearing before the MN House Capital Investment Committee Tuesday April 5th to present our request for \$22.5 million for the CC Justice Center and Female Offender Program.
- We are in the process of preparing guidelines for the Federal ARPA money that Carlton County received (\$6.9 million) to determine how to allocate the expenditures of that which has not already been dispersed.
- We are in the process of a strategic plan for our EDA to determine our future priorities, investments and staffing.
- Staff continues work on commercial small cities projects.

CITY

- The EDA Marketing project selected in June 2021 and postponed several times has been completed! On March 23rd videography crew filmed Bearaboo Coffee Escape owner Natalie Swanson, lender Tim Smith from Frandsen Bank and Trust, Northland Foundation Director of Business Finance Michael Colclough, and City of Cloquet staff about lending collaboration efforts to support permanent financing and expansion of Bearaboo Coffee in Cloquet.
- Staff and the City Attorney are continuing ongoing good faith negotiations related to the Solem Hotel property. The City Council will revisit the status of this case at their April 19th meeting and held a public hearing on March 15th.



Cloquet Economic
Development Authority

AGENDA INFORMATIONAL UPDATES 3-31-22

- Rethos and OACC are gearing up to work with the City to roll out the second grant round for Artists on Mainstreet, we have tentatively scheduled the next artist workshop for Tuesday April 26th at 5pm at Common Ground Coffee in the West End.
- Boldt Construction will be teaming up with the City again this year to plan the Cloquet Earth Day Clean-up on Saturday April 30th.
- Building 2 at 2020 14th Street has a purchase agreement in place and the new buyer has requested Assignment of the Development Agreement and TIF Note in preparation for their May 23rd property closing. Attorneys will examine the request and staff will prepare materials for a future City Council meeting as directed.
- At the April 5th City Council meeting, the second reading will be held on the amendment to the Office Manufacturing zoning district to allow commercial childcare.
- Staff attended the State of Manufacturing Event at Lake Superior College March 30th.
- Northland Foundation has formed a weekly technical assistance meeting to support the relocation search for a local childcare center.
- Community engagement meetings were held March 24th and March 30th to share information on the Cloquet Broadband survey and efforts of the Cloquet Broadband Committee.
- Staff and Promoting Me LLC did an afternoon of business visits March 16th.



Easter Coloring Contest

LET'S SEE THOSE COLORING SKILLS!

1. We are excited to provide a fun activity for your class! Please have each child in your class color one of the included pages (don't forget to write their name on the sheet)...and of course they each get one of the delicious treats!
2. Please put all the coloring sheets in the provided envelope and return to the office by April 12 at 10:00am.
3. See that extra PRIZE in the package? We will RANDOMLY DRAW one lucky winner from the envelope. Watch for an email from us on April 13th with who the winner is in your class!

**COORDINATED BY:
CLOQUET AREA CHAMBER OF COMMERCE
CHAMBER@CLOQUET.COM
218.879.1551**

SPONSORS:



CLOQUET AREA CHAMBER OF COMMERCE



Invites you, your employees, co-workers & guests to celebrate our

69TH ANNUAL MEETING & BANQUET

Thursday - April 28, 2022

Social Hour - 4:30pm

Minnesota Chamber of Commerce

Awards and Recognition Ceremony
Small & Large Business of the Year

Dinner Entree

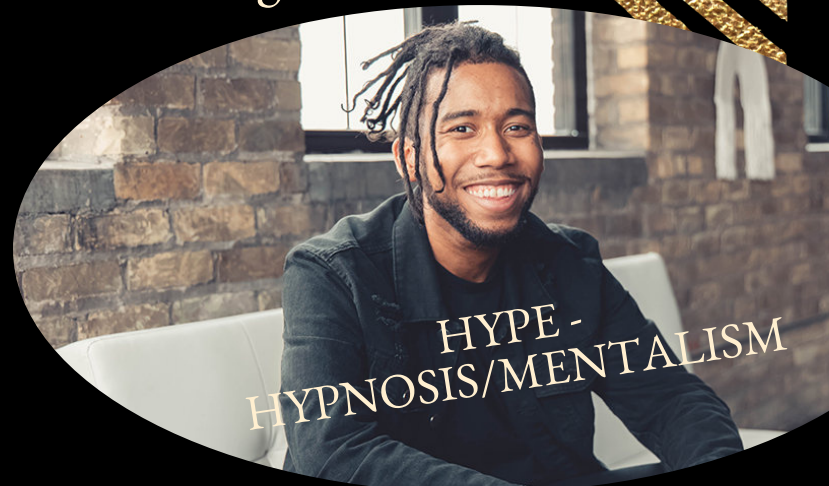
Entertainment
*HYPE with Noah Sonie -
Hypnosis/Mentalism*

Desserts & Networking

Black Bear
Casino Resort -
Otter Creek
Event Center
1789 Hwy 210,
Carlton

\$55 per person

Please RSVP to the
Chamber Office by
Monday - April 18,
2022



CLOQUET AREA CHAMBER OF COMMERCE



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BRONZE SPONSORS

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Minnesota Energy Resources
Northwoods Credit Union
Wipfli, LLP

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DESSERT SPONSOR

Upper Lakes Foods

◆ ZOOM LUNCH

These monthly zoom lunches are a great way for us to connect amongst each other while being educated on some key leadership styles.

DATE: Thursday, April 7

TIME: 12:00-1:00

LOCATION: - Zoom Style -

MODERN DAY NETWORKING

SPEAKER:

Shelly Peterson - Promoting Me, LLC

First impressions are unforgettable. Times, technologies, channels, and needs have changed, and so, too, has the way you connect, engage, network and sell. With all this change, the gap or difference in the various generations is getting wider as people's attitudes perspectives, and the way we live, shop and engage with people and businesses is redefined by technology, media channels, and social trends. Are you looking for a better way to connect? Join us as we explore some common platforms for building your personal and business brand to help you grow your network, attract new opportunities and achieve your business and career goals.

- JOIN ZOOM MEETING -

<https://minnstate.zoom.us/j/99880342604>

Passcode: LEARN (case sensitive)

One tap mobile +13126266799,,99880342604#

Dial by your location: +1 312 626 6799

**CHAMBERS
AM
BASSADORS**



DRAFT

MINUTES OF THE CLOQUET EDA MEETING

EDA Members Present: Sue Ryan, Dave Manderfeld, Lyz Jaakola, Mark Lanigan (EDA Commissioners), **EDA Members By Phone (not eligible to vote):** John Riihilouma, Steve Micke,

Ex-Officio Staff/Staff Members/Others Present: Katie Bloom, Holly Hansen, Tim Peterson (City)

EDA/Ex-Officio/Staff Members Absent: Lara Wilkinson (EDA Commissioner), Kelly Zink (Chamber), Mary Finnegan (Carlton County)

1. CALL TO ORDER

Vice President Manderfeld called the meeting to order at 8:00 a.m. The meeting was conducted in person.

2. ANNOUNCEMENTS, ADJUSTMENTS, CORRESPONDENCE AND OTHER

None.

3. PUBLIC COMMENTS

None.

4. APPROVAL OF MONTHLY EDA MEETING MINUTES

Vice President Manderfeld asked for any corrections or additions to the February 2, 2022, EDA Meeting Minutes? Hearing none he asked for a motion.

Motion: Commissioner Jaakola moved, and Commissioner Ryan seconded, that the EDA approve the EDA Meeting Minutes from February 2, 2022. (Motion passed 4-0).

5. APPROVAL OF MONTHLY EDA FINANCIALS: JANUARY 2022

CASH BALANCES

Ms. Hansen reviewed the January 2022 cash balances and loans for the EDA. For the cash balances, she noted an increase in Fund 201, no change in Project Fund 201, no change in Fund 202, and increases to Funds 203 and 206.

LOAN BALANCES

Ms. Hansen noted that there were missed payments this month but those have been tracked down. Vice President Manderfeld asked for a motion to approve the January 2022 Financials.

Motion: Commissioner Lanigan moved, and Commissioner Ryan seconded, that the EDA January 2022 financials be approved. (Motion passed 4-0).

6. ACTION ITEMS

- a. 901 Cloquet Avenue Small Cities Development Program Grant Request: Window Replacement**



**CLOQUET ECONOMIC DEVELOPMENT
AUTHORITY**

101 14th St., Cloquet, MN 55720

March 2, 2022

Ms. Wright, owner of 901 Cloquet Avenue, has requested grant funding to replace inefficient storefront windows. Ms. Hansen noted that \$5,600 remains in SCDP revolved funding and could be allocated to this address if approved by the EDA with the proposed project being consistent with the target area for Small Cities and an eligible use of funds. The owner would be required to complete the SCDP application and match the project with 30% funding.

Vice President Manderfeld asked for a motion to approve \$5,600 in SCDP Grant funding to 901 Cloquet Avenue.

Motion: Commissioner Jaakola moved, and Commissioner Lanigan seconded, that the EDA approve \$5,600 in Small Cities Development Program Grant funding to 901 Cloquet Avenue for window replacement (Motion passed 4-0).

b. 2022 Minnesota Main Street Membership: Network Community Application

Minnesota Main Streets by RETHOS is recognized by Main Street America as the official statewide coordinating program in Minnesota. This project has been financed in part with funds provided by the State of Minnesota from the the Arts and Cultural Heritage Fund through the Minnesota Historical Society.

After being a recent awardee of \$25,000 in grant funding for the Artists on Mainstreet project in Cloquet’s Historic West End Business District, staff from Rethos recently inquired if Cloquet would like to join at the basic “Network Community” membership level. Benefits include being networked into the organization with information, up to \$50 in staff consultation, and discounted training fees held by Rethos. There is no fee for the first three years of Network membership and there is an annual fee of \$250 after three years. Requirements include annual reporting on Downtown Cloquet and Annual attendance in one training, webinar, or meeting of Rethos. Staff recommended since there is no fee for the first three years there is value to exploring involvement/membership with the organization.

Vice President Manderfeld asked for a motion to recommend to Council applying to be a Network Community in Minnesota Main Streets.

Motion: Commissioner Lanigan moved, and Commissioner Jaakola seconded, that the EDA recommend to City Council applying as a Network Community to the Minnesota Main Streets at no fee (Motion passed 4-0).

7. PRESENTATION

a. Lessons Learned: the Hidden Gems of Cloquet, Shelly Peterson, CEO of Promoting Me, LLC

Ms. Peterson provided an overview of the Hidden Gems of Cloquet project and lessons learned. She shared that about a year ago she came before the Cloquet EDA requesting the City’s involvement in launching this effort to thank businesses in Cloquet at no cost to them. She summarized that she and Ms. Hansen target one day and target 8-10 businesses a month to interviewed, photos are taken of the people and the business, a write up prepared and then a podcast is done, all in Laverne and Shirley style format and launched into the power of social media.



**CLOQUET ECONOMIC DEVELOPMENT
AUTHORITY**

101 14th St., Cloquet, MN 55720

March 2, 2022

To date 9 rounds of visits have been done, 77 businesses interviewed and 58 businesses launched. Peak viewing times are 1pm, 4pm, 7pm, 8pm, and 10pm. Viewers are accessing the content 79% by mobile device, 16% desktop, and 5% by tablet. Ms. Peterson unveiled the Electronic Business Cards sharing the power of people exchanging information and networking. Ms. Peterson shared a few stories about networking out in the community and the simple power of social media and sharing on your business networks to promote your business story – she used K-1 Sportswear as an example. Vice President thanked her for her work on this effort.

CLOSED SESSION

Vice President Manderfeld announced that the Cloquet EDA will adjourn into a closed meeting (Minn. Stat. Sec. 13D.05.3(c)(3) to discuss good faith offers for acquisition of 915 Cloquet Avenue).

Motion: Commissioner Jaakola moved, and Commissioner Ryan seconded the motion to close the regular Cloquet EDA meeting. (Motion passed 4-0). The time is 8:42 a.m.

EDA Members Present: Sue Ryan, Dave Manderfeld, Lyz Jaakola, Mark Lanigan (EDA Commissioners) **EDA Members By Phone (not eligible to vote):** John Riihilouma, Steve Micke **Ex-Officio Staff/Staff Members/Others Present:** Katie Bloom, Holly Hansen, Tim Peterson (City)

Motion: Commissioner Jaakola moved, and Commissioner Ryan seconded, that the Cloquet EDA regular meeting be reopened. (Motion passed 4-0). The time is 9:11 a.m.

Vice President Manderfeld asked for a motion to approve Resolution 22-01 (A RESOLUTION DETERMINING FURTHER GOOD FAITH OFFERS FOR THE PURCHASE OF 915 CLOQUET AVENUE / SOLEM HOTEL).

Motion: Commissioner Lanigan moved, and Commissioner Jaakola seconded, that the Cloquet EDA approve Resolution 22-01 (A RESOLUTION DETERMINING FURTHER GOOD FAITH OFFERS FOR THE PURCHASE OF 915 CLOQUET AVENUE / SOLEM HOTEL). (Motion passed 4-0).

ADJOURNED 9:13 a.m.

Respectfully submitted,

Holly Hansen, Community Development Director



Community Development Department
101 14th ST • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

To: City of Cloquet Economic Development Authority (EDA)
From: Holly Hansen, Community Development Director
Date: March 29, 2022

ITEM DESCRIPTION: EDA Review of Monthly Financial Statements (February 2022)

EDA Requested Action

The EDA is asked to approve the February 2022 financials.

Monthly Review

Attached the EDA members will find the February 2022 cash balances and loans for economic development.

CASH BALANCES

The summary of February financials **which currently total \$1,926,805.33** are:

- **Fund 201 (LDO-Loan)** there is an **increase** in Fund 201 due to loan repayments.
- **Fund 201 (LDO-Project/Loan)** **no change** (*state (DEED) MIF One Time Exception participation by the City of Cloquet EDA closig out the EDA's MIF fund and returning 20% of these funds to DEED while the City retained 80% for a future project of the EDA/or other loan funding opportunities with flexible funding criteria. Funds generated from EDA projects deposited here e.g. Adams Street*).
- **Fund 202 (Fed CDBG)** **no change**.
- **Fund 203 (ED)** there is a **increase** from loan repayments into this fund.
- **Fund 206 (Revolved Phase 3 SCDP loan repayments)** there is an **decrease** in Fund 206 due to completion and payout of both escrow and grant resources held in this fund for the Paradigm Therapy project.

LOAN STATUS

The total outstanding loan balance for City funds is \$260,197.45 (8 business loans, 6 residential small cities projects) with monthly repayments of \$4,090.05. This month one residential loan was paid off early in full and follow up was made with two other residential loan holders on late payments which the City has initiated follow-up on.



Community Development Department
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Policy Objectives

As a standalone EDA, the monthly financial statements must be reviewed and approved by the EDA.

Financial Impacts

None at this time.

Staff Recommendation

Staff recommends that the EDA move to approve the February 2022 EDA financial statements.

Supporting Documentation

- February 2022 Cash Balances; February 2022 Loan Balances

**City of Cloquet
Cash Balances
February 2022**

		<u>Current Month</u>	<u>Previous Month</u>
201	LDO Loan (EDA) - Loan	\$840,315.03 ¹	\$836,648.05
201	LDO Loan (EDA) - Project/Loan	\$139,006.21	\$139,006.21
202	Federal CDBG Loan (EDA)	\$595,476.63 ²	\$596,455.54
203	Economic Development Loan (City)	\$302,947.87 ¹	\$301,988.98
206	Revolving SCDP	\$49,059.59 ^{1&3}	\$68,009.46
<u>206 Commercial Grant Awards:</u>		<u>\$1,926,805.33</u>	<u>\$1,942,108.24</u>
A. \$10,000 <i>Northeastern, 115 St. Louis Avenue (awnings) - PAID</i>			
B. \$10,000 <i>Shooting Stars Annex, 1404 Cloquet Avenue (exterior rehabilitation) - PAID</i>			
C. \$10,000 <i>Neighborhood Church of Cloquet, 612 Cloquet Avenue (re-roof) - PAID</i>			
D. \$4,359.46 <i>Former Labor Temple, 1403 Avenue C (awnings/doors) - PAID</i>			
E. \$10,000 <i>Paradigm Therapy, 1102 Cloquet Avenue (storefront windows, side door on 11th Street)</i>			
F. \$10,000 <i>Split Rock Financial (Historic City Hall) 105 Arch ST (exterior wood trim painting and brick tuck pointing)</i>			
G. \$10,000 <i>Angel Nails/Northern Health Filtration at 1201 Cloquet Avenue (12th Street exterior siding)</i>			
H. \$10,000 <i>Medicine Shoppe 1208 Cloquet Avenue (awnings and doors)</i>			
I. \$10,000 <i>Northern Printery 206 Avenue C (windows and exterior brick repair)</i>			
J. \$10,000 <i>128 Avenue C (roofing)</i>			
K. \$5,600 <i>Northern Lights Community Action</i>			
L. \$10,000 <i>HOLD for potential West End Brewery Project</i>			

Monthly change explanations:

- 1 - Loan repayments
- 2 - Carlton County Recorder \$46.00/Solem Hotel legal \$523.55/Adams St. legal \$409.36
- 3 - Hagen's \$10,000 Paradigm Therapy & \$10,190.80 GPM, LLC (GPM escrow received June 2021)

**Community Development
Loan Balances
February 2022**

Loan	Loan Date	%	Loan Amount	Monthly Payment	Maturity Date	Balance	*Exp. UCC or FF
Fund 201 from 202 (EDA)							
GCL Development Group LLC	6/12/2020	2.25%	\$ 75,000.00	\$ 388.36	7/1/2040	\$ 70,019.27	
North Country Dental LLC	8/3/2020	2%	\$ 20,000.00	\$ 390.79	7/1/2025	\$ 15,475.41	7/24/2025
Pine & Pearls, LLC	7/21/2021	2.25%	\$ 70,000.00	\$ 362.47	7/21/1941	\$ 67,766.83	
Radoush Holdings LLC	10/13/2017	3.25%	\$ 10,475.00	\$ 139.59	11/15/2024	\$ 4,273.33	
WebMed, LLC	12/11/2020	2%	\$ 20,000.00	\$ 391.56	12/15/2025	\$ 17,325.32	12/8/2025
				Fund 201	\$ 1,672.77	\$ 174,860.16	
Fund 201 from 204 (EDA)							
Pioneer Recovery	6/21/2013	2.25%	\$ 95,500.00	\$ 889.46	7/15/2023	\$ 4,048.41	8/2/2023
				Fund 201	\$ 889.46	\$ 4,048.41	
Fund 203 (City)							
Wood City Lights	4/1/2014	2.50%	\$ 54,050.00	\$ 360.40	4/1/2029	\$ 28,950.21	
				Fund 203	\$ 360.40	\$ 28,950.21	
Fund 203 from Fund 207 (City)							
CMW Retail Properties	7/1/2012	1%	\$ 100,000.00	\$ 598.49	8/1/2027	\$ 37,852.24	6/25/2022
				Fund 203	\$ 598.49	\$ 37,852.24	
Fund 206 from 208 (EDA)							
Janet Chalberg	8/23/2016	3%	\$ 7,017.00	\$ 92.72	8/23/2023	\$ 1,894.55	
Diane Mullen	7/17/2017	3%	\$ 6,274.00	\$ 87.62	2/17/2024	\$ 1,945.75	
Mark & Rebecca Lambert	12/15/2016	3%	\$ 7,395.00	\$ 97.67	12/15/2023	\$ 2,446.11	February payment not made
Jamie Lund	12/15/2016	3%	\$ 7,500.00	\$ 99.10	12/15/2023	\$ 2,302.54	February payment not made
Billy Joe Wise	8/11/2017	3%	\$ 7,493.00	\$ 99.01	9/11/2024	\$ 3,132.35	
Tammy Randa	9/13/2017	3%	\$ 7,024.00	\$ 92.81	10/13/2024	\$ 2,765.13	
				Fund 208	\$ 568.93	\$ 14,486.43	
Total Community Development Loans Outstanding					\$ 4,090.05	\$ 260,197.45	

Notes:

Donna Trettle loan paid off in full on 2/14/22

* - Can re-file continuation within 6 months of expiration.



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CLOQUET EDA STAFF REPORT

To: Mayor and City Council
From: Holly Hansen, Community Development Director
Date: March 31, 2022

ITEM DESCRIPTION: Talking Broadband in Cloquet: Cloquet Broadband Committee Recommendations as a Team of Blandin Foundation’s Community Broadband Resources *Accelerate!* Program

Background / Overview

During the spring of 2021 the Cloquet EDA sought technical assistance support from the Blandin Foundation, facilitated by Bill Coleman of Community Technology Advisors. The committee launched a July 2021 Cloquet Broadband survey yielding 192 responses. Then in September 2021, the City of Cloquet was invited to apply to Blandin Foundation’s Community Broadband Resources *Accelerate!* Program which is a detailed Community Engagement process over 15 weeks that entailed of two-hour weekly Friday meetings plus weekly homework assignments designed to help communities “Slow Down, to Speed Up” to identify true broadband needs. The Cloquet EDA supported the formation of a local Cloquet Broadband Committee comprised of technology experts from local agencies/businesses and resident representation. In January 2022, Cloquet relaunched the same broadband survey and yielded another 491 surveys bringing the total to 683 surveys. The Committee will share their findings with the Council.

On April 5th at the City Council Work Session, the Cloquet Broadband Committee will introduce themselves and provide a presentation on the community engagement process they went through to examine broadband gaps in Cloquet, particularly residential gaps. At the conclusion of the presentation, the group will identify their recommended pathway forward to the City Council.

The following morning at the EDA meeting on April 6th, staff will provide an update on this project to the EDA and will provide a presentation and will be available for questions and will share comments from the Council meeting.

2022 ANNUAL WORK PLAN

As part of their annual goal setting in both 2022 and 2021, the Cloquet EDA identified broadband as the top issue to address. Specifically in our Work Plan for 2022 it states:

Goal #1 – Broadband: Improve Residential and Business Networks

Strategy: Facilitate partnerships to improve residential and business broadband service within the City of Cloquet.



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Implementation Steps:

1. *Complete community broadband survey and evaluate results.*
2. *Engage with prospective partners on broadband expansion opportunities in Cloquet with strong residential considerations.*
3. *Engage with current providers on future improvement plans in Cloquet.*
4. *Consider using/leveraging Cloquet ARPA funding towards identified new broadband partner to conduct an Engineering Study for the City for expansion of broadband and identifying costs.*
5. *Consider using/leveraging Cloquet ARPA funding towards grant funding for residentially under and unserved areas in the City with new broadband partner or existing provider.*
6. *Hold a Broadband Community Meeting and move forward on opportunities and pathways for improvements.*

Financial/Budget/Grant Considerations

The City of Cloquet has received a rough total of \$1 million in American Rescue Plan Act of 2021 funding (ARPA). The City Council has earmarked \$300,000 of their ARPA funding in towards broadband improvements in Cloquet. Efforts and recommendations by the Cloquet Broadband Committee are to begin work immediately partnering with their identified broadband provider on state and federal grant applications to close service gaps within the City of Cloquet's eastern municipal city limits and leverage funding to provide affordable, reliable, high speed internet options in the City of Cloquet.

Advisory Committee Action

The Cloquet Broadband Committee, a subcommittee formed at the direction of the Cloquet EDA/City.

Supporting Documentation Attached

- None