



## Focus on N.E. Minnesota & St. Cloud

# Cloquet uniquely poised to deliver N.E. Minn. growth

## Signs of commercial development abound

by Lisa Baumann

**W**ith many commercial building projects facing uncertainty in other parts of the state, the Cloquet area in northern Minnesota is perhaps uniquely positioned at this time to offer a bright spot on the developing landscape.

## Guest Columnist

As any of the 35,000 plus drivers per day steering through Cloquet on Highway 33 or up Interstate 35 toward Duluth can attest, signs of commercial development are virtually everywhere. From the new and relocating local businesses including pizza parlors, liquor stores and hair salons, to the already established, nearby anchors like Wal-Mart and Applebee's, the wide variety of goods and services is what consumers expect today, according to Brian Fritsinger, Cloquet city administrator.

"Cloquet is situated at a major crossroads," Fritsinger says. "With a stable job market, especially in manufacturing, expanding higher-education opportunities and a steady flow of tourist traffic both north and west, we are perfectly positioned for further economic growth."

While nearly 12,000 people live in the city of Cloquet, it boasts an enormous trade area population of over seven times that number — 86,000 in the current business climate. People routinely travel from a wide radius to shop and obtain services there.

"People come from as far west as McGregor, as far south as Willow River, and even from west Duluth, because they often think it is more convenient to head to Cloquet to shop," says Pat Oman, Carlton County's economic development director.

Wayzata-based Real Estate Corporation of America (RE-Cor) is the latest developer to sit up and take notice of the growth potential. The company is currently working with the city of Cloquet and Carlton County Economic Development in undertaking the largest single retail development north of the Twin Cities. It is slated to open in spring 2009.

Tentatively named "Superior Crossing," the site will feature nearly 688,000 square feet of retail (some 134 acres) at the I-35 and Highway 33 divide, providing huge visibility and accessibility, according to Jeff Draxten, RE-Cor's president and CEO.

"The Cloquet market is growing and it is underserved right now," Draxten says. "Everyone from the city to the county has been unbelievable to work with as well. It's probably the best working relationship we've ever had."

RE-Cor is now leasing space in the development, which plans to accommodate large-scale stores in the outdoor/sporting goods, home improvement, clothing and restaurant sectors. Space also will be created to accommodate smaller restaurants and general merchandise.

Attracting that mix of retail also should be highly feasible due to the plethora of funding mechanisms available. Currently, more than a dozen local and regional funding sources

exist. Tax increment financing, JOBZ and revolving funds through the city of Cloquet and Carlton County Economic Development are just some of the available financing sources.

"The diverse funding mechanisms will help to support the successful business commercial and manufacturing relocation to Cloquet," Oman says.

In addition to the RE-Cor project, several smaller developments are

already in the construction phase, including two along Highway 33. One, unofficially known as Premiere Center, has expanded and all 14,000 square feet of new space is already spoken for, according to Rick Stowell of Premiere Theatres.

"We had much more interest than we had space," Stowell says.

Plans are for an additional retail expansion of 16,000 square feet there.

United Development is also in the construction phase with The Shoppes of Cloquet, a 22,000 square foot retail development. Principal Member Pat Flynn says five retail businesses have already signed on to occupy the building, with an additional 4,000 square feet still available for lease.

A newly completed business park with manmade wetlands and a deluxe walking trail is also available for new and relocating businesses just a few miles farther north. The Cloquet Business Park, developed by the city of Cloquet last year, boasts 120 acres of subdivided lots for light industry and commercial business. The park includes improved streets, city water and sewer, natural gas, electric, and other amenities.

One area business, Cloquet Home

Center, has relocated to the Cloquet Business Park after a fire last year destroyed its former building. Its choice was largely based on the location and readiness of the site, according to Home Center co-owner Bob Goewey.

“With the fire devastating our former location, we were in a position to start over in a way and check out other options,” Goewey says. “We couldn’t resist the business park with the added traffic and customers we’ve seen from the Highway 33 location. We didn’t have that visibility near the railroad tracks a few miles away.”

California-based Daqota Systems, which provides high-tech engineering for industrial control and automation systems, is planning to open an office in the park later this spring as well.

“There are three big reasons we are coming to Cloquet,” says Tim Woodward of Daqota Systems. “Land prices compared to California, the pool of industrial, engineering and computer science talent and it’s a great location for serving clients in the Midwest and southern parts of the country.”

With high-tech companies like Daqota Systems moving in, and the highest manufacturing jobs per capita in the region (including Jarden Home Brnads, Sappi and USG Corp.), education and training opportunities are essential. In addition to the universities in the Duluth-Superior area, higher education and training is available

in Cloquet at Fond du Lac Tribal and Community College.

The college is in the midst of a \$12.5 million library expansion and a new cultural-recreation center with physical education space, plus law enforcement and nursing training areas. It also recently received a grant that will allow Sappi employees to receive further customized training at the college.

The city of Cloquet is also working with Blackhoof Development, a housing developer, to construct new multi-family housing near the campus for students and those earning a mid-level income.

Yet another area of mega-expansion can be seen from the freeway at Black Bear Casino Resort, owned and operated by the Fond du Lac Band of Lake Superior Chippewa. The facility is nearing completion on an expansion that includes a new ten-story hotel with 250 guest rooms, entirely new gaming area, new buffet and deli and upscale restaurant, and convention and meeting space. The Black Bear Golf Course is an 18-hole championship, par-72 course also on the casino resort campus. It draws people from Minneapolis to Thunder Bay, according to hotel manager, Cory Van Guilder.

“We’re 20 minutes from Duluth so we have Lake Superior and Jay Cooke State Park and snowmobile trails and cross country trails,” he says. “Of course we have our golf course that is the best in the area.”

The casino is also the largest employer in Carlton County.

Small city development grants have also been used in just the past few years to help local businesses and those relocating refurbish historic buildings such as the Northeastern Saloon and Grille, which is using funding to rehab the hotel portion of the building. The First National Bank Plaza building in the historic west end of Cloquet has been completely redone in the past five years and is nearly filled with specialty shops and services.

A new Small City Development Grant in the amount of a \$741,750 was awarded to Carlton County will be portioned out to other projects. One such project is the rehabilitation of the R.W. Lindholm Service Station, designed by Frank Lloyd Wright, in honor of its 50th anniversary celebration this summer.

Opportunities have presented themselves both in Cloquet and surrounding areas due to its unusual accessibility between major roads, ports and railways. High traffic volume, coupled with unique funding opportunities have given Cloquet, an already fluent city, something to showcase.

*Lisa Baumann is the editor of the Pine Journal newspaper in Cloquet, as well as a freelance writer and photographer.*