



Regular Meeting of the Planning Commission

Tuesday, June 9, 2020

7 pm Regular Meeting

101 14th Street, Cloquet, MN 55720

AGENDA

1. Call to Order
2. Roll Call
3. Additions/Changes to the Agenda
4. Minutes from the March 10, 2020 Planning Commission meeting

5. Zoning Case 20-06: Jason Stowe, Variance

6. Zoning Case 20-07: Vanessa Crist, Variance

7. Zoning Case 20-05: City of Cloquet, Ordinance Amendment, Mobile Storage Structures

8. Zoning Case 20-03: City of Cloquet, Easement Vacation

9. Zoning Case 20-08: SKB Landfill, Special Event

10. Zoning Case 20-09: Tax Increment Financing District – Trails Edge

11. Commissioner’s Questions/Comments
12. Adjourn

NEXT MEETING:
July 14th @ 7 pm



Regular Meeting of the Planning Commission

Tuesday, March 10, 2020

7:00 p.m.

101 14th Street, Cloquet, MN 55720

CALL TO ORDER

Chairman Wilkinson called the meeting to order at 7:00 p.m.

ROLL CALL

Attending: Planning Commission members: Uriah Wilkinson, Philip Demers, Terri Lyytinen, Rob Zappia, John Sanders and Mark Cline; City: Al Cottingham.

Absent: Elizabeth Polling.

Others Present: Jason Hall, Tim Grahek, Leonard Conklin, Daniel White and Gerald and Mary Thompson.

ADDITIONS/CHANGES TO THE AGENDA

None.

AGENDA ITEMS

January 14, 2020 Meeting Minutes

Chairman Wilkinson asked for any corrections or additions.

Motion: Commissioner Lyytinen made a motion to approve the Planning Commission meeting minutes from January 14, 2020, Commissioner Cline seconded. (Motion was approved 6-0).

Zoning Case 20-02: Conditional Use Permit for AT&T Mobility/Hall Institute Inc.

Chairman Wilkinson introduced Zoning Case 20-02, Conditional Use Permit for AT&T Mobility/Hall Institute Inc. and opened the public hearing. He asked Mr. Cottingham to provide an overview. Mr. Cottingham stated AT&T Mobility/Hall Institute Inc. is proposing a Conditional Use Permit to construct a 180-foot mono-pole cellular tower in the southeast corner of 14th Street and Interstate 35. The tower would be approximately 545 feet from the closest residential structure, a garage and over 600 feet from the apartments to the south. He noted that Jason Hall was present along with Tim Grahek of Ulland Brothers the owners of the property.

Mr. Hall addressed the commission noting that this would be a dual purpose tower for both AT&T and the emergency management system. The tower would be designed to accommodate other providers of cellular services if they choose to locate there. He noted other locations in the area where they have towers and noted this location was needed to fill a void in the coverage area.



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Commissioner Cline inquired as to the purpose for the emergency management system to be there.

Mr. Hall stated that there was currently not a need but in the future, it would be needed to assist with responses and communications.

There being no further discussion Chairman Wilkinson closed the public hearing and looked for a motion.

Motion: Commissioner Sanders made a motion to approve Resolution No. 20-02, A Resolution Recommending the City Council of Cloquet Approve the Conditional Use Permit to Allow a Cellular Tower in the MRC – Mixed Residential/Commercial District subject to the Conditions in the Draft Resolution with the Change to Condition 1, Commissioner Zappia seconded. (Motion passed 6-0)

Mr. Cottingham stated this would be forwarded to the City Council for their March 17, 2020 meeting.

Zoning Case 20-01: Site Plan for Leonard Conklin

Chairman Wilkinson introduced Zoning Case 20-01, Site Plan for Leonard Conklin. He asked Mr. Cottingham to provide an overview. Mr. Cottingham stated Leonard Conklin is proposing a Site Plan to construct a 3,264 square foot office building, for two tenant spaces along with the associated grading, landscaping and parking. Mr. Conklin was present to answer any questions the commission may have.

Commissioner Sanders inquired as to what the elevation contours were on the grading plan. He is used to seeing things with a 2-foot contour and sometimes with a 1-foot contour, but he wasn't sure that either of these were correct on this plan.

Mr. Conklin stated that they were more like a 1/3-foot contour, but he would be having his designer working with the City Engineer to get this resolved. He knows the site is relatively flat with a slight slope to the west behind his existing building.

There being no further discussion Chairman Wilkinson looked for a motion.

Motion: Commissioner Lytinen made a motion to approve Resolution No. 20-01, A Resolution Recommending the City Council of Cloquet Approve the Site Plan in the RC – Regional Commercial District subject to the Conditions in the Draft Resolution, Commissioner Cline seconded. (Motion passed 6-0)



Discussion – Mobile Storage Structures & Highway 33 Design Standards

Chairman Wilkinson introduced the item and asked Mr. Cottingham to provide an overview. Mr. Cottingham stated that the City Council has asked the Commission to look at the Ordinance pertaining to Mobile Storage Structures following a complaint that was received. Mr. Cottingham noted that currently the Ordinance doesn't allow for the containers, but they do exist at a number of establishments for the specific use by the company. There are three things that he would like the Commission provide direction on so that he can come back at a future meeting with some options. 1) Allowing for the use of mobile storage containers for personal use on your own property i.e. Walmart; 2) Allowing for the use of mobile storage containers as a mini storage unit for use by another party not on their property; and 3) The Highway 33 Design Standards and possibility of reducing the limits of them. He noted Gerald and Mary Thompson were present to discuss having them on their property for other parties to store their goods in.

The Commission discussed the use of the containers on private property for the use of a business for their own use and the screening of such units. They agreed that this was Ok, and the Ordinance should be amended for this.

The Commission discussed the use of the containers as a business on private property for the use by others. They did not believe that this was fair to a business that built a mini storage structure and the expense of that. Some of the members felt that the ones on the Thompson property was in their opinion an eyesore to the area.

The Commission discussed the Highway 33 Design Standards and felt that they were appropriate and that any new structure along the corridor should meet the standards and there was no reason to change the Ordinance on this. These standards are there to help with the future development of the corridor regardless of how long it takes.

Mr. Cottingham felt he had an understanding of where the Commission was at with these issues and would check with some other cities and come back with some draft language at the April meeting.

Discussion – Short Term Vacation Rentals

Chairman Wilkinson introduced the item and asked Mr. Cottingham to provide an overview. Mr. Cottingham stated that St. Louis recently amended their Ordinance to allow for Short Term Vacation Rentals. The city's Ordinance currently did not allow for them so he is raising the question as to whether or not we should be looking into this. This is not a pressing issue since there is not anybody knocking on the door looking to create one.

Chairman Wilkinson felt that there was a need for these facilities, and we should be proactive in amending the Ordinance to allow for them with certain conditions



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7:00 p.m.

101 14th Street, Cloquet, MN 55720

The Commission discussed these units and would like to see what other similar communities are doing with them. They asked staff to do some research and come back with some additional information at a future meeting.

Commissioner's Questions/Comment

The Commission discussed the I & I (Infill and Infiltration) as it pertains to realtors and when it was anticipated to go into effect.

April Meetings

Mr. Cottingham reminded the Commission about the joint meeting with the City Council on April 7th currently set for 5:30 pm and the April 14th regular meeting. He would send out a reminder the week before the joint meeting and a start time confirmation.

Next Meeting

April 14, 2020

Meeting adjourned 8:16 p.m.

Respectfully submitted,

Al Cottingham, City Planner/Zoning Administrator



Community Development Department

101 14th Street • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

To: Planning Commission
From: Al Cottingham, City Planner/Zoning Administrator
Date: June 3, 2020

ITEM DESCRIPTION: ZONING CASE 20-06: VARIANCE – MINIMUM LOT WIDTH ON A PUBLIC ROAD

Background

A public hearing will be held on Tuesday, June 9, 2020 to consider a possible variance from the minimum lot width on a public road. A legal notice was published in the Pine Knot on May 29, 2020 and property owners within 350 feet were sent notices of the public hearing.

Jason Stowe is proposing a variance to the minimum lot width on a public road. The property is located south of 620 Stark Road. There parcel is approximately 9.4 acres in size. There are currently 4 lots served off the private easement that extends west from the intersection of Stark Road and Freeman Road. This parcel has existed for a number of years and Mr. Stowe recently purchased it. He wishes to get a variance approved so that it would be a buidable lot.

There is a 33 foot wide easement extending to all of the parcels from Freeman Road and that easement would be extended to the property if the Variance is approved.

Policy Objectives

The Zoning Ordinance states Variances may be granted when they are in harmony with the general purpose and intent of the ordinance, are consistent with the Comprehensive Plan, and when the applicant for the variances establishes that there are practical difficulties in complying with the official control. No variance may be granted unless all of the following conditions exist:

1. The property owner proposes to use the property in a reasonable manner not permitted by an official control;
2. The plight of the landowner is due to circumstances unique to the property not created by the landowner; and
3. The variance, if granted, will not alter the essential character of the locality.

Financial Impacts

The Variance fee is \$350. The applicant has paid this fee to cover the cost associated with the application process.



Community Development Department

101 14th Street • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

Advisory Committee Action Requested

The Planning Commission should listen to the testimony that is presented at the public hearing for the variance. Following this testimony, the Planning Commission should review the variance criteria and either approve or deny the variance as submitted. The Planning Commission may impose conditions in the granting of variances; those conditions must be directly related to and must bear a rough proportionality to the impact created by the variance.

Staff Recommendation

Staff has reviewed the variance requirements and would recommend approval of the variance subject to the conditions in the draft resolution.

Supporting Documents Attachments

- Resolution No. 20-06
- Location Map
- Lot Drawing

STATE OF MINNESOTA

COUNTY OF CARLTON

CITY OF CLOQUET

Commissioner _____ offered the following Resolution and moved its adoption.

RESOLUTION NO. 20-06

A RESOLUTION APPROVING A LOT FRONTAGE VARIANCE IN THE FR – FARM RESIDENTIAL DISTRICT FOR JASON STOWE

WHEREAS, Jason Stowe is proposing a Variance from the minimum lot frontage on a public road requirements in the FR – Farm Residential District; and

WHEREAS, As required by ordinance, notification was advertised in the Pine Knot and property owners within 350 feet have been notified. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on June 9, 2020 at which time Zoning Case / Development Review No. 20-06 was heard and discussed; and

WHEREAS, the property of the proposed Variance is located south of 620 Stark Road (PIN 06-510-1760) and is legally described as follows:

The Northwest Quarter of the Northeast Quarter of Section 10, Township 49 North, Range 17 West, Carlton County, Minnesota: EXCEPT the North 660 feet of said Northwest Quarter of the Northeast Quarter and EXCEPT the South 330 feet of said Northwest Quarter of the Northeast Quarter lying Easterly of the Easterly Railroad Right of Way and EXCEPT the Railroad Right of Way. And,

WHEREAS, the Planning Commission reviewed the staff report and approves the minimum lot frontage variance to allow a lot with no frontage on a public road versus the Ordinance minimum of 200 feet.

NOW, THEREFORE, BE IT RESOLVED, BY THE PLANNING COMMISSION OF THE CITY OF CLOQUET, MINNESOTA, that the Planning Commission approves Zoning Case 20-06 for a minimum lot frontage variance subject to the following condition:

- 1) A minimum easement width of 33 feet shall be established to access the parcel.

The foregoing motion was duly seconded by Commissioner _____ and being put to vote members voted: AYE: ___ NAY: ___ ABSENT: ___

MARK CLINE	_____	PHILIP DEMERS	_____
TERRI LYYTINEN	_____	ELIZABETH POLLING	_____
JOHN SANDERS	_____	URIAH WILKINSON	_____
ROBERT ZAPPIA	_____		

Passed and adopted this 9th day of June 2020.

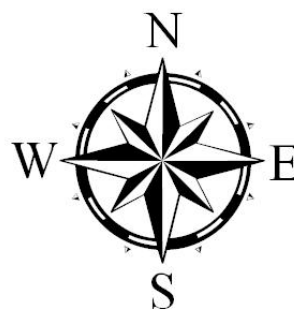
CITY OF CLOQUET

URIAH WILKINSON
CHAIR

ATTEST: _____
Alan Cottingham
City Planner/Zoning Administrator

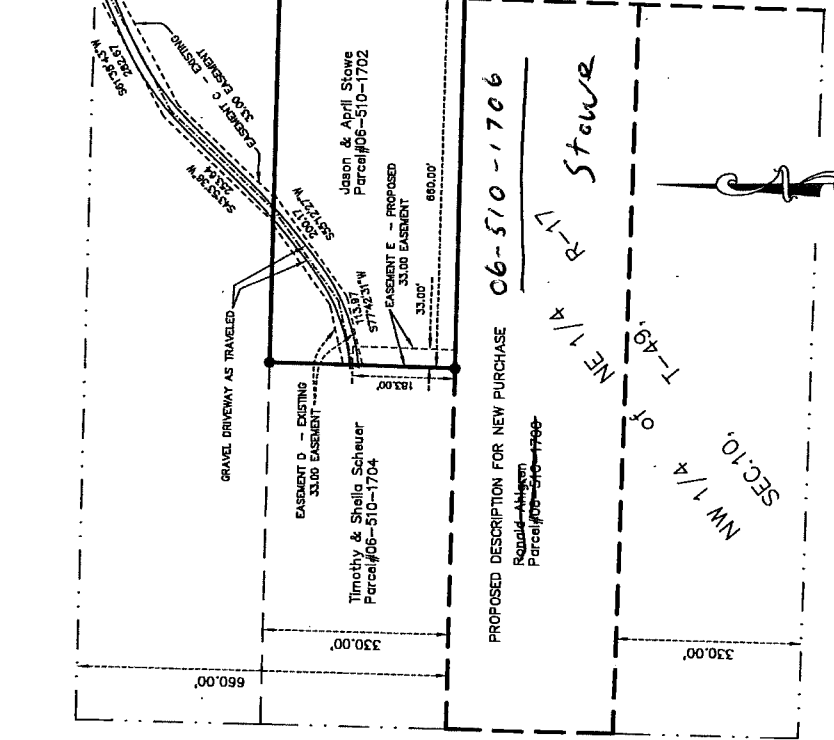
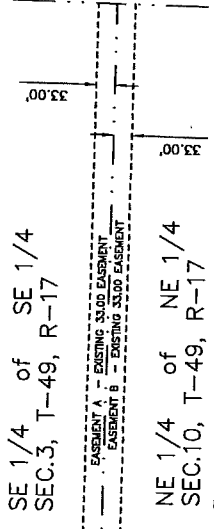
LOCATION MAP

Jason Stowe



NO SCALE

SKETCH TO SHOW DRIVEWAY FALLS WITHIN EXISTING EASEMENTS AND DRAFT LEGAL DESCRIPTION FOR POTENTIAL PURCHASE.



SKETCH FOR: **Jason Stowe**
 Dated: 12/20/2019

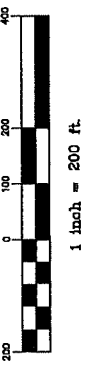
PROPOSED LEGAL DESCRIPTIONS:

The Northwest Quarter of the Northeast Quarter of Section 10, Township 49 North, Range 17 West, Carlton County, Minnesota; EXCEPT the North 660 feet of said Northwest Quarter of the Northeast Quarter and EXCEPT the South 330 feet of said Northwest Quarter of the Northeast Quarter.

TOGETHER WITH a perpetual non-exclusive driveway easement for ingress and egress and utility purposes over and across the following described real estate, to-wit:

- A. The South 33 feet of Southeast Quarter of Southeast Quarter, Section 3, Township 49, Range 17.
- B. The North 33 feet of the Northeast Quarter of Northeast Quarter, Section 10, Township 49, Range 17, AND
- C. TOGETHER WITH a 33.00 foot wide perpetual non-exclusive driveway easement for utility, ingress and egress purposes over, under and across part of the North Half of Northeast Quarter, Section 10, Township 49, Range 17. The centerline of said 33.00 foot wide easement is described as follows: Commencing at the Northeast corner of the Northwest Quarter of Northeast Quarter of said Section 10; thence on an assumed bearing of South 88 degrees 13 minutes 46 seconds East, along the North line of said Northeast Quarter, a distance of 25.00 feet to the actual point of beginning of the easement centerline herein described; thence South 61 degrees 38 minutes 43 seconds West a distance of 282.67 feet; thence South 43 degrees 53 minutes 36 seconds West a distance of 253.64 feet to the South line of the North 330.00 feet of said Northwest Quarter of Northeast Quarter and there said easement centerline terminating. The side lines of said easement are to be lengthened or shortened to terminate on said North line of the Northeast Quarter and said South line of the North 330.00 feet of the Northeast Quarter of Northeast Quarter, AND
- D. TOGETHER WITH a 33.00 foot wide perpetual non-exclusive driveway easement for utility, ingress and egress purposes over, under and across part of the North Half of Northeast Quarter, Section 10, Township 49, Range 17. The centerline of said 33.00 foot wide easement is described as follows: Commencing at the Northeast corner of the Northwest Quarter of Northeast Quarter of said Section 10; thence on an assumed bearing of South 88 degrees 13 minutes 46 seconds East, along the North line of said Northeast Quarter, a distance of 25.00 feet; thence South 61 degrees 38 minutes 43 seconds West a distance of 282.67 feet; then South 43 degrees 53 minutes 36 seconds West a distance of 253.64 feet to a point on the South line of the North 330.00 feet of said Northwest Quarter of Northeast Quarter, said point being the actual point of beginning of the easement centerline herein described; thence South 55 degrees 12 minutes 27 seconds West a distance of 200.17 feet; then South 77 degrees 42 minutes 31 seconds West a distance of 113.97 feet to the West line of the East 660.00 feet of the North 330.00 feet of the North 660.00 feet of said Northwest Quarter of Northeast Quarter and there said easement centerline terminating. The side lines of said easement are to be lengthened or shortened to terminate on said North line and West lines of said East 660.00 feet of the North 330.00 feet of the North 660.00 feet of said Northwest Quarter of Northeast Quarter, AND
- E. TOGETHER WITH a perpetual non-exclusive easement for utility, ingress and egress purposes over, under and across the West 33.00 feet of the East 660.00 feet of the South 183.00 feet of the North 660.00 feet of the Northwest Quarter of the Northeast Quarter of Section 10, Township 49, Range 17, Carlton County, Minnesota.

NORTHWESTERN
 SURVEYING & ENGINEERING, INC.
 P.O. Box 3967 - Bemidji, Minnesota - 56619



CERTIFICATION: I hereby certify that this survey was prepared by me or under my direct supervision and that I am a Professional Licensed Surveyor under the Laws of the State of Minnesota.
 Michael Shang PLS 52391



Community Development Department

101 14th Street • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

To: Planning Commission
From: Al Cottingham, City Planner/Zoning Administrator
Date: June 3, 2020

**ITEM DESCRIPTION: ZONING CASE 20-07: VARIANCE FOR VANESSA CRIST,
925 14TH STREET**

Background

Vanessa Crist has submitted a Variance application. The site is located at 925 14th Street.

The Variance is to the minimum front yard setback of 25 feet in order to add an addition onto the front of her home. The addition will involve living area and an attached garage and will be as close as 12 feet to the front property line versus the Ordinance minimum of 25 feet.

This area platted in 1963 with a right of way for a street platted on the north side of this property that was never built or vacated. Even though the house is addressed off of 14th Street it does not have frontage on 14th Street and thus the platted/unbuilt street of McKinney Avenue is the front yard. All of the lots within the McKinneys Subdivision are owned by Ms. Crist and it is highly unlikely that the streets would be constructed unless the property was sold to a developer. Staff has discussed vacating the street but felt that a future may wish to develop the subdivision and remove the existing house and out buildings and construct a number of new homes. Therefore we would not suggest vacating the street at this time.

A public hearing will be held on Tuesday, June 9, 2020 to consider a variance to the minimum front yard setback of 25 feet in order to add living area and attached garage onto the front of her home, the encroachment would be 13 feet into the required setback. A legal notice was published in the Pine Knot on May 29, 2020 and property owners within 350 feet were sent notices of the public hearing.

Policy Objectives

The Zoning Ordinance states Variances may be granted when they are in harmony with the general purpose and intent of the ordinance, are consistent with the Comprehensive Plan, and when the applicant for the variance establishes that there are practical difficulties in complying with the official control. No variance may be granted unless **all** of the following conditions exist:



Community Development Department

101 14th Street • Cloquet MN 55720

Phone: 218-879-2507 • Fax: 218-879-6555

1. The property owner proposes to use the property in a reasonable manner not permitted by an official control;
2. The plight of the landowner is due to circumstances unique to the property not created by the landowner; and
3. The variance, if granted, will not alter the essential character of the locality.

Financial Impacts

The Variance fee is \$350. The applicant has paid this fee to cover the cost associated with the application process.

Advisory Committee Action Requested

The Commission should review the Variance and take into account any comments pertaining to it. Following this review the Planning Commission can approve the request, deny the request or table the request for some additional information.

Staff Recommendation

Staff would recommend approval of the Variance as submitted. This is an unusual situation with the platted street not being constructed and no municipal utilities being constructed either.

Supporting Documents Attachments

- Resolution No. 20-07
- Location Map
- Site Plan
- Plat

STATE OF MINNESOTA

COUNTY OF CARLTON

CITY OF CLOQUET

Commissioner _____ offered the following Resolution and moved its adoption.

RESOLUTION NO. 20-07

A RESOLUTION APPROVING A VARIANCE TO THE MINIMUM FRONT YARD SETBACK IN THE R2 – ONE AND TWO FAMILY RESIDENCE DISTRICT FOR VANESSA CRIST

WHEREAS, Vanessa Crist is proposing a Variance to the minimum front yard setback in the R2 – One and Two Family Residence District; and

WHEREAS, the property of the proposed Variance is located at 925 14th Street and is legally described as follows:

Lot 4, Block 1, McKinneys Subdivision, Carlton County, Minnesota. And,

WHEREAS, the Planning Commission reviewed the staff report and approves the Variance.

NOW, THEREFORE, BE IT RESOLVED, BY THE PLANNING COMMISSION OF THE CITY OF CLOQUET, MINNESOTA, that the Planning Commission approves Zoning Case 20-07 for a Variance for Vanessa Crist to allow a thirteen-foot encroachment into the front yard setback of 25 feet.

The foregoing motion was duly seconded by Commissioner _____ and being put to vote members voted: AYE: ____ NAY: ____ ABSENT: ____

MARK CLINE	_____	PHILIP DEMERS	_____
TERRI LYYTINEN	_____	ELIZABETH POLLING	_____
JOHN SANDERS	_____	URIAH WILKINSON	_____
ROBERT ZAPPIA	_____		

Passed and adopted this 9th day of June 2020.

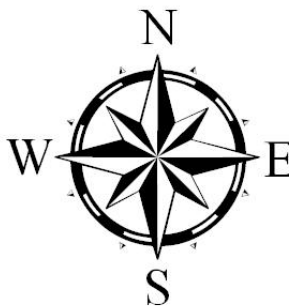
CITY OF CLOQUET

URIAH WILKINSON
CHAIR

ATTEST: _____
Alan Cottingham
City Planner/Zoning Administrator

LOCATION MAP

Vanessa Crist



NO SCALE

DEDICATED ROW



06-250-0100

925

06-250-0080

06-250-0120

06-335-0380

06-335-0360

06-335-0340

06-335-0300

06-335-0200
Carlton County GIS

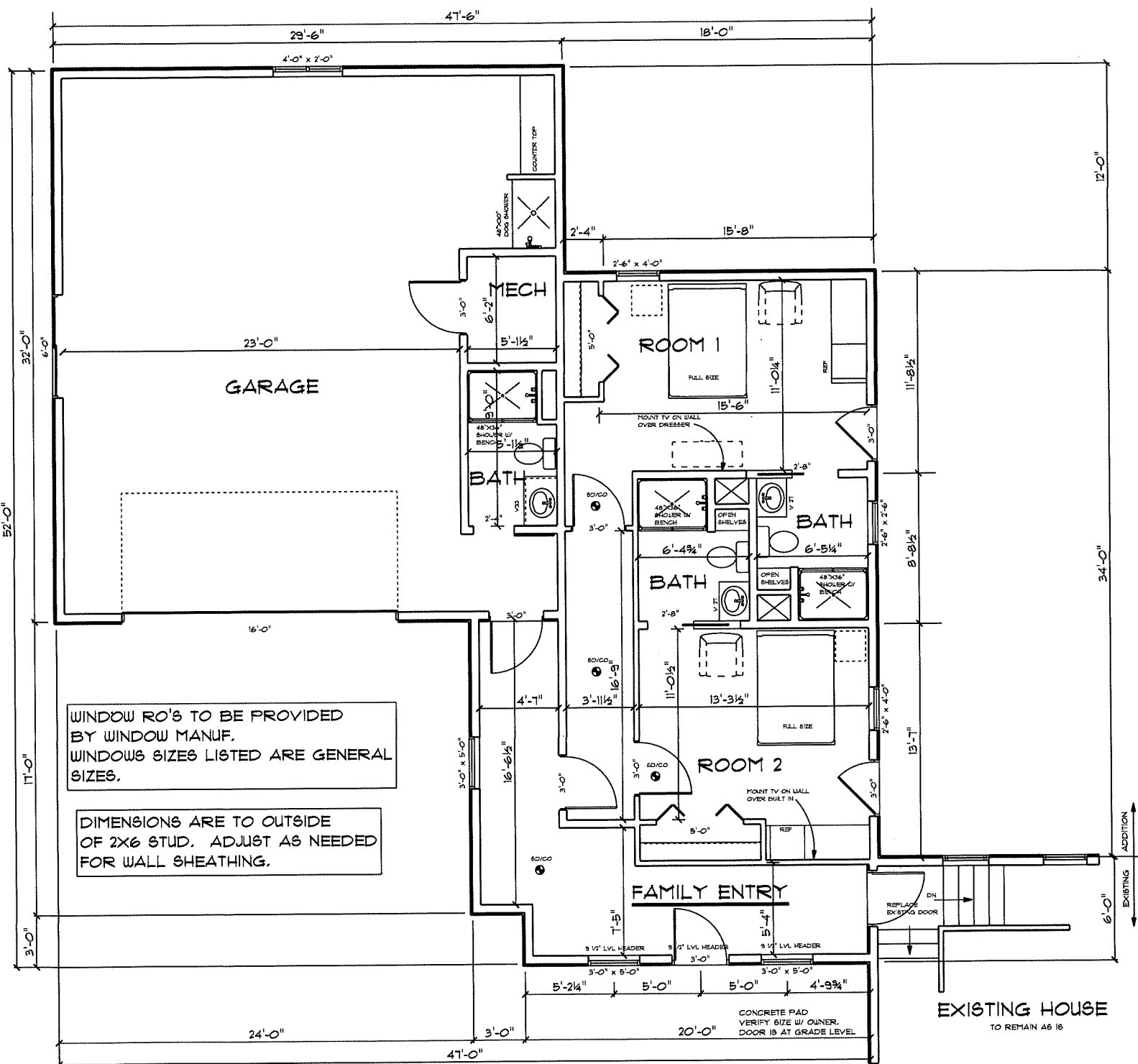
This data is provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose. Not for survey purposes.

925 14th



Carlton County, MN

Date: 5/20/2020



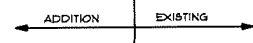
WINDOW RO'S TO BE PROVIDED BY WINDOW MANUF. WINDOWS SIZES LISTED ARE GENERAL SIZES.

DIMENSIONS ARE TO OUTSIDE OF 2X6 STUD. ADJUST AS NEEDED FOR WALL SHEATHING.

ALL EXISTING DIMENSIONS TO BE FIELD VERIFIED BY CONTRACTOR AT SITE BEFORE ORDERING MATERIALS OR START OF PROJECT.

MAIN LEVEL LAYOUT
SCALE: 1/4" = 1'-0"

ADDITION IS ON A SLAB W/ FOOTINGS



MS DESIGNS FOR RESIDENTIAL HOME DESIGNS PHONE: 218-818-1076 / msdesigns_40@nwn.com		SHEET INFO. MAIN LEVEL LAYOUT	
		DRAWN BY: MINDY SONNEMAN JOB TYPE: ADDITION	DATE: 11-16-20
JOB NAME: VANESSA CRIST		REVISION: 5-18-20	



Community Development Department

101 14th Street • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

To: Planning Commission
From: Al Cottingham, City Planner/Zoning Administrator
Date: June 3, 2020

**ITEM DESCRIPTION: ZONING CASE 20-05: ZONING ORDINANCE TEXT
AMENDMENT – MOBILE STORAGE STRUCTURES**

Background

The City of Cloquet is proposing to amend Section 17.5.07 Mobile Storage Structures of the City Code (Zoning Ordinance).

The change to the Mobile Storage Structures is to allow mobile storage structures in the commercial and industrial districts with limitations. See the attached Draft Ordinance Amendment for the changes.

A public hearing will be held on Tuesday, June 9, 2020 to consider a possible amendment to Section 17.5.07. A legal notice was published in the Pine Knot on May 29, 2020, Property owners were **not** sent a notice of the hearing since this is a textual amendment.

Policy Objectives

As times change amendments to the Ordinance are made to try to stay current with things.

Financial Impacts

The Zoning Ordinance Text Amendment fee is \$300. These fees have been waived since the city is the applicant.

Advisory Committee Action Requested

The Planning Commission should listen to the testimony that is presented at the public hearing and review the proposed language changes. Following this review the Planning Commission can recommend approval of the request, recommend denial of the request or table the request for some additional information.

Staff Recommendation

Staff would recommend approval of the Zoning Ordinance Text Amendment as identified in the attached pages.

Supporting Documents Attachments

- Resolution No. 20-09

STATE OF MINNESOTA

COUNTY OF CARLTON

CITY OF CLOQUET

Commissioner _____ offered the following Resolution and moved its adoption.

RESOLUTION NO. 20-09

A RESOLUTION RECOMMENDING THE CITY COUNCIL OF CLOQUET APPROVE THE ATTACHED ORDINANCE RELATING TO MOBILE STORAGE STRUCTURES

WHEREAS, the City of Cloquet is proposing to amend the Zoning Ordinance related mobile storage structures; and

WHEREAS, As required by ordinance, notification was advertised in the Pine Knot. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on June 9, 2020 at which time Zoning Case / Development Review No. 20-09 was heard and discussed; and

WHEREAS, the Planning Commission reviewed the staff report and recommends approval of the attached Ordinance.

NOW, THEREFORE, BE IT RESOLVED, BY THE PLANNING COMMISSION OF THE CITY OF CLOQUET, MINNESOTA, that the Planning Commission recommends approval of Zoning Case 20-09 to the Cloquet City Council.

The foregoing motion was duly seconded by Commissioner _____ and being put to vote members voted: AYE: ___ NAY: ___ ABSENT: ___

MARK CLINE	_____	PHILIP DEMERS	_____
TERRI LYYTINEN	_____	ELIZABETH POLLING	_____
JOHN SANDERS	_____	URIAH WILKINSON	_____
ROBERT ZAPPIA	_____		

Passed and adopted this 9th day of June 2020.

CITY OF CLOQUET

URIAH WILKINSON
CHAIR

ATTEST: _____
Alan Cottingham
City Planner/Zoning Administrator

ORDINANCE NO. XXX

AN ORDINANCE TO AMEND CHAPTER 17 OF THE MUNICIPAL CODE PERTAINING TO MOBILE STORAGE STRUCTURES

The City Council of the City of Cloquet does hereby ordain as follows:

Section 1. **Section 17.5.07, Mobile Storage Structures,** is deleted and replaced with the following to read as follows:

17.5.07 Mobile Storage Structures/Shipping Containers. Any assembly of materials which is so designed, constructed or reconstructed to make it portable and capable of movement from one site to another, designed to be used without a permanent foundation, designed with the purpose of storing tangible property and not for occupancy by persons, and to have one dimension exceeding ten (10) feet.

Subd. 1 Procedure for Residential Properties. The erection of a mobile storage structure shall require an administrative permit as may be issued by the City Planner/Zoning Administrator, except as otherwise provided by this Chapter.

Subd. 2 Special Requirements for Residential Properties.

- A. Location. Mobile storage structures may be located as a temporary structure on property within the City.
- B. Time Limitations. Mobile storage structures are allowed for a period not exceeding 48 hours in duration on a public street and not exceeding three weeks on private property, from time of delivery to time of removal. Exceptions for special circumstances may be granted by the City Planner/Zoning Administrator.
- C. Placement. No more than one mobile storage structure may be located on a specific piece of property within the City at one time. Such temporary structure may not be located on a specific property more than two times in any sixty-calendar-day period. Such temporary structure shall be located no closer than ten (10) feet to the property line unless on a driveway and must be placed on an impervious surface. Such structure may not be placed in a fire lane, or sidewalk. Such structure may not exceed eight feet six inches in height, ten (10) feet in width or twenty (20) feet in length. It shall be the obligation of the owner or user of such temporary structure to secure it in a manner that does not endanger the safety of persons or property in the vicinity of the temporary structure.

Subd. 3 Commercial/Industrial Properties. The erection of a mobile storage structure/shipping container is allowed on commercial and industrial properties. The storage structures do not need to meet any design standards that may apply to the property. The storage structures can only be used by the businesses that are located on the site and not rented out for other users on the site. Containers may be kept on the site for purposes of being for sale or rental purposes off the site.

- A. Location. Mobile Storage structures/shipping containers are considered an accessory structure and must be located on property with a principal structure.
- B. Time Limitations. Unless the mobile storage structure/shipping containers are for sale or rental off site then they are allowed for a six-month period. There is no time limit on for sale or rental units.
- C. Placement. No more than 10 mobile storage structures/shipping containers may be located on a piece of property within the City at one time unless they are being offered for sale or rental off site. Such structure may not be placed in a fire lane or on a sidewalk and must meet the minimum setbacks for an accessory structure in the zoning district they are located in.

Section 2. Effective Date. This ordinance shall take effect and be in force from and after its passage and publication in accordance with law.

Passed this ____ day of _____ 2020.

CITY OF CLOQUET

By: _____
Its Mayor

ATTEST:

By: _____
Its City Administrator

Published this _____ day of _____, 2020.



Community Development Department

101 14th Street • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

To: Planning Commission
From: Al Cottingham, City Planner/Zoning Administrator
Date: June 3, 2020

**ITEM DESCRIPTION: ZONING CASE 20-03: EASEMENT VACATION –
VACATING THE NORTH/SOUTH UTILITY EASEMENT
LYING BETWEEN BIG LAKE ROAD AND ARMORY
ROAD WEST OF HIGHWAY 33 SOUTH**

Background

The City of Cloquet is proposing to vacate the north/south utility easement between Big Lake Road and Armory Road west of Highway 33 South. This is being requested since the utility easement was platted with the Lumberjack Addition and did contain sewer and water lines until a reconstruction project last year were relocated outside of the easement. There are no longer any utilities located within the area being vacated.

A public hearing will be held on Tuesday, June 9, 2020 to consider a possible easement vacation. A legal notice was published in the Pine Knot on May 22, 2020 and effected property owners were emailed notices of the public hearing.

Policy Objectives

There is no formal requirement on determining if an easement should be vacated. It is really up to a commonsense approach as to whether there is currently or will be in the future a need for the easement that is being vacated. The utilities that existed within the easement have been relocated within the frontage road along with other utilities.

Financial Impacts

The filing fee for the vacation of an easement is \$350.00. The fee since the City is the applicant.

Advisory Committee Action Requested

The Planning Commission should listen to the testimony that is presented at the public hearing for the vacation. Following this testimony, the Planning Commission should review the vacation and either recommend approval or denial the vacation as submitted.

Staff Recommendation

Staff has reviewed the vacation request and would recommend approval of the vacation.

Supporting Documents Attachments

- Resolution No. 20-03
- Location Map
- Easement Drawing

STATE OF MINNESOTA

COUNTY OF CARLTON

CITY OF CLOQUET

Commissioner _____ offered the following Resolution and moved its adoption.

RESOLUTION NO. 20-03

A RESOLUTION RECOMMENDING APPROVAL OF THE VACATION OF THE NORTH/SOUTH UTILITY EASEMENT LYING BETWEEN BIG LAKE ROAD AND ARMORY ROAD, WEST OF HIGHWAY 33 SOUTH

WHEREAS, The City of Cloquet is proposing to vacate the north/south utility easement lying between Big Lake Road and Armory Road, west of Highway 33 South; and

WHEREAS, As required by ordinance, notification was advertised in the Pine Knot and effected property owners have been notified. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on June 9, 2020 at which time Zoning Case / Development Review No. 20-03 was heard and discussed; and

WHEREAS, the property of the proposed Vacation is located south of Big Lake Road, north of Armory Road and west of Highway 33 South and is legally described as follows:

The 20-foot wide platted Utility Easement located in the easterly portion of Lots 1 and 4, Block 1, LUMBERJACK, Carlton County, Minnesota. AND
All that part of the 20-foot wide platted utility easement lying within Lot 3, Block 1, LUMBERJACK, according to the recorded plat thereof, Carlton County, Minnesota, lying southerly of a 20-foot wide platted utility easement and northerly of platted service road, the easterly line of said easement to be vacated being more specifically described as follows:
Commencing at the northeast corner of said Lot 3A; thence South 26 degrees 33 minutes 45 seconds East a distance of 20.33 feet to the point of intersection of the westerly line of said State Trunk Highway No. 33 and the south line of an existing platted utility easement according to said LUMBERJACK plat, said point being the beginning of a non-tangential curve, concave to the north, having a radius of 548.22 feet, a central angle of 6 degrees 02 minutes 08 seconds, and a chord bearing of South 75 degrees 39 minutes 51 seconds West; thence westerly along said line and curve a distance of 57.72 feet to the Point of Beginning; thence South 30 degrees 39 minutes 21 seconds East a distance of 125.71 feet to the northerly line of said platted service road and there terminating.

And,

WHEREAS, the Planning Commission reviewed the staff report and recommends approval of the vacation.

NOW, THEREFORE, BE IT RESOLVED, BY THE PLANNING COMMISSION OF THE CITY OF CLOQUET, MINNESOTA, that the Planning Commission recommends approval of Zoning Case 20-03 for a vacation of the north/south utility easement lying between Big Lake Road and Armory Road, west of Highway 33 South.

The foregoing motion was duly seconded by Commissioner _____ and being put to vote members voted: AYE: _____ NAY: _____ ABSENT: _____

MARK CLINE	_____	PHILIP DEMERS	_____
TERRI LYYTINEN	_____	ELIZABETH POLLING	_____
JOHN SANDERS	_____	URIAH WILKINSON	_____
ROBERT ZAPPIA	_____		

Passed and adopted this 9th day of June 2020.

CITY OF CLOQUET

URIAH WILKINSON
CHAIR

ATTEST: _____
Alan Cottingham
City Planner/Zoning Administrator

KNOW ALL MEN BY THESE PRESENTS:-- That Burn Corporation, a Corporation existing under the laws of the State of Minnesota, and Frank J. Benkoski and Jennie Benkoski, husband and wife, and Ray Riihiluoma and Marilyn M. Riihiluoma, husband and wife, and Robert Unzen and Adele Unzen, husband and wife, and Harry Newby III and Jill M. Newby, husband and wife, being the owners of all that part of the Northeast Quarter of the Southwest Quarter of Section 23, Township 49 North, Range 17 West, lying on the westerly and southwesterly side of Trunk Highway No. 33, except that part of said Northeast Quarter of Southwest Quarter lying South and East of the following described line: Commencing at the Southwest corner of said Northeast Quarter of Southwest Quarter, thence bearing North 89° 49' 30" East on the South line thereof a distance of 497.60' to the point of beginning of the line to be herein described, thence bearing North 55° 19' 58" East a distance of 247.22', thence bearing North 0° 07' 53" East a distance of 6.80', thence bearing North 47° 49' 53" East a distance of 300.18' to the Southeastly Right of Way line of a Service Road adjacent to Trunk Highway No. 33 and there terminating, and except the Right of Way of County State Aid Highway No. 7, and a tract of land in the Northwest Quarter of the Southwest Quarter of said Section 23, including Lot 8 of Block 4 of Auditor's Subdivision No. 31, and more particularly described as follows, to wit: Beginning at the Northwest corner of Lot 8 of Block 4 of Auditor's Subdivision No. 31, thence on an assumed bearing of South 89° 34' East on the North line of said Lot 8 a distance of 165.0', thence bearing North 1° 20' West on a Northerly extension of the East line of said Lot 8 a distance of 14.52' to the North line of said Northwest Quarter of Southwest Quarter, thence bearing North 89° 43' East on the North line thereof a distance of 57.57' to the Northeast corner thereof, thence bearing South 0° 00' 23" West on the East line of said Northwest Quarter of Southwest Quarter a distance of 469.01' to the North Right of Way line of County State Aid Highway No. 7, thence bearing North 89° 34' West on the North Right of Way line of said County State Aid Highway No. 7 a distance of 211.60' to the West line of said Lot 8, thence bearing North 1° 20' West on the West line of said Lot 8 a distance of 454.0' to the point of beginning, and that part of the Northwest Quarter of the Southwest Quarter including Lot 10 and the East 226' of Lots 11 and 12 of Block 6 of Auditor's Subdivision No. 31 described as follows: Beginning at the Southeast corner of said Northwest Quarter of Southwest Quarter, thence bearing North 0° 00' 23" East on the East line thereof a distance of 318.64', thence bearing North 89° 34' West a distance of 34.65' to the Northeast corner of Lot 12 of Auditor's Subdivision No. 31, thence continuing on this same straight line a distance of 226.0', thence bearing South 1° 14' 30" East a distance of 330.53' to the Southwest corner of Lot 10, thence bearing South 89° 42' East a distance of 226.0' to the Southeast corner of said Lot 10, thence bearing North 1° 14' 30" West a distance of 10.93', thence bearing North 89° 49' 30" East a distance of 27.69' to the point of beginning; being desirous of plating the same into a Block and Lots, have caused the same to be surveyed and this plat to be made in accordance with the statutes in such cases made and provided, NOW THEREFORE, we do ratify and confirm, in all respects, said survey and plat thereof as "LUMBERJACK", and sign, seal and execute said plat and dedicate to public use the Service Road delineated thereon and easements for the installation of public utilities are granted as indicated on this plat.

IN WITNESS WHEREOF:-- we hereunto set our hands and seals this _____ day of _____, A.D., 197__.

Signed in presence of _____
 Corporate Owners - Burn Corporation
 President _____
 Secretary _____
 Owners' _____

STATE OF MINNESOTA) SS
 COUNTY OF _____) On this _____ day of _____, 197__, before me, a Notary Public within and for said County, personally appeared Frank J. Benkoski and Ray Riihiluoma to me personally known, who, being each duly sworn did say that they are respectively the President and Secretary of Burn Corporation, the Corporation named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors and said Frank J. Benkoski and Ray Riihiluoma, Burn Corporation, acknowledged said instrument to be the free act and deed of said Corporation; and also appeared before me Frank J. Benkoski and Jennie Benkoski, husband and wife, and Ray Riihiluoma and Marilyn M. Riihiluoma, husband and wife, and Robert Unzen and Adele Unzen, husband and wife, and Harry Newby III and Jill M. Newby, husband and wife, to me well known to be the persons described in and who executed the foregoing certificate and acknowledged the same as their free act and deed.

Notary Public, _____ County, Minnesota
 My commission expires _____

STATE OF MINNESOTA) SS
 COUNTY OF CARLTON) I, Neupert W. Swanson, hereby certify that I am a Registered Land Surveyor, in the State of Minnesota, and have, at the request of the proprietors thereof, made a careful survey of the property described in the foregoing certificate of proprietors and have platted the same into a Block and Lots and a Service Road, as more fully appears on this plat entitled "LUMBERJACK". The plat is a true and correct representation of the field survey, all distances are correctly shown in feet and decimals of feet on the plat, monuments for the guidance of future surveys have been correctly placed in the ground as shown, the outside boundary lines are correctly designated, there are no wet lands, rivers, streams, lakes, highways or thoroughfares opened or traveled existing before the platting, other than shown on this plat.

Neupert W. Swanson Registered Land Surveyor No. 5709
 Subscribed and sworn to before me this _____ day of _____, 197__.

Notary Public, Carlton County, Minnesota
 My commission expires _____

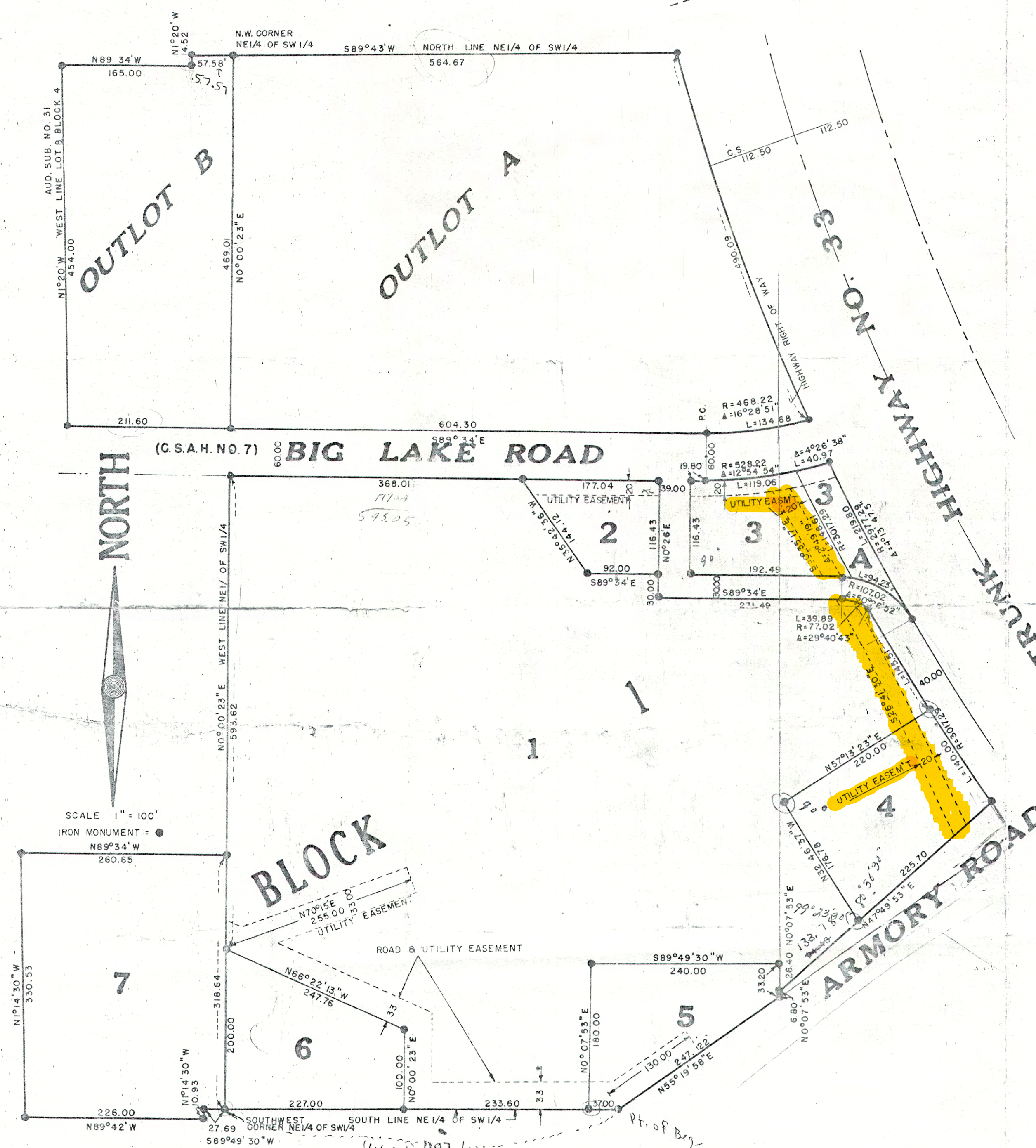
Approved as to form and execution this _____ day of _____, 197__.

This is to certify that the annexed entitled plat of "LUMBERJACK" was accepted and passed by the City Council of Cloquet, Minnesota this _____ day of _____, 197__.

President, City Council _____

STATE OF MINNESOTA) SS
 COUNTY OF _____) The foregoing instrument was acknowledged before me this _____ day of _____, A.D., 197__ by _____ and _____ of the City National Bank of Cloquet, on behalf of said Corporation.

Notary Public _____ County, Minnesota
 My commission expires _____

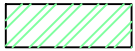


Plat Restrictions:
 Future construction on Lots in this plat shall conform to the architectural theme set in the primary construction of Lumberjack Mall, and on file in the City offices and recorded with this plat.

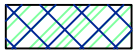
LUMBERJACK

CITY OF CLOQUET, MINNESOTA

PIZZA HUT



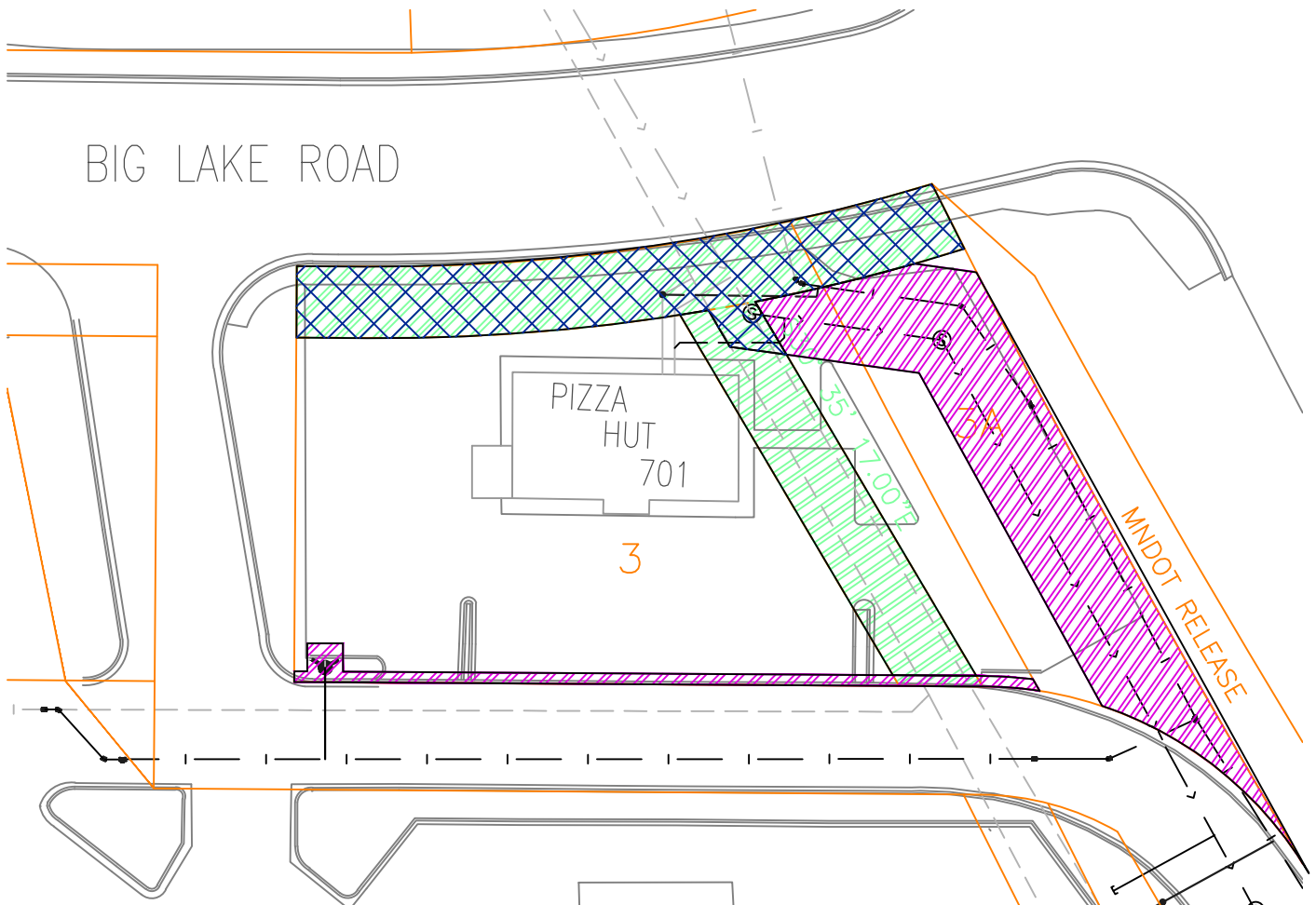
ABANDON EXISTING EASEMENT
 ≈ 2202 SQ.FT.



EXISTING EASEMENT TO REMAIN
 ≈ 3870 SQ.FT.



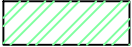
PROPOSED EASEMENT
 ≈ 5508 SQ.FT.

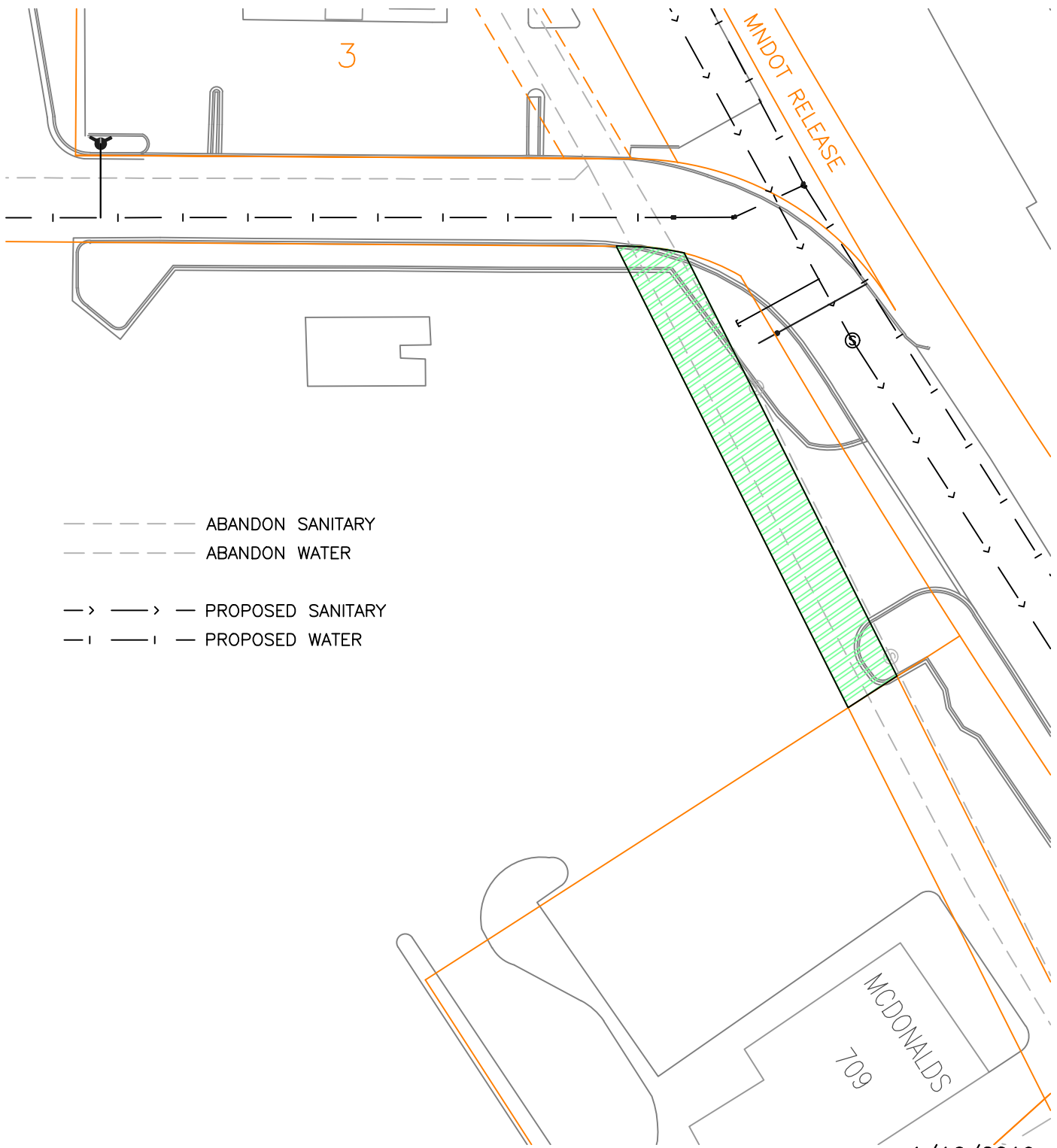


- > — > — EXISTING SANITARY
- | — | — EXISTING WATER
- --- ABANDON SANITARY
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- > — > — PROPOSED SANITARY
- | — | — PROPOSED WATER



MINERS PROPERTY

 ABANDON EXISTING EASEMENT
≈ 3440 SQ.FT.

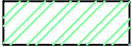


- ABANDON SANITARY
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MCDONALDS
709



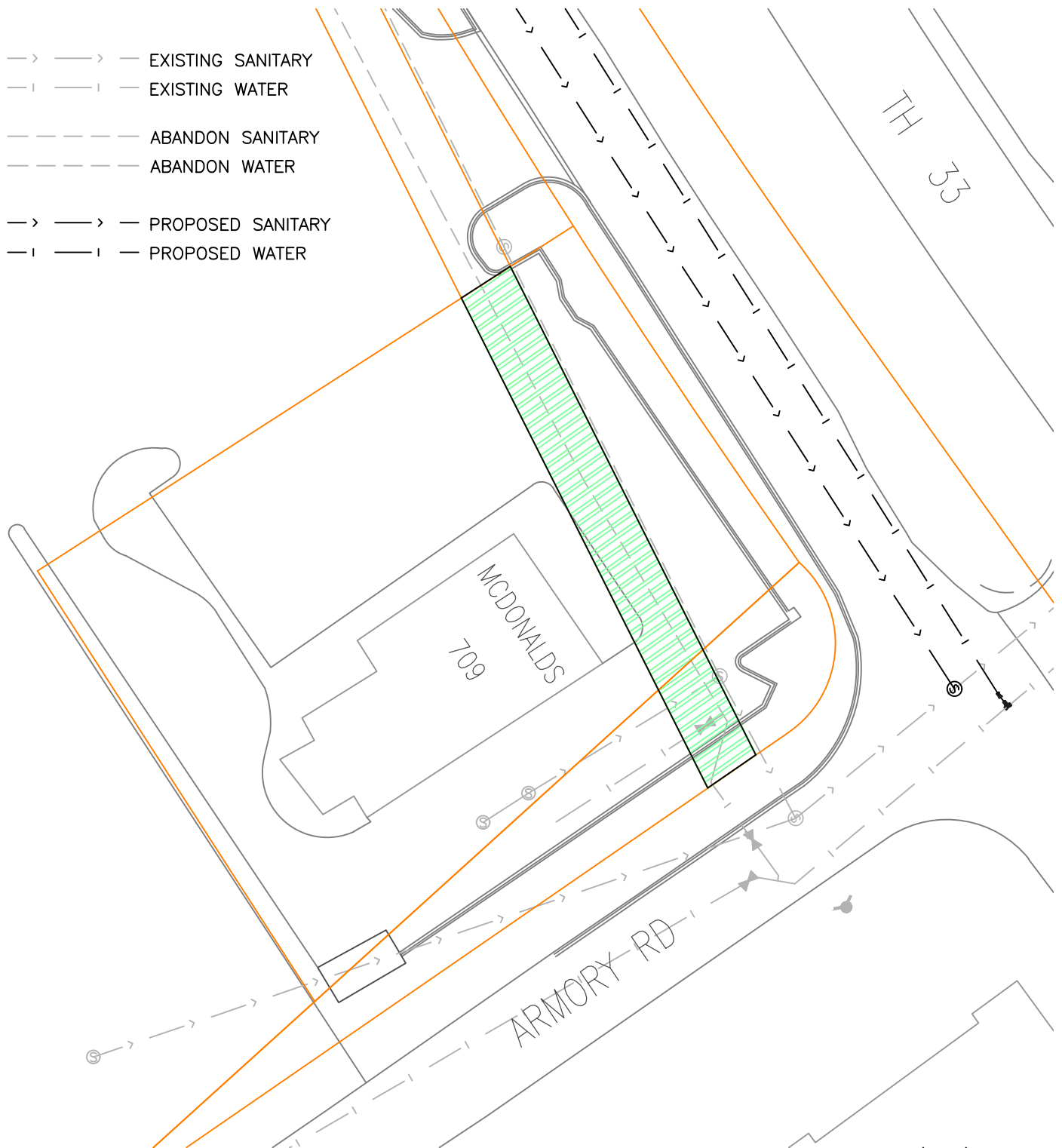
McDONALDS

 **ABANDON EXISTING EASEMENT**
≈ 3781 SQ.FT.

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- | - | - PROPOSED WATER





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

To: Planning Commission
From: Al Cottingham, City Planner/Zoning Administrator
Date: June 3, 2020

ITEM DESCRIPTION: ZONING CASE 20-08: SPECIAL EVENT FOR SKB ENVIRONMENTAL CLOQUET LANDFILL

Background

On February 15, 2011 the City Council approved a conditional use permit for Shamrock Environmental, LLC for an Industrial Waste Landfill at 761 Highway 45 subject to a number of conditions. As part of the operating hours condition there was a provision that allowed “The Landfill may operate on a 24-hour basis as needed for special events, leachate hauling, and emergency conditions (as defined below). When possible, the Owner/Operator will provide written notice to the City and receive City approval when accepting waste outside of normal operating hours. In the event of an emergency where written request for approval is not possible, the Owner/Operator must notify the City verbally and follow up in writing within 72 hours after the request providing justification for the changed hours and the estimated time when normal operating hours will resume. An “emergency condition” is defined as a catastrophic event in the region requiring immediate removal of waste to restore order.”

In 2017 there was an issue when staff allowed a “Special Event” to occur that extended the allowed hours by two hours, 7 am to 7 pm Monday – Saturday. Because of the issue the Zoning Ordinance was amended by adding a definition for “Special Event”. The definition is as follows:

Special Event. Means a unique or unforeseen event of limited duration occurring within the City of Cloquet or within 30 miles of the primary site of the special event site which is within the City of Cloquet, and is of such significance as to allow for the relaxation of zoning requirements and the implementation of special provisions when provided in any permit, variance, or other zoning document.

The Zoning Administrator shall make the final determination as to whether the significance of a special event 7 days or less in duration rises to the level of a Special Event. The Planning Commission shall be the approval authority of all special events in excess of 7 days. A special event may be extended by the approval authorities noted above.



SKB Environmental Cloquet Landfill is proposing the following:

SAPPI Paper Cloquet is starting a large-scale demolition project and SKB/Shamrock is the awarded vendor for all trucking and disposal requirements for the project. Because of the nature of the demolition and the site constraints most loads will need to be loaded directly from the demolition rather than being loaded from a stockpile of material. In order to meet the project scope, we are requesting our normal operational hours to be 7am – 7pm, 6 days per week. The project is expected to last for several months. See attached for full narrative of request.

This request is not a public hearing and only requires approval or denial from the Planning Commission. This will allow 2 additional hours of operation Monday – Saturday just for this request.

Policy Objectives

The Special Event is for the Industrial Landfill in the HI – Heavy Industry District. The landfill is a permitted use that conditions can be placed on to ensure adequate conditions and thresholds are in place to provide protections from the approved land use.

Staff Review

A determination needs to be made if this request is a unique or unforeseen event of limited duration within the City of Cloquet or within 30 miles of the site. The SAPPI Paper Cloquet site is within the City limits of Cloquet. The next question is whether or not this is a unique or unforeseen event of limited duration. Staff believes this is a unique event with the unusual difficulties of the demolition and placed in a landfill.

Financial Impacts

There is no fee associated with a Special Event.

Staff Recommendation

Staff recommends that the Planning Commission move to adopt Resolution 19-18, A Resolution approving the special event amendment for property located at 761 Highway 45 for SKB Environmental Cloquet Landfill fill subject to the conditions in the attached resolution.

Attachments

- Resolution 20-08
- Location Map
- Petitioner's Narrative

STATE OF MINNESOTA

COUNTY OF CARLTON

CITY OF CLOQUET

Commissioner _____ offered the following Resolution and moved its adoption.

RESOLUTION NO. 20-08

**A RESOLUTION _____ A SPECIAL EVENT FOR SKB ENVIRONMENTAL
CLOQUET LANDFILL**

WHEREAS, an Application has been submitted by SKB Environmental Cloquet Landfill for a Special Event; and

WHEREAS, the property of the proposed Special Event is located at 761 Highway 45 and is legally described as follows:

That part of the West 390.00 feet of the Northwest Quarter of the Southeast Quarter, Section 25, Township 49, Range 17, Carlton County, Minnesota, which lies southerly of Interstate Highway 35 and northerly of the South 100.00 feet of said Northwest Quarter of the Southeast Quarter.

AND ALSO

That part of the South 100.00 feet of the North Half of the Southeast Quarter, Section 25, Township 49, Range 17, Carlton County, Minnesota, which lies westerly of the right-of-way of the Great Northern Railway (now known as Burlington Northern Santa Fe Railroad).

AND ALSO

That part of the East 600.00 feet of the Northeast Quarter of the Southwest Quarter, Section 25, Township 49, Range 17, Carlton County, Minnesota, which lies southerly of Interstate Highway 35.

AND ALSO

The east 600.00 feet of the Southeast Quarter of the Southwest Quarter, Section 25, Township 49, Range 17, Carlton County, Minnesota.

AND ALSO

The South Half of Southeast Quarter lying West of Great Northern Railway Company's right-of-way (now known as Burlington Northern Santa Fe Railroad), Section 25, Township 49, Range 17, according to the United States Government Survey thereof.

EXCEPT those two parcels lying within the following described tracts;

1. Beginning at a point on the south line of said Section 25, distant 100 feet west of the southeast corner of SW ¼ of SE ¼ thereof; thence run northeasterly at an angle of 68 degrees 00 minutes with said south line for 475 feet; thence deflect to the left at an angle of 112 degrees 00 minutes for 500 feet; thence deflect to the left at an angle of 68 degrees 00 minutes for 475 feet; thence deflect to the left at an angle of 112 degrees 00 minutes for 500 feet to the beginning.

2. From a point on the south line of said Section 25 distant of 100 feet west of the southeast corner of SW ¼ of SE 1/4 , thereof, run northeasterly at an angle of 68 degrees 00 minutes with said south section line for 475 feet to the point of beginning; thence continue northeasterly along the above described course to its intersection with a line run parallel with and distant 660 feet north of the south line of said Section 25; thence run west along said 660 foot parallel line to its intersection with a line run parallel with and distant 992 feet west of the east line of the SW ¼ of SE ¼ of said Section 25; thence run south along said 992 foot parallel line to the south line of said Section 25; thence run east along said section line for 392 feet; thence deflect to the left 68 degrees 00 minutes for 475 feet; thence deflect to the right 68 degrees for 500 feet to the point of beginning.

WHEREAS, the Cloquet Planning Commission reviewed the Application for a Special Event for SKB Environmental Cloquet Landfill to allow the hours of operation to be 7am – 7pm, 6 days a week to receive material from a demolition project at SAPPI; and,

NOW THEREFORE BE IT RESOLVED, BY THE PLANNING COMMISSION OF THE CITY OF CLOQUET, MINNESOTA, that the Planning Commission _____ Zoning Case 20-08 for a Special Event for SKB Environmental Cloquet Landfill for the following reason:

1. This is a unique or unforeseen event of limited duration occurring within the City of Cloquet and is of such significance as to allow for the relaxation of the zoning requirements.

The foregoing motion was duly seconded by Commissioner _____ and being put to vote members voted: AYE: ____ NAY: ____ ABSENT: ____

MARK CLINE	_____	PHILIP DEMERS	_____
TERRI LYYTINEN	_____	ELIZABETH POLLING	_____
JOHN SANDERS	_____	URIAH WILKINSON	_____
ROBERT ZAPPIA	_____		

Passed and adopted this 9th day of June 2020.

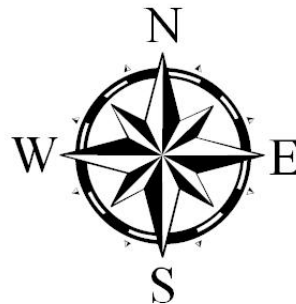
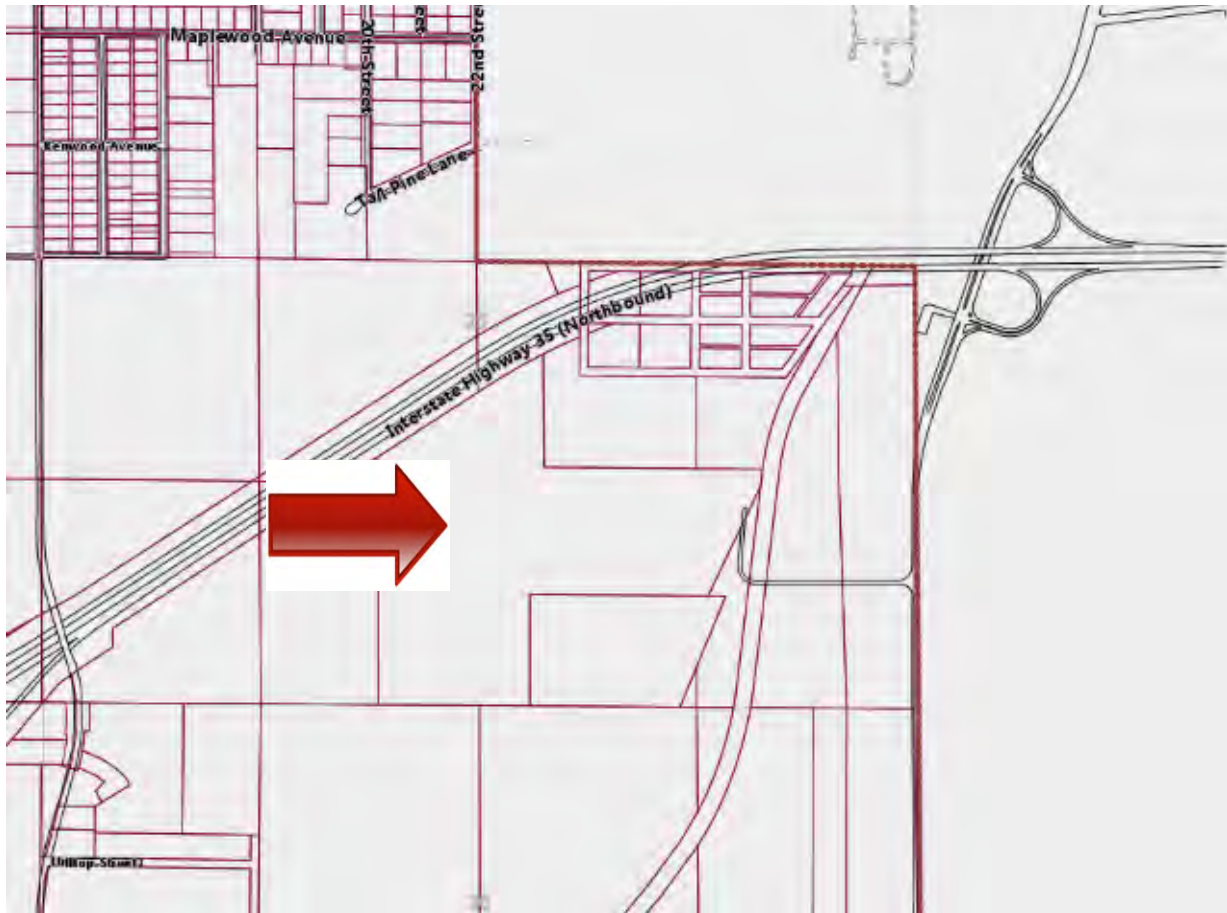
CITY OF CLOQUET

 URIAH WILKINSON
 CHAIR

ATTEST: _____
 Alan Cottingham
 City Planner/Zoning Administrator

LOCATION MAP

SKB Environmental Cloquet Landfill



NO SCALE

From: [Kyle Backstrom](#)
To: [Al Cottingham](#)
Cc: [Dave Wiggins](#); [Geoff Strack](#)
Subject: Sappi Demo Extended Hours Request
Date: Thursday, May 28, 2020 4:02:54 PM
Attachments: [image001.png](#)

Mr. Cottingham,

We would like to be put on the agenda for the upcoming Planning & Zoning meeting scheduled for June 9th for consideration of the following request. This request is being made under the Special Events clause in our CUP agreement. This project is within the 30 mile range but exceeds the 7 day duration benchmark.

Sappi Paper Cloquet is in the beginning stages of a large scale demo project. SKB/Shamrock is the awarded vendor for all trucking and disposal requirements for the demo. This project is expected to take several months to complete with several thousand tons of material being slated for disposal and approximately 1,000 trucking hours to bring this job to completion. This is a sizable project. The area of building that is being demolished has some space constraints that will limit stockpiling of material, therefore most loads will have to be "live loaded." Live loads are when the structure is taken down and placed directly into the waiting transport vehicle. With our current gate hours sending the last truck of the day at 4pm to get loaded and back to our site and dumped by 5pm is not an efficient or effective way to manage such a large scale project. We are requesting our gate hours to be temporarily amended to 7pm Monday-Saturday just for this project alone between the hours of 5p-7p until project completion. In granting this request our hours would be in-line with our neighbors zoned accordingly and their ability to work later hours during peak construction season.

Thank you for the consideration and please let me know if we are able to get on the agenda to have further dialog on this matter.

Best Regards,

Kyle (2)





Community Development Department

101 14th Street • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

To: Planning Commission
From: Al Cottingham, City Planner/Zoning Administrator
Date: June 3, 2020

ITEM DESCRIPTION: ZONING CASE 20-09: TAX INCREMENT FINANCING (TIF) – TRAILS EDGE, LLC, TRAILS EDGE SENIOR RENTAL

Background

Trails Edge, LLC has applied to the City of Cloquet for TIF assistance in order to construct five duplex buildings for senior rental units. As part of the approval for a Development Program for Development District No. 5 and a Tax Increment Financing Plan for Tax Increment Financing District No. 5-1 need to conform to the general plans for the development and redevelopment of the City. The Planning Commission and City Council approved the initial project in 2003 for 16 buildings (32 units), 11 buildings have been constructed.

State Statute requires that a TIF conform to the Comprehensive Plan for the City. The Planning Commission needs to review the attached plan as provided by Ehlers & Associates for this proposal and determine if it is in conformance with the Comprehensive Plan.

The attached graphic shows the proposed Development District No. 5 and the new TIF District No. 5-1.

Policy Objectives

The proposed Development District No. 5 and the TIF District No. 5-1 (a housing district) is for the 5 lots being created for the 10 senior duplex rental units.

The Comprehensive Plan for this area is “Low Density Residential”. The proposal for residential development is consistent with the Comprehensive Plan and has already been approved.

Financial Impacts

The applicant has paid the required fees to cover the TIF application process.



Community Development Department

101 14th Street • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

Advisory Committee Action Requested

The Planning Commission should review the Development Program for Development District No. 5 and the Tax Increment Financing Plan for the establishment of Tax Increment Financing District 5-1 (a housing district) within Development District No. 5 to see that it conforms to the plans for general development and redevelopment of the City. In simpler terms the Commission needs to be sure the plan conforms to the Comprehensive Plan.

Staff Recommendation

Staff recommends approval of the Development Program for Development District No. 5 and the Tax Increment Financing Plan for the establishment of Tax Increment Financing District No. 5-1 (a housing district) within Development District No. 5.

Supporting Documents Attachments

- Resolution No. 20-09
- Development Program for Development District No. 5
- TIF Plan for Tax Increment Financing District No. 5-1

STATE OF MINNESOTA

COUNTY OF CARLTON

CITY OF CLOQUET

Commissioner _____ offered the following Resolution and moved its adoption.

RESOLUTION NO. 20-09

**RESOLUTION OF THE PLANNING COMMISSION FINDING THAT A
DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 5 AND
A TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT
FINANCING DISTRICT NO. 5-1 CONFORM TO THE GENERAL PLANS
FOR THE DEVELOPMENT AND REDEVELOPMENT OF THE CITY**

WHEREAS, the City of Cloquet (the "City") has proposed to adopt a Development Program for Development District No. 5 (the "Development Program") and a Tax Increment Financing Plan for Tax Increment Financing District No. 5-1 (the "TIF Plan") therein and has submitted the Development Program and TIF Plan to the City Planning Commission (the "Planning Commission") pursuant to Minnesota Statutes, Sections 469.126 and 469.175, Subd. 3, and

WHEREAS, the Planning Commission has reviewed the Development Program and TIF Plan to determine their conformity with the general plans for the development and redevelopment of the City as described in the comprehensive plan for the City; and

WHEREAS, the Planning Commission is in agreement with the Development Program and TIF Plan.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission that the Development Program and TIF Plan conform to the general plans for the development and redevelopment of the City as a whole.

The foregoing motion was duly seconded by Commissioner _____ and being put to vote members voted: AYE: _____ NAY: _____ ABSENT: _____

MARK CLINE _____

PHILIP DEMERS _____

TERRI LYYTINEN _____

ELIZABETH POLLING _____

JOHN SANDERS _____

URIAH WILKINSON _____

ROBERT ZAPPIA _____

Passed and adopted this 9th day of June 2020.

CITY OF CLOQUET

URIAH WILKINSON
CHAIR

ATTEST: _____

Alan Cottingham
City Planner/Zoning Administrator



ESTABLISHMENT OF THE DEVELOPMENT PROGRAM Development District No. 5



City of Cloquet, Carlton County, Minnesota

Public Hearing: June 16, 2020

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Action Taken in Development District No. 5

Municipal Action Taken

This Municipal Action is only for convenience of reference.

Based upon the statutory authority described in the Development Program attached hereto, the public purpose findings by the City Council and for the purpose of fulfilling the City's development objectives as set forth in the Development Program, the City Council has created, established and designated Development District No. 5 pursuant to and in accordance with the requirements of the Municipal Development District Act and the TIF Act as defined in the definitions of this document.

Tax Increment Financing District No. 5-1, a housing tax increment financing district, was established at the same time that the Development District was established.

The following municipal action was taken in connection therewith:

Development District No. 5

June 16, 2020: The Development Program for Development District No. 5 was adopted by the City of Cloquet.

Tax Increment Financing District No. 5-1:

June 16, 2020: The Tax Increment Financing Plan for Tax Increment Financing District No. 5-1 was adopted by the City of Cloquet.

Development Program for Development District No. 5

Definitions

The terms defined below shall, for purposes of this Development Program, have the meanings herein specified, unless the context otherwise specifically requires.

"City" means the City of Cloquet.

"City Council" means the City Council of the City of Cloquet.

"Comprehensive Plan" means the documents which contain the objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and water within the City.

"County" means the County of Carlton, Minnesota.

"Enabling Act" means Minnesota Statutes, 469.124 to 469.134, as amended and supplemented from time to time.

"Development District" means the real property within the City constituting Development District No. 5, as described in the Development Program.

"Development Program" means this Development Program for Development District No. 5, as initially proposed, and as it shall be modified.

"Land Use Regulations" means all federal, state and local laws, rules, regulations, ordinances, and plans relating to or governing the use of development of land in the City, including but not limited to environmental, zoning and building code laws and regulations.

"Municipal Development District Act" means Minnesota Statutes, 469.124 to 469.134, inclusive, as amended.

"Public Costs" means the costs set forth in the Tax Increment Financing Plan, and any other costs eligible to be financed by Tax Increments under the TIF Act or the Municipal Development District Act.

"Public Improvements" means the public improvements described in the Development Program and Tax Increment Financing Plan.

"State" means the State of Minnesota.

"Tax Increment Bonds" means any tax increment bonds or notes issued by the City to finance the Public Costs as stated in the Development Program for Development District No. 5 and in the Tax Increment Financing Plans, and any obligations issued to refund such bonds.

"TIF Act" means Minnesota Statutes, Sections 479.174 through 479.1799, inclusive, as amended.

"Tax Increment Financing District" means any tax increment financing district presently established or to be established in the future in Development District No. 5.

"Tax Increment Financing Plan" or "Plan" means the Plans adopted by the City for any Tax Increment Financing District.

Statutory Authority

The City established Development District No. 5 pursuant to the Municipal Development District Act. It is authorized that the City will administer Development District No. 5 and any tax increment financing districts.

Within Development District No. 5, the City plans to create one or more tax increment financing districts established pursuant to the Tax Increment Act to finance the public improvements proposed for the Development District. The public improvements may be initially financed from other City sources, including, but not limited to the use of improvement bonds issued pursuant to Minnesota Statutes, Chapter 429, which sources the City may reimburse from tax increment proceeds derived from tax increment districts to be created with Development District No. 5.

The tax increment district or districts will be created at such time as will enable the City to capture the increase in taxable value of private improvements to be constructed within Development District No. 5.

Statement of Objectives

The District currently consists of five parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the development of five (5) detached, twin-home buildings. The ten (10) units will be for-rent with 20% available to persons at or below 50% of area median income in the City. The City has not entered into an agreement but has designated Trails Edge LLC as developer at the time of preparation of this Development Program. The development is likely to occur in 2020. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 5.

The activities contemplated in the Modification to the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Development District No. 5 and the District.

Statement of and Finding of Public Purpose

In recent months, the City has been reviewing the future development of the community. This review has defined several important roles for the City of Cloquet.

- Facilitating development activities that are compatible with overall community development objectives of the City.
- Removing the physical and economic barriers to development.
- Providing the infrastructure needed to support development.

- Providing sites for future development.

The City intends to use the powers allowed under the Enabling Act to fill these roles, to promote development and redevelopment throughout the City, and to pool resources in order to reduce financial barriers to providing decent housing and development and redevelopment opportunities.

The City has found that there is a need for development and redevelopment within the Development District based upon the following conditions:

1. The Development District contains numerous parcels containing buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout, and a combination of these and other factors is detrimental to the safety, health, morals or welfare of the community.
2. The Development District suffers from a lack of necessary streets, utilities and site improvements essential to preparing and making sites available for meaningful development.
3. The Development District requires active promotion, attraction, encouragement and development of economically sound commerce through government action for the purpose of preventing mergence and continuation of blight and the occurrence of conditions requiring redevelopment
4. The Development District contains vacant, unused, underused and inappropriately used land.

Therefore, the City has determined to exercise its authority to develop a program for improving the Development District to provide impetus for private development and redevelopment, to provide decent housing to residents, to maintain and increase employment, to provide infrastructure to serve citizens and employees of the City, to utilize existing land for potential redevelopment and to provide other facilities as are outlined in the Development Program.

The City has also determined that proposed developments to be assisted by the City would not occur solely through private investment in the foreseeable future. The City finds that the welfare of the City, as well as the State of Minnesota, requires active promotion, attraction, encouragement and development of economically sound industry and commerce to carry out its stated public purpose objectives.

The City has also determined that any tax increment financing plans to be proposed herein will be consistent with the Development Program, and that the tax increment financing plans will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Development District by private enterprise.

Statement of Objectives

The City determines that it is necessary, desirable and in the public interest to establish, designate, develop and administer the Development District. The City determines that the establishment of Development District No. 5 will provide the City with the ability to achieve certain public purpose objectives not otherwise obtainable in the foreseeable future without City intervention in the normal development process. The City seeks to achieve the following program objectives:

1. Promoting and securing the prompt development of property in the Development District in a manner consistent with the City's planning and with a minimal adverse impact on the environment, which property is less productive because of the lack of proper utilization and lack of investment, and thereby promoting and securing the development of other land in the City;
2. Promoting and securing additional employment opportunities within the Development District and the City for residents of the City and the surrounding area, thereby improving living standards and preventing unemployment and the loss of skilled and unskilled labor and other human resources in the City;
3. Securing the increase in value of property subject to taxation by the City, Independent School District No. 94 and Carlton County, and any other taxing jurisdictions in order to better enable such entities to pay for public improvements and governmental services and programs required to be provided by them;
4. Securing the construction and providing of moneys for the payment of the cost of public improvements in the Development District, which are necessary for the orderly and beneficial development of the Development District; and
5. Providing and securing the development of increased opportunities for families to reside in quality owner-occupied housing, for senior citizens to choose from housing options which offer a wide array of services without regard to income, and for residents looking for a wide range of multi-family units.

Statement of Public Facilities and Costs to be Financed

The preceding objectives will be promoted by providing improvements and opportunities within the Development District which may include various types of site improvements, land acquisition, redevelopment, demolition, parking, street, sewer, water and other public improvements. A description of the items of expenditure and the estimated costs can be found in the Tax Increment Financing Plans for the Tax Increment Financing Districts created within this Development District.

Funding of Developments and Redevelopments

To implement the established objectives, the City plans to utilize a number of public and private financing tools. Funding of the necessary activities and improvements in the Development District is expected to be accomplished through, and is not limited to, tax increment financing, special assessments, state aid for road construction, proceeds from the sale of property, and federal and state grants.

Any public facilities within the Development District will be financially feasible and compatible with longer range development plans. Any acquisition of property for the public improvements will be done to provide the impetus for private development within the Development District.

Environmental Controls

All municipal actions, public improvements and private development shall be carried out in a manner consistent with existing environmental controls and all applicable Land Use regulations.

Proposed Reuse of Property

The Development Program contemplates that the City may acquire property and reconvey the same to another entity. Prior to formal consideration of the acquisition of any property, the City will require the execution of a binding development agreement with respect thereto and evidence that Tax Increments or other funds will be available to repay the Public Costs associated with the proposed acquisition. It is the intent of the City to negotiate the acquisition of property whenever possible. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any development agreement to which the City is a party.

Open Space to be Created

Any open space within the Development District will be created in accordance with the zoning and ordinances of the City.

Administration and Maintenance of Development District No. 5

Maintenance and operation of the Development District will be the responsibility of the City Finance Director. Each year, the administrator of the Development District will submit to the City Council the maintenance and operation budget for the following year.

The administrator of the Development District will administer the Development District pursuant to the provision of the Enabling Act; provided, however, that such powers may only be exercised at the direction of the City. No action taken by the administrator of the Development District pursuant to the above-mentioned powers shall be effective without authorization by the City.

Rehabilitation

Owners of properties within the Development District may be encouraged to rehabilitate their properties to conform with the applicable state and local codes and ordinances, as well as any design standards. Persons who purchase property within the Development District from the City may be required to rehabilitate their properties as a condition of sale of land. The City may provide such rehabilitation assistance as may be available from federal, state or local sources.

Relocation

Any person or business that is displaced as a result of the Development Program will be relocated in accordance with Minnesota Statutes, Section 117.50 to 117.56. The City accepts its responsibility for providing for relocation assistance pursuant to the Enabling Act.

Property Acquisition

The City may acquire such property, or appropriate interest therein, within the Development District as the Authority may deem to be necessary or desirable to assist in the implementation of the Development Program.

Modification of the Development Program and/or Development District No. 5

The City reserves the right to alter and amend the Development Program and the Tax Increment Financing Plans, subject to the provisions of state law regulating such action. The City specifically reserves the right to enlarge or reduce the size of the Development District and the Tax Increment Financing District, the Development Program, the Public Costs and the amount of Tax Increment Bonds to be issued to finance such cost by following the procedures specified in Minnesota Statutes, Section 469.175, subdivision 4.

Description of Boundaries of Development District No. 5

The boundaries of the Development District shall be located at Trail Drive off 18th Street (PIDs 06-753-0110/06-753-0120/06-753-0130/06-753-0140/06-753-0150/06-753-0160/06-753-170) in the City of Cloquet.

Appendix A: Map of Development District No. 5


TIF District No. 5-1

Development District No. 5

City of Cloquet
Carlton County, Minnesota



 Development District No. 5 Boundaries

 Tax Increment Financing District No. 5-1



TAX INCREMENT FINANCING PLAN

Establishment of Tax Increment Financing District No. 5-1 (a housing district)



City of Cloquet, Carlton County, Minnesota

Public Hearing: June 16, 2020

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Tax Increment Financing Plan for Tax Increment Financing District No. 5-1

Foreword

The City of Cloquet (the "City"), staff and consultants have prepared the following information to expedite the Establishment of Tax Increment Financing District No. 5-1 (the "District"), a housing tax increment financing district, located in Development District No. 5.

Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.090 - 469.1082*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Redevelopment Plan for Development District No. 5.

Statement of Objectives

The District currently consists of five parcel(s) of land and adjacent and internal rights-of-way. The District is being created to facilitate the development of five (5) detached, twin-home buildings. The ten (10) units will be for-rent to persons age 55+ and located just off 18th Street and Washington Avenue along the south-side of Trail Drive. The City has not entered into an agreement but has designated Trail's Edge, LLC as developer at the time of preparation of this TIF Plan. The development is likely to occur in 2020. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 5.

The activities contemplated in the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Development District No. 5 and the District.

Development Program Overview

Pursuant to the Development Program and authorizing state statutes, the City is authorized to undertake the following activities in the District:

1. Property to be Acquired - Selected property located within the District may be acquired by the City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.

3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
4. The City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

Description of Property in the District and Property to be Acquired

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below.

Parcel number	Address	Owner
06-753-0110	Trails Edge	Kuklis
06-753-0120	Trails Edge	Kuklis
06-753-0130	Trails Edge	Kuklis
06-753-0160	Trails Edge	Kuklis
06-753-0170	Trails Edge	Kuklis

Please also see the map in Appendix A for further information on the location of the District.

The City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Classification of the District

The City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, finds that the District, to be established, is a housing district pursuant to *M.S., Section 469.174, Subd. 11 and M.S., Section 469.1761*.

- The District consists of five parcels
- The development will consist of 10 units of single-family housing
- 20% of the units will be occupied by person with incomes less than 50% of median income.

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111, 273.112, or 273.114 or Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the City (a total of 26 years of tax increment). The City elects to receive the first tax increment in 2022, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2047, or when the TIF Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2019 for taxes payable 2020.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2021) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the City.

The original local tax rate for the District will be the local tax rate for taxes payable 2020, assuming the request for certification is made before June 30, 2020. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Development District No. 5, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2022. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity		
Project estimated Tax Capacity upon completion	\$30,520	
Original estimated Net Tax Capacity	<u>\$1,141</u>	
Estimated Captured Tax Capacity	\$29,379	
Original Local Tax Rate	<u>189.9210%</u>	Pay 2020
Estimated Annual Tax Increment	\$55,797	
Percent Retained by the City	100%	

Note: Tax capacity includes a 2.00% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one is estimated to be \$11,250.

Pursuant to *M.S., Section 469.177, Subd. 4*, the City shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City is reviewing the area to be included in the District to determine if any building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

Sources of Revenue/Bonds to be Issued

The total estimated tax increment revenues for the District are shown in the table below:

SOURCES	
Tax Increment	1,115,275
<u>Interest</u>	<u>111,527</u>
TOTAL	1,226,802

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The City reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by pay-as-you-go notes and interfund loans. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$752,463. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

Uses of Funds

Currently under consideration for the District is a proposal to facilitate the development of five (5) detached, twin-home buildings. The ten (10) units will be for-rent to persons age 55+ and located just off 18th Street and Washington Avenue along the south-side of Trail Drive. The City has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described.

The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES	
Land/Building Acquisition	-
Site Improvements/Preparation	100,000
Affordable Housing	420,936
Utilities	100,000
Other Qualifying Improvements	20,000
Administrative Costs (up to 10%)	111,527
PROJECT AND INTEREST COSTS TOTAL	752,463
<u>Interest</u>	<u>474,339</u>
PROJECT AND INTEREST COSTS TOTAL	1,226,803

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. The City may expend funds for qualified housing activities outside of the District boundaries.

Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

Impact on Tax Base			
Entity	2019/Pay 2020 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
County	33,267,713	29,379	0.0883%
City	8,992,772	29,379	0.3267%
School	10,684,507	29,379	0.2750%

Impact on Tax Rates				
Entity	Pay 2020 Extension Rate	Percent of Total	CTC	Potential Taxes
County	84.3840%	44.43%	29,379	24,791
City	39.0930%	20.58%	29,379	11,485
School	45.9210%	24.18%	29,379	13,491
Other	20.5230%	10.81%	29,379	6,029
Total	189.9210%	100.00%		55,797

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2020 rate. The total net capacity for the entities listed above are based on Pay 2020 figures. The District will be certified under the Pay 2020 rates.

Pursuant to *M.S. Section 469.175 Subd. 2(b)*:

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$1,115,275;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction. The existing buildings, which will be eliminated by the new development, have public safety concerns that include several unprotected old buildings with issues such as access, hydrant locations, and converted structures. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated \$9,400 to sanitary sewer (SAC) and water (WAC) connection fees.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$283,632;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$495,529;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

Supporting Documentation

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S. Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

- (i) In making said determination, reliance has been placed upon (1) written representation made by the developer to such effects, (2) review of the developer's proforma; and (3) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the City Council resolution approving the establishment of the TIF District and Appendix C.
- (ii) A comparative analysis of estimated market value both with and without establishment of the TIF District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the TIF District and the use of tax increments.

Administration of the District

Administration of the District will be handled by the Finance Director.

Appendix A: Map of Development District No. 5 and the TIF District


TIF District No. 5-1

Development District No. 5

City of Cloquet
Carlton County, Minnesota



 Development District No. 5 Boundaries

 Tax Increment Financing District No. 5-1

Appendix B: Estimated Cash Flow for the District



Trails Edge Phase 2 Housing Development - Proposed TIF District (20/50 Income Limits)

Cloquet, Minnesota (Jim Kuklis Construction Company, LLC)

5 Senior Duplex (10-Unit) Residential Rental Buildings on 5 lots along the south-side of Trail Drive

ASSUMPTIONS AND RATES

DistrictType:	Housing
District Name/Number:	TBD
County District #:	TBD
First Year Construction or Inflation on Value	2020
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	2.00%
Interest Rate:	4.50%
Present Value Date:	1-Feb-21
First Period Ending	1-Aug-21
Tax Year District was Certified:	Pay 2020
Cashflow Assumes First Tax Increment For Development:	2022
Years of Tax Increment	26
Assumes Last Year of Tax Increment	2047
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	NA
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	0.0000%
Fiscal Disparities Metro-Wide Tax Rate	0.0000%
Maximum/Frozen Local Tax Rate:	189.921% Pay 2020
Current Local Tax Rate: (Use lesser of Current or Max.)	189.921% Pay 2020
State-wide Tax Rate (Comm./Ind. only used for total taxes)	38.8460% Pay 2020
Market Value Tax Rate (Used for total taxes) ISD# 94	0.15925% Pay 2020

Tax Rates	
Exempt Class Rate (Exempt)	0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)	
First \$150,000	1.50%
Over \$150,000	2.00%
Commercial Industrial Class Rate (C/I)	2.00%
Rental Housing Class Rate (Rental)	1.25%
Affordable Rental Housing Class Rate (Aff. Rental)	
First \$162,000	0.75%
Over \$162,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)	
First \$500,000	1.00%
Over \$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)	
First \$500,000	1.00%
Over \$500,000	1.25%
Agricultural Non-Homestead	1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/Phase
1	06-753-0110	Kuklis	Trails Edge	20,600	0	20,600	100%	20,600	Pay 2020	Non-H Res. 1 Unit	206	Rental	258	2
2	06-753-0120	Kuklis	Trails Edge	16,300	0	16,300	100%	16,300	Pay 2020	Non-H Res. 1 Unit	163	Rental	204	2
3	06-753-0130	Kuklis	Trails Edge	16,300	0	16,300	100%	16,300	Pay 2020	Non-H Res. 1 Unit	163	Rental	204	2
4	06-753-0160	Kuklis	Trails Edge	18,100	0	18,100	100%	18,100	Pay 2020	Non-H Res. 1 Unit	181	Rental	226	2
5	06-753-0170	Kuklis	Trails Edge	20,000	0	20,000	100%	20,000	Pay 2020	Non-H Res. 1 Unit	200	Rental	250	2
				91,300	0	91,300		91,300			913		1,141	

Note:

1. Base values are for pay 2020 based upon review of County website on April 28, 2020.



Trails Edge Phase 2 Housing Development - Proposed TIF District (20/50 Income Limits)

Cloquet, Minnesota (Jim Kuklis Construction Company, LLC)

5 Senior Duplex (10-Unit) Residential Rental Buildings on 5 lots along the south-side of Trail Drive

PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2020	Percentage Completed 2021	Percentage Completed 2022	Percentage Completed 2023	First Year Full Taxes Payable
1	Townhouses	150,000	150,000	6	900,000	Rental	11,250	1,875	100%	100%	100%	100%	2022
2	Townhouses	150,000	150,000	4	600,000	Rental	7,500	1,875					2023
TOTAL					1,500,000		18,750						
Subtotal Residential				10	1,500,000		18,750						
Subtotal Commercial/Ind.				0	0		0						

Note:

1. Market values are based upon estimates from developer on September 10, 2019. Needs to be confirmed by county assessor.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Townhouses	11,250	0	11,250	21,366	0	0	1,433	22,799	3,799.89
Townhouses	7,500	0	7,500	14,244	0	0	956	15,200	3,799.89
TOTAL	18,750	0	18,750	35,610	0	0	2,389	37,999	

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	37,999
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(2,389)
less Base Value Taxes	(2,167)
Annual Gross TIF	33,443



Trails Edge Phase 2 Housing Development - Proposed TIF District (20/50 Income Limits)

Cloquet, Minnesota (Jim Kuklis Construction Company, LLC)

5 Senior Duplex (10-Unit) Residential Rental Buildings on 5 lots along the south-side of Trail Drive

TAX INCREMENT CASH FLOW															
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date	
														08/01/21	
														02/01/22	
100%	11,250	(1,141)	-	10,109	189.921%	19,199	9,599	(35)	(956)	8,608	8,052	0.5	2022	08/01/22	
							9,599	(35)	(956)	8,608	15,928	1	2022	02/01/23	
100%	18,975	(1,141)	-	17,834	189.921%	33,870	16,935	(61)	(1,687)	15,187	29,515	1.5	2023	08/01/23	
							16,935	(61)	(1,687)	15,187	42,804	2	2023	02/01/24	
100%	19,355	(1,141)	-	18,213	189.921%	34,591	17,295	(62)	(1,723)	15,510	56,077	2.5	2024	08/01/24	
							17,295	(62)	(1,723)	15,510	69,058	3	2024	02/01/25	
100%	19,742	(1,141)	-	18,600	189.921%	35,326	17,663	(64)	(1,760)	15,839	82,023	3.5	2025	08/01/25	
							17,663	(64)	(1,760)	15,839	94,702	4	2025	02/01/26	
100%	20,136	(1,141)	-	18,995	189.921%	36,076	18,038	(65)	(1,797)	16,176	107,366	4.5	2026	08/01/26	
							18,038	(65)	(1,797)	16,176	119,751	5	2026	02/01/27	
100%	20,539	(1,141)	-	19,398	189.921%	36,841	18,420	(66)	(1,835)	16,519	132,121	5.5	2027	08/01/27	
							18,420	(66)	(1,835)	16,519	144,218	6	2027	02/01/28	
100%	20,950	(1,141)	-	19,809	189.921%	37,621	18,810	(68)	(1,874)	16,868	156,300	6.5	2028	08/01/28	
							18,810	(68)	(1,874)	16,868	168,115	7	2028	02/01/29	
100%	21,369	(1,141)	-	20,228	189.921%	38,417	19,208	(69)	(1,914)	17,225	179,916	7.5	2029	08/01/29	
							19,208	(69)	(1,914)	17,225	191,456	8	2029	02/01/30	
100%	21,796	(1,141)	-	20,655	189.921%	39,228	19,614	(71)	(1,954)	17,589	202,981	8.5	2030	08/01/30	
							19,614	(71)	(1,954)	17,589	214,253	9	2030	02/01/31	
100%	22,232	(1,141)	-	21,091	189.921%	40,056	20,028	(72)	(1,996)	17,960	225,509	9.5	2031	08/01/31	
							20,028	(72)	(1,996)	17,960	236,517	10	2031	02/01/32	
100%	22,677	(1,141)	-	21,536	189.921%	40,901	20,450	(74)	(2,038)	18,339	247,510	10.5	2032	08/01/32	
							20,450	(74)	(2,038)	18,339	258,261	11	2032	02/01/33	
100%	23,130	(1,141)	-	21,989	189.921%	41,762	20,881	(75)	(2,081)	18,725	268,997	11.5	2033	08/01/33	
							20,881	(75)	(2,081)	18,725	279,497	12	2033	02/01/34	
100%	23,593	(1,141)	-	22,452	189.921%	42,641	21,320	(77)	(2,124)	19,119	289,982	12.5	2034	08/01/34	
							21,320	(77)	(2,124)	19,119	300,236	13	2034	02/01/35	
100%	24,065	(1,141)	-	22,924	189.921%	43,537	21,768	(78)	(2,169)	19,521	310,475	13.5	2035	08/01/35	
							21,768	(78)	(2,169)	19,521	320,489	14	2035	02/01/36	
100%	24,546	(1,141)	-	23,405	189.921%	44,451	22,225	(80)	(2,215)	19,931	330,488	14.5	2036	08/01/36	
							22,225	(80)	(2,215)	19,931	340,267	15	2036	02/01/37	
100%	25,037	(1,141)	-	23,896	189.921%	45,383	22,692	(82)	(2,261)	20,349	350,032	15.5	2037	08/01/37	
							22,692	(82)	(2,261)	20,349	359,582	16	2037	02/01/38	
100%	25,538	(1,141)	-	24,397	189.921%	46,334	23,167	(83)	(2,308)	20,775	369,117	16.5	2038	08/01/38	
							23,167	(83)	(2,308)	20,775	378,442	17	2038	02/01/39	
100%	26,049	(1,141)	-	24,907	189.921%	47,304	23,652	(85)	(2,357)	21,210	387,754	17.5	2039	08/01/39	
							23,652	(85)	(2,357)	21,210	396,860	18	2039	02/01/40	
100%	26,570	(1,141)	-	25,428	189.921%	48,294	24,147	(87)	(2,406)	21,654	405,952	18.5	2040	08/01/40	
							24,147	(87)	(2,406)	21,654	414,844	19	2040	02/01/41	
100%	27,101	(1,141)	-	25,960	189.921%	49,303	24,651	(89)	(2,456)	22,106	423,722	19.5	2041	08/01/41	
							24,651	(89)	(2,456)	22,106	432,405	20	2041	02/01/42	
100%	27,643	(1,141)	-	26,502	189.921%	50,332	25,166	(91)	(2,508)	22,568	441,074	20.5	2042	08/01/42	
							25,166	(91)	(2,508)	22,568	449,552	21	2042	02/01/43	
100%	28,196	(1,141)	-	27,055	189.921%	51,382	25,691	(92)	(2,560)	23,039	458,017	21.5	2043	08/01/43	
							25,691	(92)	(2,560)	23,039	466,296	22	2043	02/01/44	
100%	28,760	(1,141)	-	27,619	189.921%	52,453	26,227	(94)	(2,613)	23,519	474,561	22.5	2044	08/01/44	
							26,227	(94)	(2,613)	23,519	482,644	23	2044	02/01/45	
100%	29,335	(1,141)	-	28,194	189.921%	53,546	26,773	(96)	(2,668)	24,009	490,714	23.5	2045	08/01/45	
							26,773	(96)	(2,668)	24,009	498,606	24	2045	02/01/46	
100%	29,922	(1,141)	-	28,780	189.921%	54,660	27,330	(98)	(2,723)	24,508	506,485	24.5	2046	08/01/46	
							27,330	(98)	(2,723)	24,508	514,191	25	2046	02/01/47	
100%	30,520	(1,141)	-	29,379	189.921%	55,797	27,898	(100)	(2,780)	25,018	521,884	25.5	2047	08/01/47	
							27,898	(100)	(2,780)	25,018	529,408	26	2047	02/01/48	
Total							1,119,304	(4,029)	(111,527)	1,003,747					
Present Value From 02/01/2021							590,356	(2,125)	(58,823)	529,408					
Present Value Rate 4.50%															

Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 5-1, as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that Tax Increment Financing District No. 5-1 is a housing district as defined in M.S., Section 469.174, Subd. 11.*

Tax Increment Financing District No. 5-1 consists of five parcels. The development will include five (5) detached, twin-home buildings. The ten (10) units will be for-rent and a portion of which that receive tax increment assistance will meet income restrictions described in *M.S. 469.1761*. At least 20 percent of the units receiving assistance will have incomes at or below 50 percent of area median income.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the development proposed in this plan is a housing district that meets the City's objectives for development and redevelopment. Townhome construction requires a higher per-unit cost than most other types of housing but serves to keep financially comfortable yet fixed-income individuals and families in the community where they prefer to live and retire. This higher cost of construction makes this type of housing development infeasible without City assistance. Due to decreased rental income from affordable units, there is insufficient cash flow to provide a sufficient rate of return, pay operating expenses, and service the debt. This leaves a gap in the funding for the project and makes this housing development feasible only through assistance, in part, from tax increment financing. The developer was asked for and provided a letter and a proforma as justification that the developer would not have gone forward without tax increment assistance.

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan: As there is only a small amount of site improvement costs to reimburse with this development, eligible building construction costs will be used to support the benefit of creating senior affordable rental housing for low-or-moderate income individuals through lower rents charged by the developer on the income restricted units in accordance with the housing TIF district qualifications. Historically, building in Trail's Edge has remained dormant for 10+ years despite the availability of five improved building lots. Although the demand for townhomes is high, the high infrastructure costs in combination with ever-increasing property taxes and the fact that this development is already near threshold market rates affordable to most residents in the City has made development infeasible without tax increment assistance. The City reasonably determines that no other development of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

3. *Finding that the TIF Plan for Tax Increment Financing District No. 5-1 conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission reviewed the TIF Plan on June 9, 2020 and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for Tax Increment Financing District No. 5-1 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Development District No. 5 by private enterprise.*

Through the implementation of the TIF Plan, the City will provide an impetus for residential development, which is desirable or necessary for increased population and an increased need for life-cycle housing within the City.