



**CITY OF CLOQUET
City Council Agenda
AMENDED
Tuesday, April 17, 2018
7:00 p.m.
City Hall Council Chambers**

CITY COUNCIL WORK SESSION

- Council will meet at **5:15** p.m. at the Members Cooperative Credit Union Building to tour and return to City Hall for discussion
- Friends of Animals Update

1. **Roll Call.**

2. **Pledge of Allegiance.**

3. **Approval of Agenda.**

- a. Approval of April 17, 2018 Council Agenda

4. **Approval of Council Minutes.**

- a. Work Session Minutes from the April 3, 2018 meeting
b. Regular Council Minutes from the April 3, 2018 meeting

5. **Consent Agenda.**

Items in the Consent Agenda are considered routine and will be approved with one motion without discussion/debate. The Mayor will ask if any Council members wish to remove an item. If no items are to be removed, the Mayor will then ask for a motion to approve the Consent Agenda.

- a. Resolution No. 18-22, Authorizing the Payment of Bills
b. Resolution No. 18-23, Declaring the Official Intent of Cloquet to Reimburse Certain Expenditures from the Proceeds of Bonds to be Issued by the City
c. Year End 2017 Transfers
d. Part Time 20-hour Finance Department Employee Hiring Process
e. Resolution No. 18-24, Approving the Conditional Use Permit for John Haverkamp for Two Additional Apartments for a Total of Four in the City Center District
f. Resolution No. 18-25, Approving a Site Plan in the OM – Office/Manufacturing District for Northland Consulting Engineers, Toy Barn Storage, LLC
g. Letter of Understanding between Local #346 and the City Amending the Health and Welfare Article of the CBA
h. Scanlon Letter of Understanding
i. Resolution No. 18-26, Approving the Purchase of Signal Equipment for Cloquet Avenue Project
j. Resolution No. 18-27, Approving Traffic Signal Agreement, Cloquet Avenue and County State Aid Highway No. 3
k. Resolution No. 18-28, Approving the Solicitation of Bids for Water Treatment Plant No. 1
l. Transient Merchant License – TNT Fireworks



**CITY OF CLOQUET
City Council Agenda
AMENDED
Tuesday, April 17, 2018
7:00 p.m.
City Hall Council Chambers**

6. Public Hearings.

None.

7. Presentations.

Mayor's Proclamation, Mental Health Awareness Month

8. Council Business.

- a. Resolution No. 18-30, Declaring a Vacancy for Council Member At Large and Call for Special Election
- b. Economic Development Authority Appointment
- c. Approve Land Sale, Development and Purchase Agreement with Boss Builders for Development at Former Water Tower Site
- d. Resolution No. 18-29A, Rejecting Bid for Skate Park Improvements; Resolution No. 18-28B, Awarding Bid for Skate Park Improvement

9. Public Comments.

Please give your name, address, and your concern or comments. Visitors may share their concerns with the City Council on any issue, which is not already on the agenda. Each person will have 3 minutes to speak. The Mayor reserves the right to limit an individual's presentation if it becomes redundant, repetitive, irrelevant, or overly argumentative. All comments will be taken under advisement by the Council. No action will be taken at this time.

10. Council Comments, Announcements, and Updates.

11. Adjournment.



ADMINISTRATIVE OFFICES

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REQUEST FOR COUNCIL ACTION

To: Honorable Mayor and City Council
From: Aaron S. Reeves, City Administrator *AR*
Date: April 17, 2018

ITEM DESCRIPTION: Members Cooperative Credit Union Building Purchase Update

Proposed Action

Tour facility, discuss inspection findings, and authorize staff to move forward with placing a purchase agreement for Council review and approval on the May 1, 2018 Council agenda.

Background/Overview

After the last Council meeting an appraisal was done on the building that set the value of the building in its current condition at \$1,950,000 (attached). In addition, an inspection was done by SEH and the City Building Inspector. They found the building to be in overall very good condition with no major issues or concerns. I have attached the inspection report along with a cost breakdown to address the items identified. The items have been separated into three categories:

Required Now - \$10,000
Long Term (5-15 years) - \$260,000
Wants but not necessary - \$262,000

None of these costs are unexpected for an existing building. The City would set a plan to address the Long Term in our existing CIP and would only do the Wants if and when necessary or desired. With the completion of the appraisal and inspection I recommend moving forward with the purchase of the MCCU building for the Police Department and probably City Hall for these reasons:

- Estimated purchase and renovation costs are \$3,687,000.
- Existing CIP anticipates \$6.4 million to renovate/build new at the existing PD site.
- Existing CIP anticipates \$775,000 in renovations needed at the existing City Hall site.
- Existing CIP anticipates that the \$10 million plus new Public Works facility would include offices for Public Works and Engineering staff. This would be unnecessary with the MCCU building and would save money on the construction of this project.
- The roughly \$4 million in savings recognized by purchasing and remodeling the MCCU building can be used towards the much-needed Public Works facility upgrade.
- The City has the purchase price money available in our Building Facilities fund leaving only the remodeling costs to be bonded for.
- The purchase price includes two separate parking lots, one with an existing garage.
- The purchase prices includes roughly \$100,000 in furnishings and technology.

Supporting Documentation Attached

- Appraisal
- Facility Inspection
- Inspection Findings Cost Estimates
- Preliminary Remodel Budget

Aaron Reeves

From: Brian Bergstrom <bbergstrom@sehinc.com>
Sent: Tuesday, April 10, 2018 7:07 AM
To: Aaron Reeves
Cc: Dan Hinzmann
Subject: MCCU Facility Review

Aaron,

On April 4, 2018 representatives from SEH visited the existing Credit Union facility as requested by the City. Present at the walk-through were an architect, structural engineer and a mechanical and electrical engineer. The building consists of three stories, two above grade and a full basement below grade. The structure was originally constructed in 1996 based on comments from the current Owner's representative present at the site visit. Our review of the existing facility was limited to visually accessible elements and equipment only.

The buildings is in good condition overall. There were no significant structural, mechanical or electrical issues or deficiencies noted during the visit that would prevent the buildings continued use. Below is a detailed list of items noted along with recommendations from the site visit.

In thinking about the next steps, we would be happy to do a review of the facilities plan as well as the drawings that were provided by Boldt. Our group has specific experience in working with municipal buildings and may be able to provide a fresh set of eyes on the overall approach as well as some of the specifics. We would be glad to sit down with you and work through where your needs may be and how SEH may fit into that approach. If it makes sense for us to reach out to Boldt and get some background on their initial thoughts, please let us know. We could possibly do this before the purchase of the building if that makes the most sense for you. When would a meeting make the most sense based on the project timeline?

Detailed description of findings:

Architectural Comments:

1. The building entrances appear to meet the minimum accessibility requirements of the current building codes.
2. Existing restrooms are not compliant with current accessibility codes. If a building renovation is undertaken it is suggested that a portion of the restrooms be updated to meet current accessibility requirements.
3. Interior finishes (paint, carpet, tile, ceilings) are in fair condition but somewhat dated.
4. Interior stair handrails and guardrails do not meet current codes. While this may not be required to be upgraded it would be suggested in a renovation project.
5. Roofing was in good condition and it was noted by the current building occupant that there has been some repair work done recently. It would be anticipated that the existing roofing systems should continue to perform well in the near future with proper yearly maintenance. There were a few water stained ceiling tiles noticed during the visit. It was unclear if this was caused by a roof leak or another issues (leaking pipe...). The ceiling tiles did not appear to be wet at the time of the visit and the building tenant noted there were not active leaks they were aware of.
6. The elevator system is in fair condition. Depending on its anticipate use moving forward it would be recommended to consider an elevator modernization project within the next 10 years.
- 7.

Structural Comments:

1. Exterior concrete retaining walls on parking lot side and concrete curbs at drive lanes are deteriorated from salt and moisture exposure and are in need of concrete repair. Loose concrete should be removed rust should be cleaned off of exposed rebar. Additional rebar dowels may be appropriate if there is significant section loss.
2. Sealant joints at sidewalk interface with building are separated and/or cracked. Similarly, sealant in some veneer joints is deteriorated. Sealant should be replaced as part of the long-term maintenance plan for the building.
3. Waterproofing membrane steps do not consistently extend above landscaping material on the sides of the building. We didn't observe evidence of leaking in the basement level, but these conditions should be noted in case future problems arise.
4. Exterior lintel between main building and clock tower at the main entry shows signs of corrosion beginning to compromise the finish. We recommend cleaning and repainting the lintel in the short term maintenance program before corrosion progresses.
5. Embed plates and shear connector angles in the basement show a patina of corrosion. However, signs of leakage or ongoing moisture intrusion were not observed. Therefore, it appears that the corrosion is likely the result of construction conditions before the building was enclosed. For monitoring purposes, it may be advisable to clean and paint these connections. This way it would be more clear if corrosion progresses in the future.
- 6.

Mechanical / Electrical Comments:

1. There are two small residential electric water heaters in fair condition. They may need to be replaced if additional plumbing fixtures are added.
2. There is a large sewage ejector pump located in the basement for the basement plumbing fixtures, this system is original and the pumps should be considered for replacement.
3. There is also a drain tile sump and pump in the basement that runs continuously in the spring. These pumps may want to be considered for replacement as well.
4. There are two original atmospheric gas boilers which are at the end of their useful operating lives. They should be replaced with more efficient boilers.
5. The ventilation system consists of two large indoor air handling units with remote condensing units distributing air through ductwork above the ceilings. These units are in fair condition but the ductwork would need to be reconfigured for new room arrangements.
6. There are also two rooftop exhaust fans connected to the bathrooms for ventilation. These units are original and should be replaced due to age.
7. There is also a small package rooftop air handling unit which is no longer used.
8. The temperature control system is old and needs to be replaced due to age.
9. The electrical service is original and in good condition. Distribution could be reconfigured for the new room arrangements.
10. The lighting consists of T-8 fluorescent lights and some fluorescent can lights. These could be reused but should be replaced with new LED lighting.

11. Emergency exit signs and emergency battery lights are original and should be replaced for new room arrangements. Some of the emergency lighting was tested on site and did not work properly.
12. There is a limited fire alarm system that should also be replaced due to age.
13. The phone/data system is also older and may be reused depending on the extent of remodeling.
14. The security system is older and should also be replaced.

Should you have any questions or comments about our site visit or initial findings please feel free to contact me.

Brian Bergstrom, AIA, LEED AP | Associate
Project Manager
SEH | 3535 Vadnais Center Drive | St. Paul, MN 55110
651.490.2031 direct | 952.215.8118 cell | 888.908.8166 fax
www.sehinc.com
SEH—Building a Better World for All of Us™

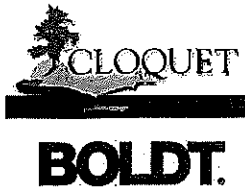
City of Cloquet
14th Street Building

PRELIMINARY COSTS (4-13-18)

		Required	Long Term Planning	Want	N/A
SEH Architectural Comments		Boildt's Comments			
1	The building entrances appear to meet the minimum accessibility requirements of the current building codes	No items to address			X
2	Existing restrooms are not compliant with current accessibility codes. If a building renovation is undertaken it is suggested that a portion of the restrooms be updated to meet current accessibility requirements.	Depending on what is required, revamp partitions, tile, and paint to accommodate ADA Requirements. (Added to Budget)	\$ 3,000		
3	Interior finishes (paint, carpet, tile, ceilings) are in fair condition but somewhat dated.	We have budgeted new paint, tile, and ceilings in any of the areas where remodeling will occur, this would be to do the rest of the building with new paint, carpet, tile, & ceilings.		\$ 85,000	
4	Interior stair handrails and guardrails do not meet current codes. While this may not be required to be upgraded it would be suggested in a renovation project.	Not required to change, but City may want to upgrade		\$ 24,000	
5	Roofing was in good condition and it was noted by the current building occupant that there has been some repair work done recently. It would be anticipated that the existing roofing systems should continue to perform well in the near future with proper yearly maintenance. There were a few water stained ceiling tiles noticed during the visit. It was unclear if this was caused by a roof leak or another issues (leaking pipe...). The ceiling tiles did not appear to be wet at the time of the visit and the building tenant noted there were not active leaks they were aware of.	No immediate action required. Budget cost is to remove and replace flat roof that will remain in place.		\$ 90,000	
6	The elevator system is in fair condition. Depending on its anticipate use moving forward it would be recommended to consider an elevator modernization project within the next 10 years.	No immediate action required.		\$ 125,000	
		Required	Long Term Planning	Want	N/A
SEH Structural Comments		Boildt's Comments			
1	Exterior concrete retaining walls on parking lot side and concrete curbs at drive lanes are deteriorated from salt and moisture exposure and are in need of concrete repair. Loose concrete should be removed rust should be cleaned off of exposed rebar. Additional rebar dowels may be appropriate if there is significant section loss	Concrete Curbs at drive lanes will be demolished in remodel and addition. Wall is structurally sounds, patching of wall and paint could improve aesthetics. Patching and painting budget shown.		\$ 16,000	
2	Sealant joints at sidewalk interface with building are separated and/or cracked. Similarly, sealant in some veneer joints is deteriorated. Sealant should be replaced as part of the long-term maintenance plan for the building	Can be resealed and replace sealant joints		\$ 4,500	
3	Waterproofing membrane steps do not consistently extend above landscaping material on the sides of the building. We didn't observe evidence of leaking in the basement level, but these conditions should be noted in case future problems arise.	Continue to monitor			X
4	Exterior lintel between main building and clock tower at the main entry shows signs of corrosion beginning to compromise the finish. We recommend cleaning and repainting the lintel in the short term maintenance program before corrosion progresses.	Minor preparation and painting required for repair (Added to Budget)	\$ 500		
5	Embed plates and shear connector angles in the basement show a patina of corrosion. However, signs of leakage or ongoing moisture intrusion were not observed. Therefore, it appears that the corrosion is likely the result of construction conditions before the building was enclosed. For monitoring purposes, it may be advisable to clean and paint these connections. This way it would be more clear if corrosion progresses in the future.	Not recommended, but can be accomplished for \$75/Each		\$ 12,000	

		Required	Long Term Planning	Want	N/A
SEH Mechanical / Electrical Comments		Boldt's Comments			
1	There are two small residential electric water heaters in fair condition. They may need to be replaced if additional plumbing fixtures are added.	We may need to add one water heater for new locker rooms in basement area (Added to Budget)	\$ 3,500		
2	There is a large sewage ejector pump located in the basement for the basement plumbing fixtures, this system is original and the pumps should be considered for replacement.	No need to replace pumps are functional, but should be included in long term maintenance planning		\$ 5,000	
3	There is also a drain tile sump and pump in the basement that runs continuously in the spring. These pumps may want to be considered for replacement as well.	No need to replace pump is functional, but should be included in long term maintenance planning		\$ 2,500	
4	There are two original atmospheric gas boilers which are at the end of their useful operating lives. They should be replaced with more efficient boilers.	Existing boilers work, but should be included in the long term maintenance planning		\$ 100,000	
5	The ventilation system consists of two large indoor air handling units with remote condensing units distributing air through ductwork above the ceilings. These units are in fair condition but the ductwork would need to be reconfigured for new room arrangements.	Rerouting of existing ducts to meet new room arrangements has been included in remodeling budget			x
6	There are also two rooftop exhaust fans connected to the bathrooms for ventilation. These units are original and should be replaced due to age.	Rooftop exhaust fans are working, but should be included in long term maintenance planning		\$ 1,000	
7	There is also a small package rooftop air handling unit which is no longer used.	Can be removed if desired		\$ 5,000	
8	The temperature control system is old and needs to be replaced due to age.	Existing temperature control system is working, but should be included in long term maintenance planning		No Budget Provided	
9	The electrical service is original and in good condition. Distribution could be reconfigured for the new room arrangements.	Cost to modify existing electrical has been included in remodeling and addition cost			x
10	The lighting consists of T-8 fluorescent lights and some fluorescent can lights. These could be reused but should be replaced with new LED lighting.	Existing lighting system works, but can be evaluated to determine energy savings and project payback to if LED lighting is worth the cost.		\$ 17,000	
11	Emergency exit signs and emergency battery lights are original and should be replaced for new room arrangements. Some of the emergency lighting was tested on site and did not work properly.	Replace non-functioning batteries or sign. Continue to test emergency lights and exits signs as part of the maintenance of building. (Added to Budget)	\$ 3,000		
12	There is a limited fire alarm system that should also be replaced due to age.	Existing fire alarm system works, but should be included in long term maintenance planning			No Budget Provided
13	The phone/data system is also older and may be reused depending on the extent of remodeling.	Existing phone/data system works, but can be included in long term planning			No Budget Provided
14	The security system is older and should also be replaced.	Existing fire alarm system works, but can be included in long term planning			No Budget Provided

		Required	Long Term Planning	Want	N/A
Public Works Comments		Boldt's Comments			
1	Control Panel needs updates	See above regarding controls			
2	Some of the valves need replaced	See above regarding controls			
3	Old R-22 condensing units for AC	Existing condensing units for AC works, but can be included in long term maintenance planning	\$ 35,000		
4	Pneumatic controls for stats and zones can be problematic	See above regarding controls			



Project: City of Cloquet - Police Headquarters & Administration Building
Address: 101 14th Street, Cloquet, MN

Preliminary Budget Summary 4-12-18

<u>Division</u>	<u>Description</u>	<u>Budget Cost</u>
1 General Requirements	Project Supervision, Office Support, Dumpsters, Clean-Up, Trailers, Warehouse Support, Pickups, Jobsite Trailer, Temp. Fencing, & Construction Survey	\$ 55,000
2 Demolition	Remove Walls, Doors, Flooring, Windows, Millwork, Conc. Removal for Plumbing	\$ 21,300
3 Concrete	Concrete Patching for Plumbing	\$ 1,100
6 Wood, Plastics and Composites	Architectural Millwork (Cabinets, Counters, Working Counters)	\$ 18,000
8 Openings	Doors, Windows, Glass, Glazing	\$ 48,400
9 Finishes	Drywall Partitions, Tile, Acoustical Ceilings, Flooring, Paint, Bathroom ADA Upgrades	\$ 294,000
10 Specialties	Bathroom & Locker Accessories, Lockers, Signs, Kitchen Equipment	\$ 28,000
22 Mechanical	Plumbing & HVAC	\$ 65,500
26 Electrical	Electrical	\$ 146,000
Subtotal Building		\$ 677,300

<u>Division</u>	<u>Description</u>	<u>Budget Cost</u>
1 General Requirements	Project Supervision, Office Support, Dumpsters, Clean-Up, Trailers, Warehouse Support, Pickups, Jobsite Trailer, Temp. Fencing, & Construction Survey	\$ 75,000
2 Demolition	Structural Demolition (Remove Canopy)	\$ 26,000
3 Concrete	Concrete Equipment, Foundations, Walls, Slab, Stoops	\$ 147,200
4 Masonry	CMU Walls & 4" Face Brick	\$ 134,700
5 Metals	Steel Equipment, Structural Steel, Metal Joist & Decking, Misc. Metals	\$ 55,500
6 Wood, Plastics and Composites	Rough Carpentry (Roof Blocking)	\$ 22,000
7 Thermal & Moisture Protection	Roofing, Fluid Applied Air Barrier	\$ 106,300
8 Openings	Hollow Metal Door, Overhead Doors, & Windows	\$ 20,900
9 Finishes	Painting Interior CMU Wall	\$ 5,500
21 Fire Suppression	Fire Suppression	\$ 26,000
22 Mechanical	Plumbing & HVAC	\$ 133,500
26 Electrical	Electrical	\$ 91,100
32 Exterior Improvements	Excavation, Fill, Asphalt, Sidewalk, Curb & Gutter, Landscaping, Fence for Outlet	\$ 145,000
Subtotal Garage Addition		\$ 988,700
	Construction Contingency	\$ 98,800
	Building Permit	\$ 17,000
	Architect/Engineering Design	\$ 86,000
	Design Build Bonds	\$ 19,200
Subtotal		\$ 221,000

Total Cost Building Renovation & Garage Addition \$ 1,887,000

APPRAISAL REPORT

OF

**Members Co-op Credit Union Property
101 14th Street
Cloquet, Minnesota**

VALUED AS OF

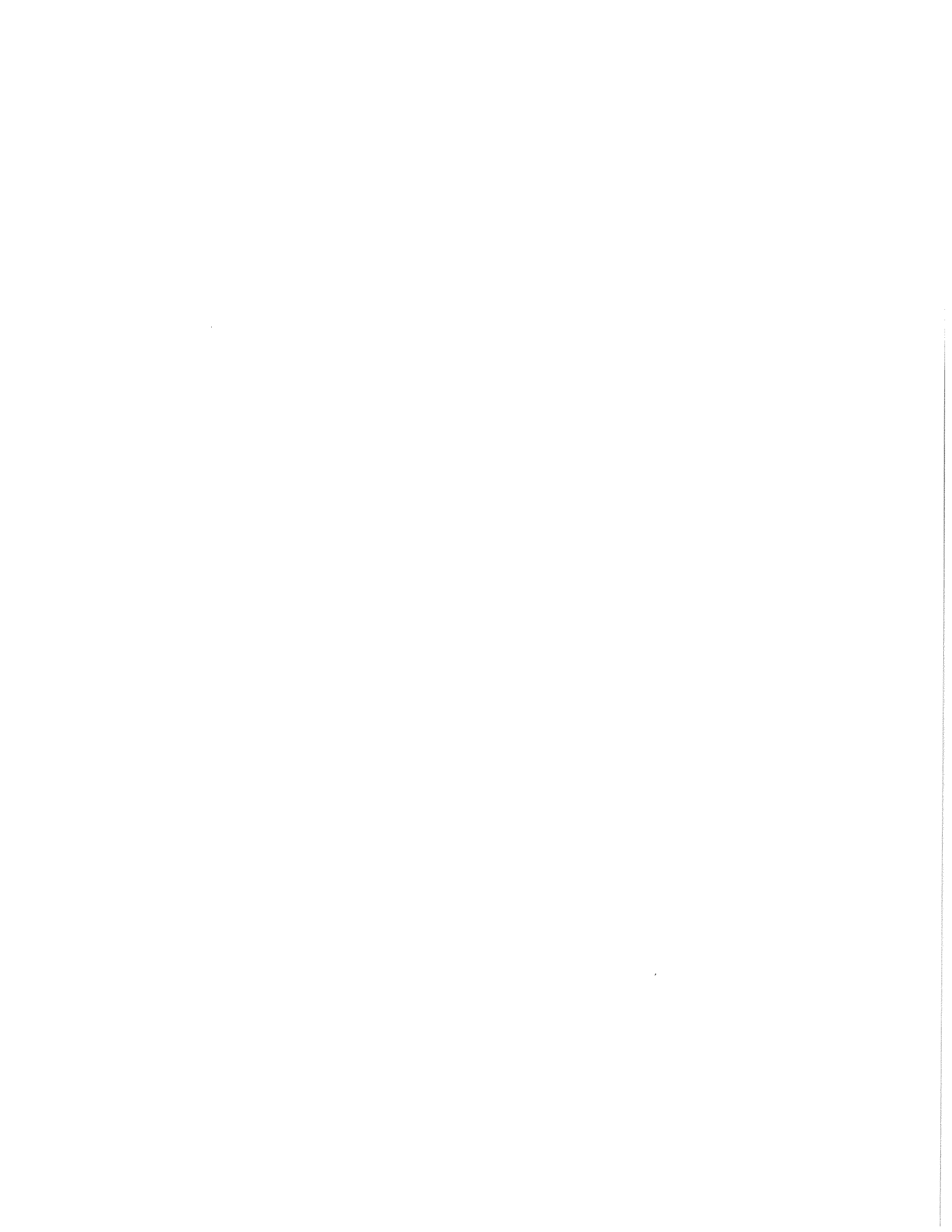
March 26, 2018

PREPARED FOR

**City of Cloquet
1307 Cloquet Avenue
Cloquet, Minnesota**

BY

RAMSLAND & VIGEN, INC.
Real Estate Appraisers & Consultants
600 LONSDALE BUILDING
DULUTH, MINNESOTA 55802



RAMSLAND & VIGEN, INC.
Real Estate Appraisers & Consultants
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JOHN M. VIGEN, SRA, RM
GARY A. BATTUELLO, MAI, AI-GRS
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TELEPHONE: 218/727-8583
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appraise@ramslandvigen.com

April 6, 2018

Aaron S. Reeves, ICMA-CM
City Administrator
City of Cloquet
1307 Cloquet Avenue
Cloquet, Minnesota 55720

Re: Members Co-operative Credit Union Property
101 14th Street
Cloquet, Minnesota

Dear Mr. Reeves:

Pursuant to your request for an estimate of market value applicable to the above referenced property, the undersigned has viewed the subject property, reviewed available data, and the findings are contained herein.

The appraisal procedure and report format employed herein is intended to be compliant with Uniform Standards of Professional Appraisal Practice (2018-2019 ed.) Standards Rule 1 (Real Property Appraisal Development) and Standards Rule 2-2(b) (Restricted Appraisal Report). This report summarizes data, reasoning and analyses used in the appraisal process.

The intended user of this appraisal is the addressee on behalf of the city of Cloquet. The purpose of this appraisal is to provide real property market value consultation to assist the client in decision-making regarding the subject's acquisition. This is a restricted appraisal report intended for the stated use, not for any other purpose.

Predicated upon a review of data summarized herein, the subject's market value, as a whole, effective March 26, 2018 can be estimated to be:

ONE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS
(\$1,950,000.00)

Respectfully submitted,

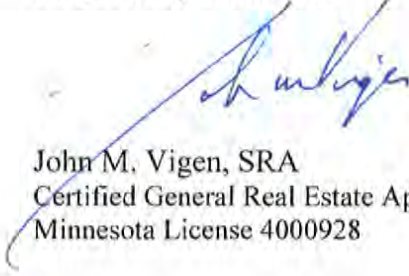

John M. Vigen, SRA
Certified General Real Estate Appraiser
Minnesota License 4000928



TABLE OF CONTENTS

Letter of Transmittal
Table of Contents

Property Identification	1
Cloquet Aerial	2
Property Maps	3
Property Aerial/Plat	4
Purpose of the Appraisal	5
User and Use of the Appraisal	5
Appraisal Format	6
Hazardous Substances	6
Dates of Note	7
Scope of the Appraisal	7
History of Ownership	7
Marketing Period	8
Carlton County Data	9
Cloquet Area	10
Neighborhood Data	11
Municipal Data	12
Property Description	13
Subject Photographs	15
Highest and Best Use	20
Highest and Best Use Analysis	20
Valuation Procedure	22
Sales Comparison Approach	23
Comparable Sales Data	25
Sale Data Summary	31
Income Analysis	34
Valuation Conclusion	37
Certification	38
Assumptions and Limiting Conditions	39
Appraiser Qualifications	41

Addenda

Floor Plans
Zoning Information

PROPERTY IDENTIFICATION

The subject is the Members Co-op Credit Union complex consisting of a primary office building and two, non-contiguous supportive parking/equipment storage sites. The office complex is located at 101 14th Street, Cloquet, Minnesota 55720. Legal descriptions applicable to the subject's three components follow.

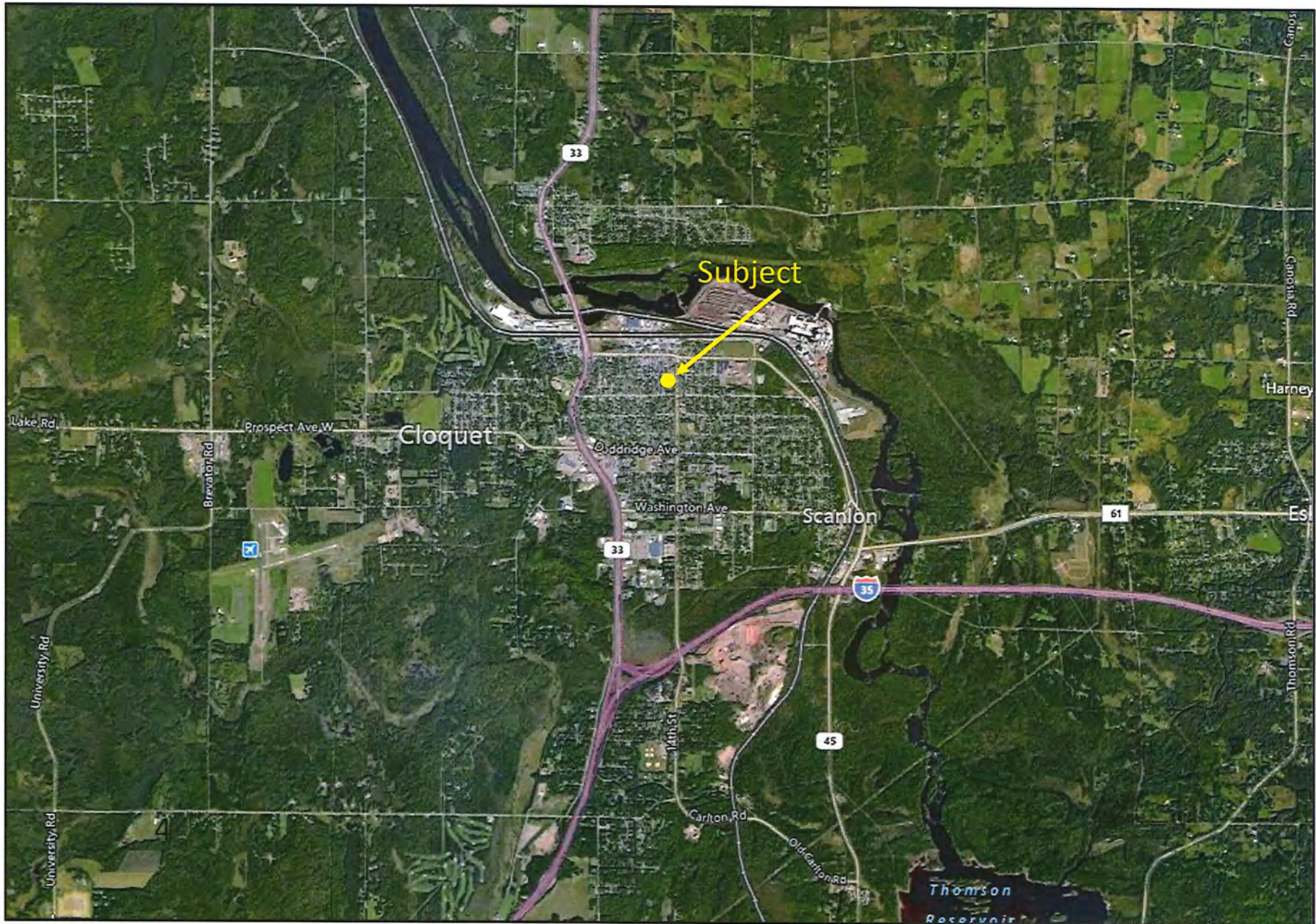
Office Complex: Lots 1-6, 22, & 23, including vacated alley adjacent, Block 16,
Northern Lumber Company East Division

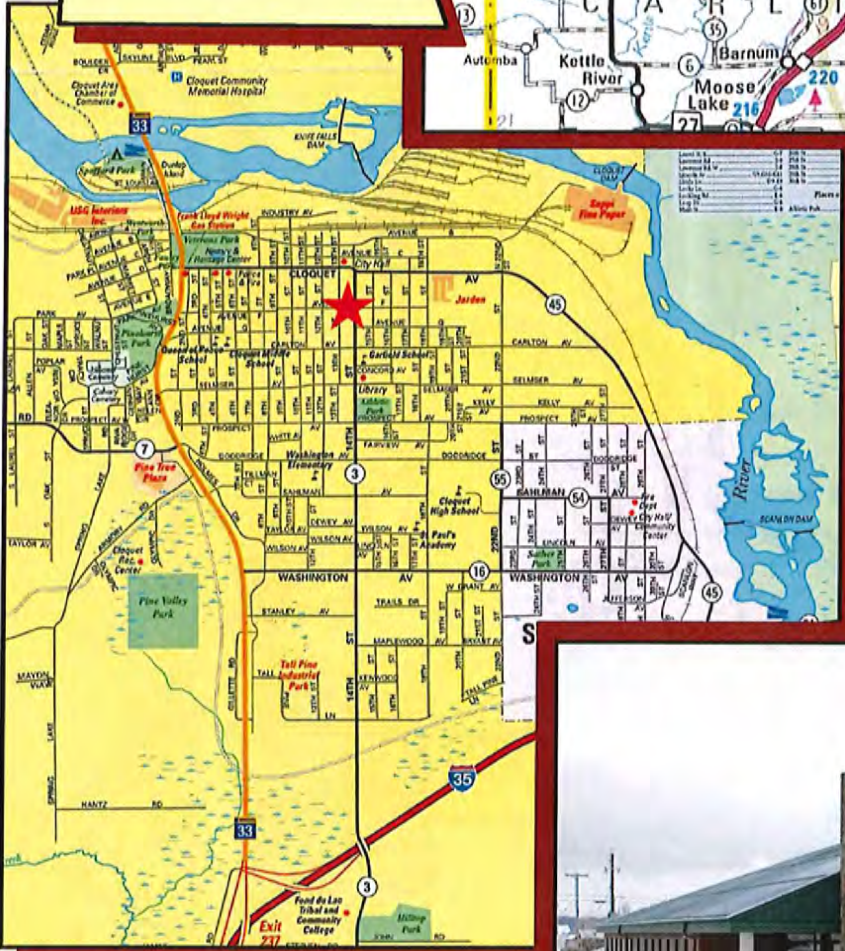
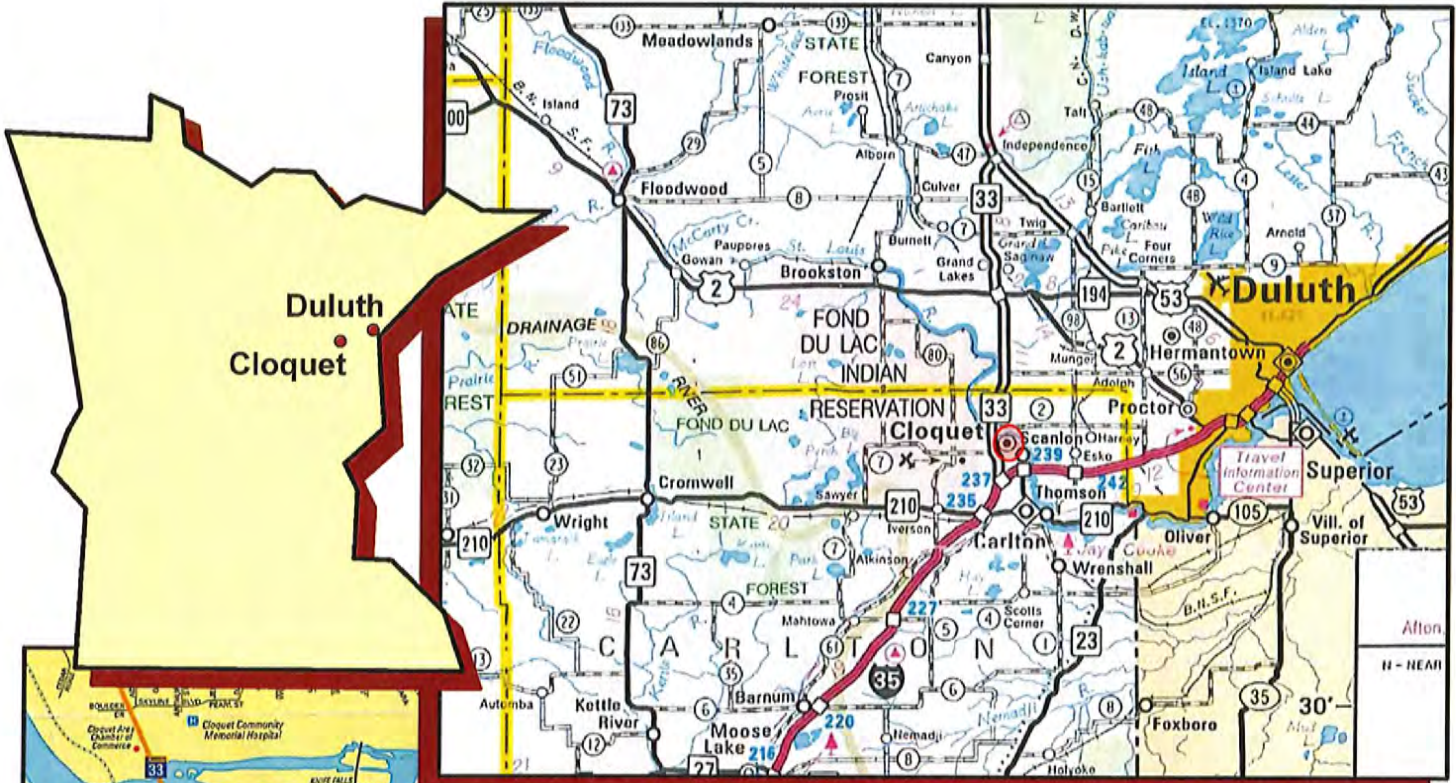
Employee Parking Lot: Lots 13 & 14, Block 15,
Northern Lumber Company East Division

Storage Garage: Lot 9, Block 15,
Northern Lumber Company East Division

All in the city of Cloquet, Carlton County, Minnesota

A title examination confirming surface and fee simple interest ownership is beyond the scope of this assignment. The legal description as defined is inclusive of any easement of record which may become evident upon completion of title review and resulting opinion. Properties defined are depicted on project exhibits herein.





Members Co-op Credit Union
 101 14th Street
 Cloquet, Minnesota





BER CO'S VISION		18 06-290-3940	06-290-3720 06-290-3700	6 06-110-0100 6 Block 1 06-110-0120	15 06-110-0300
06-290-3060 06-290-3040	06-290-2840 06-290-2860	17 06-290-3920	06-290-3740	7 06-110-0140	14 06-110-0280
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Members Co-op Credit Union
 101 14th Street
 Cloquet, Minnesota

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate a most probable market value of the subject's fee simple interest in its "as is" condition, effective March 26, 2018.

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. The Dictionary of Real Estate Appraisal, 6th Edition. (2015), pp. 141-142 defines market value as interpreted by various agencies for various purposes, inclusive of the federally insured financial institutions (FIRREA), the International Valuation Standards Council, and Uniform Standards of Federal Land Acquisition (Yellow Book). Uniform Standards of Professional Appraisal Practice (USPAP 2016-2017) recommendations are also referenced. The Appraisal Institute indicates in its 14th Edition of The Appraisal of Real Estate, p. 58, the most widely accepted components of market value as expressed by various professional appraisal groups are incorporated into the following definition:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

USER AND USE OF THE APPRAISAL

The intended user of this appraisal is Mr. Aaron Reeves, City Administrator, and the City Council of the city of Cloquet, Minnesota. This appraisal is intended to provide a market value estimate to assist the client in a decision-making process regarding the subject's acquisition.

APPRAISAL FORMAT

The valuation procedure and reporting format of the appraisal are intended to be compliant with the Uniform Standards of Professional Appraisal Practices (USPAP 2018-2018 edition) Standards Rule 1 (Real Property Appraisal Development) and Standards Rule 2-2(b)(Restricted Appraisal Report).

This report is reasoned to be “restricted” in the sense its use is restricted to the client for the purpose as stated. Further, due to proprietary data, a portion of the analysis has been summarily presented. Data for this portion which supports the reasonable conclusion is retained in the appraiser’s file.

The appraisal process is also intended to be compliant with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute (2008 edition).

HAZARDOUS SUBSTANCES

The term “Hazardous Substance” shall mean and include any element, compound, mixture, solution or substance regulated by a federal, state or local law, rule or regulation because of its toxicity, corrosiveness, reactivity, ignitability or carcinogenic effect and shall include petroleum, natural gas and derivative of synthetics thereof. Unless otherwise stated in this report, the existence of hazardous substances, which may or may not be present on the property was not called to the attention of nor did the undersigned become aware of such during the appraiser’s observation. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the property’s market value. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto which would cause a loss in value. No responsibility is assumed for any such hazardous substance or for any expertise or knowledge required to discover them.

DATES OF NOTE

Date of Property Observation: March 26, 2018
Date of Value: March 26, 2018
Date of Report: April 6, 2018

SCOPE OF THE APPRAISAL

The undersigned was retained by Mr. Aaron Reeves, City Administrator, to appraise the subject for the purpose stated. Legal descriptions were provided to the undersigned by the City and confirmed with Carlton County public offices. The undersigned is generally familiar with the subject property, its general site environs, and greater city of Cloquet CBD location through passing observation and past real property appraisal activity within this sector of the community. City of Cloquet municipal offices were queried with respect to zoning and land use opportunity. Carlton County assessment information summary of the same is presented in the Addenda. Project exhibits were obtained from various sources to best depict the subject's physical characteristics and community location. On March 26, 2018, the undersigned, accompanied by representatives of Cloquet Members Co-op, observed the subject property in its entirety.

Regional, economic, cultural and demographic information was assembled and analyzed. Market data employed within the sales comparison analysis was researched through public offices and other venues. All factors relevant to an appropriate valuation procedure for the subject property and purpose of the appraisal were considered herein.

HISTORY OF OWNERSHIP

Available information indicates the Members Co-op Credit Union building was designed and constructed in 1995± to accommodate its present use. The two supportive sites were acquired thereafter. In recent years, due to consolidation of the owners' operating properties, the subject known to have been available for purchase. As of current date, however, the property continues to be occupied and used for its intended purpose and a recorded sale has not occurred.

MARKETING PERIOD

Marketing period may be defined as:

A normal market period is the amount of time necessary to expose a property to the open market in order to achieve a sale. Implicit in this definition are the following conditions:

- 1) The property will be actively exposed in and aggressively marketed to potential purchasers through market channels commonly used by sellers of similar types of properties.
- 2) The property will be offered at a price reflecting the most probable markup over market value used by sellers of similar properties.
- 3) A sale will be consummated under the terms and conditions of the definition of market value stated in this report.

The subject is a one-story, architecturally designed office building with full basement and partial mezzanine. It contains 17,219± square feet above grade. The building is developed on a site bordered by three municipal thoroughfares. In addition, a non-contiguous parking lot is across the avenue from the primary site, and a secondary equipment storage facility and its site is one-half block distance. Historically, the property has been owned and operated as a Member Co-op Credit Union. The building's architectural design readily accommodates repurposing for other private/public business purpose. Although demand for commercial property within Cloquet is selective, it is reasonable to anticipate with the subject's physical/functional and locational attributes, the property as a whole would experience a marketing time of 36 months or less.

CARLTON COUNTY DATA

Carlton County was established in its current boundary in 1857. Its geopolitical characteristics include 24 townships of which 19 are organized and 5 unorganized. The county has ten cities, the largest being Cloquet. The others are widely dispersed within the county and function as central cities within their region. Carlton is the county seat. Historically, the county's population was of an agrarian society. Although agriculture and forest management remains an integral part of its landscape, over recent decades, such use is giving way to fractionalization of the landscape for recreational and rural residential development. The county remains sparsely populated with a ratio of 35± persons per square mile. Carlton County is well known for the devastating fire of 1918, which raged through the region at great loss of human life and property.

Current labor statistics for Carlton County indicate an unemployment rate of 5.0% for December 2017. This compares to 5.7% experienced in December 2017.

CLOQUET AREA

Cloquet is known as the City of Wood and is situated in northeastern Minnesota approximately 135 miles north of Minneapolis – St. Paul and 18 miles southwest of Duluth. It is the largest city in Carlton County and local population has had the following pattern.

<u>Area</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2016</u>
Cloquet	11,142	10,885	11,201	12,124	12,111
Carlton County	29,936	29,259	31,671	35,386	35,738

Cloquet’s population experienced a decline between the 1980 and the 1990 census, but 2010 counts demonstrate a modest growth. Carlton County as a whole indicates positive growth, much of which relates to retiree in-migration to the county’s recreational lakes.

The community of Cloquet is located on the St. Louis River, which has been utilized as a water resource for the wood products industry prevalent in the community. Economic wellbeing in the city is dependent upon the fortunes of the wood products business with the three largest employers being Sappi Corporation (formerly Potlatch), USG Acoustical Products, and Diamond Match Company (aka Jarden Home Brands-Cloquet, Inc.).

Cloquet is serviced by rail, has its own general aviation airport and abuts the northerly side of Interstate 35 with two access points to this highway. Minnesota Highway 33 bisects a westerly part of the city in a north-south direction. This highway links Interstate 35 to the south with U.S. Highway 53 to the north. Highway 53 links Cloquet with Minnesota’s “Iron Range” community 60 miles northward and the U.S.-Canadian International border beyond.

NEIGHBORHOOD DATA

The subject is located in a northcentral sector of Cloquet's original cityscape as it lay southward of the St. Louis River. The site specific is located within the southerly periphery of Cloquet's historical CBD. Its site abuts the westerly side of 14th Street, a primary north/south thoroughfare which links the CBD with the city's southerly neighborhoods. Cloquet Avenue, an east/west thoroughfare, is two blocks north of the subject and is considered to be the city's historical "main street". This thoroughfare is improved with diverse consumer service establishments including retail, professional, and municipal. Cloquet City Hall is located at the intersect of 14th Street and Cloquet Avenue.

The subject's immediate neighborhood is predominantly residential in character with a number of dwellings fronting 14th Street having been converted to commercial adaptation. A modern public library and Cloquet alternative education program facility front 14th Street, two block south of the subject.

MUNICIPAL DATA

Real Estate Tax Assessment Data

The subject's 2018 assessed market value for real estate taxes payable 2019 is defined by three, separate PINs. Each, together with its 2018 real estate tax payable, follows.

	PIN	EMV		Total	2017 RET
		Land	Imp		
Primary Building	06-290-4000	\$167,800	\$1,062,800	\$1,230,600	\$53,928
Employee Parking	06-290-3840	52,600	0	52,600	1,914
Equipment Storage	06-290-3760	21,700	15,500	37,200	1,534
Total		\$242,100	\$1,078,300	\$1,320,400	\$57,376

Land Use and Zoning

A city of Cloquet Land Use and Zoning Department representative confirms the subject lay within a CC-City Center district. In essence, the CC district encompasses Cloquet's historical CBD along Cloquet Avenue, portions of Avenue B, and a northerly segment of 14th Street as it extends to the subject's location. An exhibit depicting this district is presented.



Article 17.6.13 defines CC-City Center district to encourage and foster further development enhancement of downtown (city center) area. The district requirements recognize the unique characteristics of the city center area as the heart of the city. The city center provides a mix of traditional downtown uses that are consistent with a vision for the area as expressed in a comprehensive plan including retail, entertainment, offices, services, government facilities and a mixture of residential uses. Subd. 2 of the article defines permitted uses of which the subject's current use is one.

Present use of the subject and its ancillary supportive parking/storage area appear consistent with the city's ordinance. A copy of the applicable zoning section is presented in the Addenda.

PROPERTY DESCRIPTION

The Members Co-op Credit Union ownership is of three, non-contiguous properties, all of which are in proximity to one another. The primary consists of 1995± era architecturally designed office complex built to accommodate the credit union's occupancy needs. Albeit the building presently functions for bank occupancy, its design readily accommodates alternate office/consumer service use. The building's design is of one-story at grade with mezzanine above and full basement below. The basement features poured concrete foundation and concrete slab. Approximately 3,584± square feet of the basement's southerly and easterly perimeter includes finished office, utility core, employee's lunchroom/locker room and bathrooms. The remaining 9,019 square feet of the basement's 12,603 square foot footprint is of open storage with 11-foot ceiling. Mechanical systems include two, natural gas hot water boilers, central HVAC system, and 800-amp, three-phase electrical service entrance. Sump pumps accommodate domestic use as well as a specialized system which monitors a subterranean artesian well. The building is fully sprinklered with hard-wired fire alarm system. Vertical access includes multiple interior stairways as well as a three-stop elevator, which links basement to mezzanine.

The main level, which contains 12,603± square feet, is ADA accessible at grade with two primary entrances. One accesses the abutting parking lot and the other 14th Street. The perimeter of this level is developed with a series of 21± private offices inclusive of the drive-up teller station and safe deposit/vault area. In addition, there are two washrooms, elevators, two stairwells and enclosed entrance foyers. The core of this level features clearstory to roofline, which is enhanced by skylights. A series of six to eight offices, inclusive of portable workstations and customer kiosks finish the main floor interior core space. The mezzanine level is developed along the building's south and east wall to include nine offices, washrooms, two staircases, and elevator access. This level contains 4,616± square feet.

Project exhibits depict the building's interior to be predominantly painted sheetrock, wood case-work, and carpet/tile floor. The building's exterior is of brick fascia with standing seam metal roof. Overall, the building is constructed of qualitative materials and workmanship. It appears well maintained and its present use/layout could accommodate reuse for diverse purpose. The primary

building contains 17,219 square feet of finished space above grade plus 3,584 square feet of finished area in the basement for gross leasable area (GLA) of 20,803 square feet. It also features 9,019 square feet of unfinished storage area in the basement level.

The primary site is of 232 feet by 240 feet for a total land area of 55,580 square feet. It provides bitumen parking lot, perimeter landscaping, and frontage on three municipal streets.

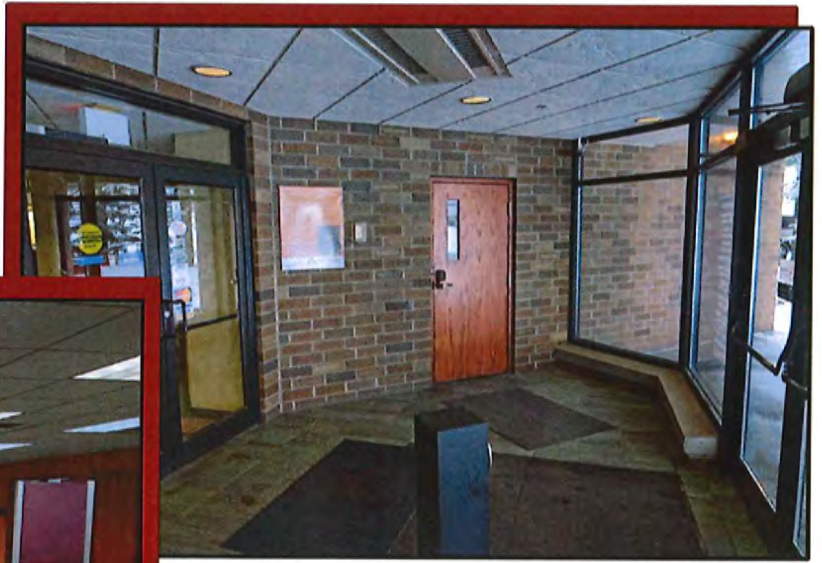
Two, non-contiguous but in proximity parcels support the developed primary site. At the corner of Avenue F and 13th Street, across from the primary property, is a corner lot of 108 feet x 130 feet, which equates to 12,960 square feet. This site accommodates employee parking. It is improved with bitumen surface and security lighting. One-half block north of the primary parcel, fronting 14th Street, is a 60 foot x 108 foot lot of 6,480± square feet. This is improved with a three-car garage, built in 2000, and contains 676 square feet.

Building schematics and project exhibits presented herein define the subject's physicality.

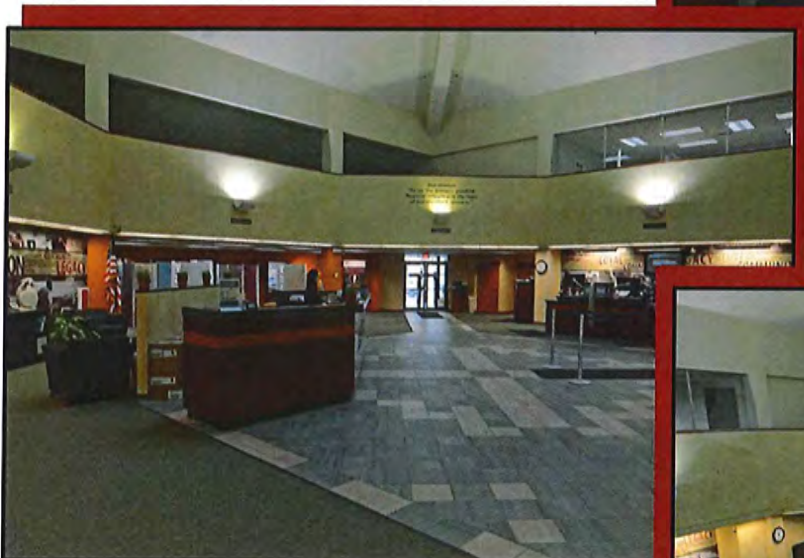


Members Co-op Credit Union
101 14th Street
Cloquet, Minnesota





Members Co-op Credit Union
101 14th Street
Cloquet, Minnesota

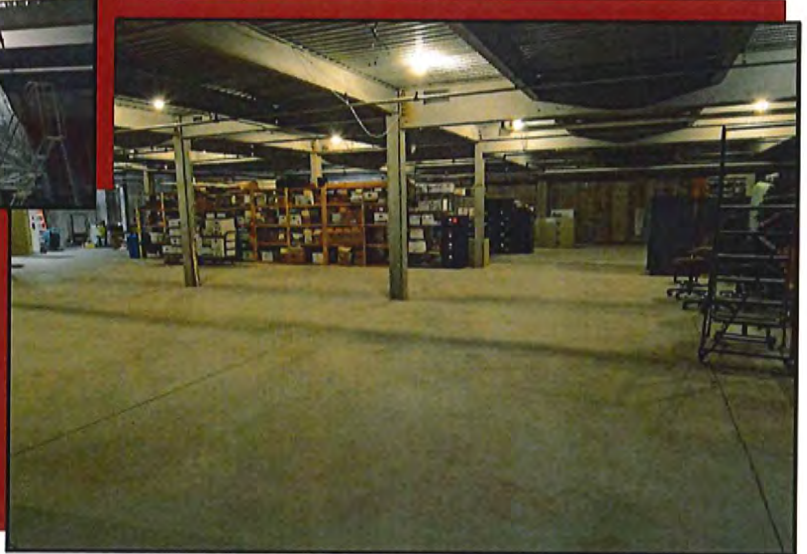


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HIGHEST AND BEST USE

The Appraisal Institute in its Dictionary of Real Estate Appraisal, 6th Edition, p. 109, defines highest and best use as:

The reasonably probable use of property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

HIGHEST AND BEST USE ANALYSIS

An analysis of the four criteria appropriate for the subject follows.

Legal Permissibility of Land as Though Vacant

The test of this standard is to recognize private restrictions, zoning, building codes, historic district controls, and environmental regulations which may impact a property's use opportunity. Appropriate land use regulatory standards applicable to the city of Cloquet have been analyzed. The subject is encumbered by CC-Center City district land use standard, which is consistent with the subject's current use. Accordingly, the subject's use opportunity does meet the test of legal permissibility.

Test of Physical Possibility of Land as Though Vacant

The subject features three, non-contiguous yet in proximity parcels, all of which support the primary building in its current as well as probable repurpose use. The land is essentially level and features multiple directional access/egress. All parcels are serviced by municipal utilities. On an individual basis, each of the three lots exceeds minimum lot size for its land use category. Accordingly, the subject meets the test of physical possibility.

Test of Financial Feasibility of Land as Though Vacant

The Appraisal Institute suggests the financial feasibility test of land as though vacant relies on interpretation of relevant and creditable market evidence collected and analyzed in the market area and in the subject's competitive market. A thorough research of sales applicable to competitive properties and historical market activity has been completed. A most probable market value presented herein is a result of this analysis which considered those factors influencing value. Assuming the subject to be offered in the open market, given appropriate market exposure, and priced competitively with value observations, acquisition and use of the subject as proposed meets the financial feasibility test.

Test of Maximum Productivity of Land as Though Vacant

This test shadows the prior. It is a test of maximum productivity or economic benefit that accrues as a result of highest and best use of the land. Likely repurpose opportunity of the subject would be consistent with the building's architectural design and compatible with the community's land use objective. Maximum productivity of the land is achieved through an economic gain for the property specific as well as the community as a whole. Assuming the subject to be marketed at its estimated value and put to its highest and best use, the test of maximum productivity has been met.

Highest and Best Use Conclusion

Factors necessary for consideration in a highest and best use analysis have been defined. The subject's descriptive analysis supported by project exhibits depict the building to be suitable for diverse business/professional/public repurpose opportunity. The two secondary sites remain supportive to the improved primary parcel. Predicated on factors which contribute to value, the highest and best use of the subject property is as it may contribute to the community through positive economic gain from jobs and real property investment in the community.

VALUATION PROCEDURE

Traditional appraisal practice utilizes three recognized indicators of value: the replacement cost, income analysis, and sales comparison valuation techniques. The nature of the subject property and purpose of the appraisal influence appropriate valuation techniques to be employed.

Cost Approach

The cost approach to value estimates replacement cost of improvements less applicable depreciation plus contributory value of the land. Recognizing the nature of the subject property, purpose of the appraisal and availability of meaningful data from which to abstract depreciation estimates, the cost approach is not applicable.

Income Approach

An income valuation technique estimates the subject's most probable market value predicated on an analysis of its net earning potential capitalized into value. The subject's was designed for single-user occupancy. In all likelihood, it would be leased accordingly. Generally, a single-user occupant pays a triple-net rent whereby the tenant pays all operating costs inclusive of utilities, building insurance, real estate taxes, and common area maintenance. An income approach presented herein anticipates such occupancy. Respecting the propriety nature of the subject's private ownership, a detailed operating expense schedule is retained in the appraiser's file. Only a summation of income/expense data necessary to exhibit the foundation of the income analysis is presented. Specificity of operational data is available for client discussion.

Sales Comparison Approach

The sales comparison approach considers the value in exchange or the price paid for comparable properties in the marketplace. Most often data is obtained from public records or other sources which have familiarity with a subject's market. Information resources queried for the purpose of this analysis include city of Duluth, St. Louis County, Carlton County, assessment offices, Board of Realtor data and other public records. The sales comparison approach is most applicable for the purpose of this appraisal.

SALES COMPARISON APPROACH

Market Observations

Most regional economists, real property appraisers and ad valorem assessment personnel concur the nation's 2006-2010 recession altered the face of northern Minnesota's business climate and real estate market. Although the region's economy appears to be firming since 2012, the primary sectors remain fragile in that uncertainty over environmental matters, permitting, and financial availability has delayed anticipated expansion in the mineral mining industrial sector. The region's wood process sector also remains hesitant with diminished demand for certain paper types and panelized production. The city of Cloquet recently suffered an economic/job loss with the closure of the former Diamond Match factory. These lingering economic effects also transcend into other sectors of the commercial real estate market. Historically, buildings of the subject's type were developed for single-occupancy. Such uses include banks, medical clinics, corporate offices, public/governmental venues, etc. Since the recession, the commercial office sector has witnessed an absence of new construction. Conversely, this sector is experiencing consolidation, which, in turn, is filling limited market demand through substitution. The subject is representative of this trend.

For the purpose of this analysis, market data applicable to the resale of regional office buildings was researched and analyzed. Acknowledging a limited availability of data, research included sales from 2013 to current date. Geographically, the observations extend from Duluth/Cloquet to the community of Cook. This process resulted in six observations summarized below.

Improved Property Sales

Comp	Address	City	Date Sold	Land Area (SF)	Size/Fin (SF)	Price	Price/Sq. Ft (Fin)
1	715 E Central Ent	Duluth	12/2014	40,900	8,736	\$920,000	\$105
2	625 E Central Ent	Duluth	12/2014	40,400	8,816	864,800	98
3	211 S. Boundary Ave	Proctor	09/2011	82,905	110,167	1,209,749	118
4	4628 Mike Colalillo Dr	Duluth	03/2017	143,564	20,000	2,300,000	115
5	9558 Ashawa Rd	Cook	11/2016	466,092	11,200	2,156,000	192
6	241 Hwy 33 N	Cloquet	04/2013	146,797	7,192	590,000	82

The six observations are located in three different communities of the subject's extended region. All were of modern architectural design whose purpose was to accommodate office occupancy. All were competitive in occupancy expectation for their respective locations. Data specific to each observation inclusive of exhibit applicable to each follows.

Comparable # 1



Location:	715 E Central Entrance Duluth		
Grantor:	Duluth Teacher's Retirement Fund Association	Grantee:	APC Properties, LLC
Sale Price:	\$920,000	Date of Sale:	12-2014
PIN:	010-0550-00010	Sale Type:	WD
GBA (Fin):	8,736± sq. ft	Price per GBA (Fin)	\$105
Land Area:	40,200 ± sq. ft/.92± ac	Use:	Commercial
Year Built:	1996	Condition:	Average
Quality:	Good	Confirm:	Public Records

Comments: Observations #1 and #2 are sister buildings, designed and constructed as an office campus. Both front Central Entrance, which is an easterly gateway, commercial corridor to the Miller Hill Mall district. Central Entrance corridor is one of the most highly trafficked locations in the city of Duluth. Observation #1 features two tenants, both professional office occupancies. The structure is fully ADA accessible with a two-stop elevator and at-grade access. It features a masonry exterior with architectural detail and qualitative interior finishing.

Comparable # 2



Location:	625 E Central Entrance Duluth		
Grantor:	Duluth Teachers Retirement Fund Association	Grantee:	Duluth Federation of Teachers
Sale Price:	\$864,800	Date of Sale:	12/2014
PIN:	010-0550-00030	Sale Type:	WD
GBA (Fin):	8,816± sq. ft	Price per GBA (Fin)	\$98
Land Area:	40,400± sq. ft/.93± ac	Use:	Commercial
Year Built:	1996	Condition:	Average
Quality:	Good	Confirm:	Public Records

Comments: Observations #1 and #2 are sister buildings, designed and constructed as an office campus. Both front Central Entrance, which is an easterly gateway, commercial corridor to the Miller Hill Mall district. Central Entrance corridor is one of the most highly trafficked locations in the city of Duluth. Observation #2 is wholly occupied by Duluth Teacher's Retirement Fund Association who developed the complex. This building features masonry exterior with architectural detail, however, its interior is of exceptional quality reflecting financial institution expectation.

Comparable # 3



Location:	211 South Boundary Avenue Proctor	Grantor:	Duluth Lakewalk Offices Phase II	Grantee:	Waterline Med Fund I, LLC
Sale Price:	\$1,209,749	Date of Sale:		Date of Sale:	09/2011
PIN:	185-0090-00350 185-0090-00380	Sale Type:		Sale Type:	WD
GBA (Fin):	10,167± sq. ft	Price per GBA (Fin)		Price per GBA (Fin)	\$118
Land Area:	82,905± sq. ft/ 1.90± ac	Use:		Use:	Commercial
Year Built:	2001	Condition:		Condition:	Average
Quality:	Good	Confirm:		Confirm:	Public Records

Comments: Observation #3 is located at the intersection of Highway 2 and Boundary Avenue in the community of Proctor. This is one of the area's most highly trafficked locations. The building was designed to accommodate medical clinic occupancy. Its exterior is of masonry with architectural fenestration. Its interior finishing is consistent with expectation for a modern medical facility.

Comparable # 4



Location:	4628 Mike Colalillo Dr Duluth	Grantee:	Members Cooperative CU
Grantor:	LSREF Bison, LLC	Date of Sale:	03/2017
Sale Price:	\$2,300,000	Sale Type:	WD
PIN:	010-3599-00105 010-3599-00102	Price per GBA (Fin)	\$115
GBA (Fin):	20,000± sq. ft	Use:	Commercial
Land Area:	94,000 ± sq. ft/2.16± ac	Condition:	Average
Year Built:	1996	Confirm:	Public Records
Quality:	Average		

Comments: Observation #4 is located within western Duluth's industrial park with visual exposure to I-35 and access from Mike Colalillo Drive. This building features an architecturally designed, bur-nished block/brick exterior and interior finishing consistent with professional office space. Its location is convenient to the Bong Bridge for access to northern Wisconsin.

Comparable # 5



Location:	9558 Ashawa Road Cook	Grantee:	St. Louis County
Grantor:	Laurentian Holding, LLC	Date of Sale:	11/2016
Sale Price:	\$2,156,000	Sale Type:	WD
PIN:	120-0060-00015	Price per GBA (Fin)	\$192
GBA (Fin):	11,200±	Use:	Commercial
Land Area:	466,092±	Condition:	Average
Year Built:	2010	Confirm:	Public Records
Quality:	Average		

Comments: This observation is located in the rural hamlet of Cook, Minnesota. It was designed to accommodate a regional social security office. Through consolidation, it was made available and acquired by St. Louis County as a regional public works office center. Due to its rural location, it functions with private utilities, abutting parking lots and a land area which exceeds that normally observed within an urban area. A query of a St. Louis County Board of Commissioners member finds the emphasis for the price paid was the principle of substitution. The County was seeking to develop a new facility when this property became available. Accordingly, the cost to acquire was less than the cost to build, hence, a rather subjective price paid.

Comparable # 6



Location:	241 Highway 33 N Cloquet		
Grantor:	33 North Investments, LLC	Grantee:	Jennifer Nyakundi
Sale Price:	\$590,000	Date of Sale:	4/2013
PIN:	06-740-0060, 06-740-0040 06-740-0020	Sale Type:	WD
GBA (Fin):	7,192± sq. ft	Price per GBA (Fin)	\$82
Land Area:	146,797± sq. ft/3.37± ac	Use:	Commercial
Year Built:	2005	Condition:	Average
Quality:	Average	Confirm:	Public Records

Comments: This observation is within the extended Highway 33 commercial corridor of north Cloquet. It was originally designed and built to accommodate a real estate office. Due to economic circumstances, the property was marketed in 2013 during a challenging commercial disposition market. Accordingly, market timing and overall quality of building resulted in a per unit price below that observed for more qualitative, regional, commercial office buildings.

Sale Data Summary

Observations #1 and #2 are sister buildings, designed and constructed as an office campus. Both front Central Entrance, which is an easterly gateway, commercial corridor to the Miller Hill Mall district. Central Entrance corridor is one of the most highly trafficked locations in the city of Duluth. Observation #1 featured two tenants, both professional office occupancies. The structure is fully ADA accessible with a two-stop elevator and at-grade access. It features a masonry exterior with architectural detail and qualitative interior finishing. Observation #2, its sister building, was wholly occupied by Duluth Teachers Retirement Fund Association who developed the complex. This building featured a similar exterior fenestration, however, its interior was of exceptional quality reflecting financial institution expectation.

Observation #3 is located at the intersection of Highway 2 and Boundary Avenue in the community of Proctor. This is one of the area's most highly trafficked locations. The building was designed to accommodate medical clinic occupancy. Its exterior is of masonry with architectural fenestration. Its interior finishing is consistent with expectation for a modern medical facility.

Observation #4 is located within western Duluth's industrial park with visual exposure to I-35 and access from Mike Colalillo Drive. This building features an architecturally designed, bur-nished block/brick exterior and interior finishing consistent with professional office space. Its location is convenient to the Bong Bridge for access to northern Wisconsin.

Observation #5. This observation is located in the rural hamlet of Cook, Minnesota. It was designed to accommodate a regional social security office. Through consolidation, it was made available and acquired by St. Louis County as a regional public works office center. Due to its rural location, it functions with private utilities, abutting parking lots and a land area which exceeds that normally observed within an urban area. A query of a St. Louis County Board of Commissioner member finds the emphasis for the price paid was the principle of substitution. The County was seeking to develop a new facility when this property became available. Accordingly, the cost to acquire was less than the cost to build, hence, a rather subjective price paid.

Observation #6. This observation is within the extended Highway 33 commercial corridor of north Cloquet. It was originally designed and built to accommodate a real estate office. Due to economic circumstances, the property was marketed in 2013 during a challenging commercial disposition market. Accordingly, market timing and overall quality of building resulted in a per unit price below that observed for more qualitative, regional, commercial office buildings.

Reasoned Valuation Analysis

In the appraisal process, it is often necessary to adjust market data to reflect those factors which differ from a subject property. In a balanced, homogeneous market where subjects and comparables are reasonably consistent in age, design and utility, variables which contribute to price differences are often able to be abstracted from the market through a “paired sale” analysis or other sources inclusive of various economic indicators. Conversely, in situations where there is a commonality of purpose or use (i.e., acquired for office occupancy), but factors of location, size, shape, physicality, etc. differ, any attempt to abstract the contributory value of these components is generally conjecture at best.

The six observations range in price per unit of \$82 to \$192 per square foot. The high and low outliers can be excluded. Observation #6 (\$82/sq. ft) was of lesser quality and marketed during challenging times and conditions. Conversely, Observation #5 (\$192/sq. ft) was acquired by St. Louis County on purely a comparative analysis between potential acquisition price and cost of new construction. The County had considered building a new complex within the northern region when this property became available. Without doubt, a degree of subjectivity influenced price paid. The remaining four observations are interpreted to be open arm’s length transaction and indicate a fairly tight range between \$98 to \$118 per square foot, with the average being \$109 per square foot. It was earlier noted, Observations #1 and #2 are sister buildings on a high traffic corridor within the city of Duluth. Observation #3 was designed and occupied as a medical facility and located at a dominant highway intersect in Proctor. The 4th observation was located within a western Duluth industrial park with visual exposure to I-35 and access from a frontage road. Finished area applicable to these observations was all above grade.

Recognizing the locational attributes of these observations compared to the subject, a range in price expectation between \$100 to \$110 per square foot of finished area above grade is appropriate. Applying these factors results in the following value range.

$$17,219 \times \$100 \text{ per square foot} = \$1,721,900$$

$$17,219 \times \$110 \text{ per square foot} = \$1,894,900$$

The contributory value of the excess land comprised of the employee parking lot and maintenance building/lot, is allocated at \$90,000, which is consistent with its ad valorem assessed value. This equates to a range in value for the property as a whole between \$1,812,000 to \$1,984,000 (rounded).

Acknowledging the subject's architectural integrity, physical/functional characteristics, full basement, finished/storage areas, and overall condition, it is reasonable to anticipate a price expectation towards the upper level of this range in value, or say

\$1,950,000

INCOME ANALYSIS

An income valuation technique estimates a subject's most probable market value predicated on an analysis of its net earning potential capitalized into value. Most often, when a building, such as the subject, is leased to a single-user occupant, it is leased on a triple-net basis. Under that scenario, the tenant pays all occupancy/operating costs inclusive of utilities, real estate taxes, building insurance, common area maintenance, etc. The developed base rent excludes consideration for such items. The lessor generally incurs expense for personal accounting, legal, and liability insurance. Inputs necessary to an income analysis include an estimate of market rent, as derived from market rent comparables and from which a potential gross income estimate is derived. Economic benefit to the lessor beyond base rent is reflected through consideration of reimbursable expenses (i.e., real estate taxes, insurance, common area maintenance, etc.). The total income as modified is adjusted for market derived vacancy and collection expense. This results in an Effective Gross Income (EFI) estimate. Applicable expenses are deducted from Effective Gross Income to derive the estimated Net Operating Income.

Operating expense is composed of both fixed (real estate/insurance) and variable (utilities, maintenance, CAM, etc.) necessary to the building operation. Excluded from this category is interest expense, depreciation, amortization, and income taxes. An additional expense category beyond fixed and variable consists of reserves for replacements. Over time, the building's structural and mechanical systems will ultimately require replacement. The reserve for replacement category allocates a portion of annual income towards this purpose. Generally, monetary elements that comprise the various expense categories is derived from the lessee's operating records. In this matter, such information was obtained from Member Co-op's operating data. Recognizing this information is proprietary, a line item disclosure of the same is not presented herein. As a restricted appraisal, the information is retained in the appraiser's file and available for client only discussion.

In summary, the income analysis procedure estimates triple-net market rent and considers the credit to lessor reimbursement expense equivalency to conclude potential gross income. A market derived, vacancy/collection estimate is discounted resulting in an effective gross income. Operating expenses of fixed, variable and reserve for replacement are compiled and discounted from the effective gross income to determine a net operating income. The net operating income is then capitalized at a market derived rate which converts a given year's income to an indication of value. Capitalization rate considers a return to equity and expected investor risk for a given property type. For purposes herein, net rent includes use of ancillary land.

Data sources to derive the prior information include local market extraction and national publications applicable to a given property type. A summation of this process follows.

<u>Potential Gross Income (PGI)</u>	
(Triple Net Rent/Finished Area)	
Above Grade	\$206,628
(17,219 sq. ft @ \$12/sq. ft)	
Basement	21,504
(3,584 sq. ft @ \$6/sq. ft)	
Reimbursable Expense	<u>151,473</u>
(re: RET, ins, CAM)	
Total Income	\$379,605
Less Vacancy/Collection	<u>(37,960)</u>
(10% of Total Income)	
Effective Gross Income (EFI)	\$341,645
<u>Operating Expense</u>	
Fixed	\$65,854
(RET/Ins)	
Variable	85,619
(utilities, mgmt., maint., CAM, etc.)	
Reserves for Replacement	<u>7,281</u>
(35¢/sq. ft @ 20,803 sq. ft)	
Total operating expense	<u>(158,754)</u>
<u>Net Operating Income</u>	\$182,891

Capitalization Procedure

The capitalization procedure, as noted, is a conversion of the project income stream into a market value estimate. Under the single-user occupancy triple-net rent, it is assumed the net income will remain fairly constant over the foreseeable future. Accordingly, a direct capitalization procedure is most applicable. The Dictionary of Real Estate Appraisal (Appraisal Institute, 6th edition), p. 65, defines direct capitalization as:

A method used to convert an estimate of single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only one year's income is used. Yield and value changes are implied but not explicitly identified.

Sources from market derived direct capitalization rates generally include local market data, whereby the sales of leased commercial property of similar property to the subject are analyzed to abstract a capitalization rate. In the local market, properties reasonably competitive in use opportunity with the subject evidence capitalization rates which range from 8% to 10%. Alternatively, published rates are obtained from professional publications such as PWC Real Estate Investor Survey, Realtyrates.com, and others. These indexes evidence a broad range of 5% to 9.5% variables being geographic location, nature of the property, and market/investor demand. The average is running between 6% to 10%.

Capitalization Rate Conclusions

The subject is an architecturally designed building in properly maintained condition, whose functionality is best accommodated by a single user occupant. Its layout provides a primary level at grade (12,603 sq. ft) with partial mezzanine above (4,616 sq. ft) and full basement below (12,603 sq. ft) of which 3,584 square feet is finished. The remainder basement is available for expansion of finished space and/or utilitarian purpose. Vertical access is via two encased stairwells and one three-stop elevator. Each level has washrooms. On-site parking is available as is near proximity supportive area. Albeit the building was designed to accommodate the Cloquet Co-op Credit Union banking facility, its physical/functional characteristics would support repurpose for alternate office use.

In spite of its physical/functional attributes, the subject is locationally challenged. Its primary site is within a predominately residential neighborhood, two blocks south of Cloquet Avenue, the city's central city main street. The location favors a known destination occupant, which may introduce a hesitancy or perception of incremental risk to an investor. Furthermore, the building's size exceeds that typical for its local market. With these thoughts in mind, it is reasonable to anticipate a slight elevation in risk perception resulting in a capitalization rate between 9% to 10%. Applying these factors to the developed net operating income results in the following value range.

$$\begin{aligned} \$182,891 \div .09 &= \$2,032,122 \\ \$182,891 \div .10 &= \$1,828,910 \\ &\text{(Rounded \$1,800,000 to \$2,000,000)} \end{aligned}$$

VALUATION CONCLUSION

For the purpose of this analysis, both a sales comparison and an income analysis valuation technique were employed. The sales comparison analysis researched and considered the sale of modern office buildings considered reasonably competitive in use opportunity with that of the subject. Predicated on an analysis of price paid per square foot of finished building area above grade, this process resulted in a range in value, inclusive of excess land, of between \$1,812,000 to \$1,984,000.

An income analysis recognized the subject's net earning capacity predicated on a single user occupancy, triple-net basis. The analysis considers use of excess land to be part of net rent. This process developed a most probable range in value between \$1,800,000 to \$2,000,000.


Taking into consideration the subject's physical, functional and location characteristics and accessory tracts, a most probable market value can be stabilized at:

ONE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS
\$1,950,000

CERTIFICATION:

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions and conclusions were developed; and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- Mr. Seth J. Daniel, Certified General Real Property Appraiser, provided basis for income analysis summarized herein by the unsigned.
- As of the date of this report, I, John M. Vigen SRA, have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.



John M. Vigen, SRA
Certified General Real Estate Appraiser
Minnesota License #9000428

ASSUMPTIONS AND LIMITING CONDITIONS:

1. This Appraisal Report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (2016-2017). As such, it contains discussions of the data, reasoning, and analyses used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. The exhibits found herein are included to assist the reader in visualizing the property. The appraisers assume no responsibility in connection with the accuracy of such items.
15. Any proposed improvements are assumed to be completed in a good, workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.
19. The Americans with Disabilities Act, "ADA," became effective January 26, 1992. The appraiser has not made a specific compliance survey/analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact may have a negative effect upon the value of the property. Since there is no direct evidence relating to this issue, non-compliance with the requirements of ADA has not been considered in estimating the value of the property.

QUALIFICATIONS OF THE APPRAISER

John M. Vigen, SRA, RM

Present Position: Ramsland & Vigen, Inc.
Real Estate Appraisers & Consultants
Lonsdale Building
302 West Superior Street, Suite 600
Duluth, Minnesota 55802

Past Real Estate Experience: Forty-three years real estate experience consisting of residential, natural resource land, and commercial appraisals, residential sales and property management.

Professional Associations: Appraisal Institute
North Star Chapter
(Past President – 2000)
(Lake Superior Chapter No. 183)

Duluth Board of Realtors

License: Minnesota Real Estate Appraiser - #4000928
Certified General Classification

Wisconsin Real Estate Appraiser - #750-10
Certified General Classification

Member: RM Designation #1363 (1979)
(Former – American Institute of Real Estate Appraisers)

SRA Designation, Certification #909007 (1980)
(Former – Society of Real Estate Appraiser's)

Certified Instructor, State of Minnesota
Department of Securities, Real Estate Division

Conservation Easement
Related Real Estate
Appraisal Education: Compliant with qualifying and continuing education requirement for:

- Appraisal Institute
- State of Minnesota
- State of Wisconsin

Uniform Standards of Professional Appraisal Practice – (2016)

Land Trust Alliance Symposiums (1996-2008)

Vigen (continued)

Real Estate Appraisal
Education Continued:

National Conservation Training Center – (1999)
Land Conservation Strategies

Federal Land Exchanges & Acquisitions – (2008)
Valuation of Conservation Easements – (2008)
IRS-Valuation of Donated Real Estate – (2014)

Appraisal Seminars/Courses of Diverse Content (1975-2016)

Representative Client List:

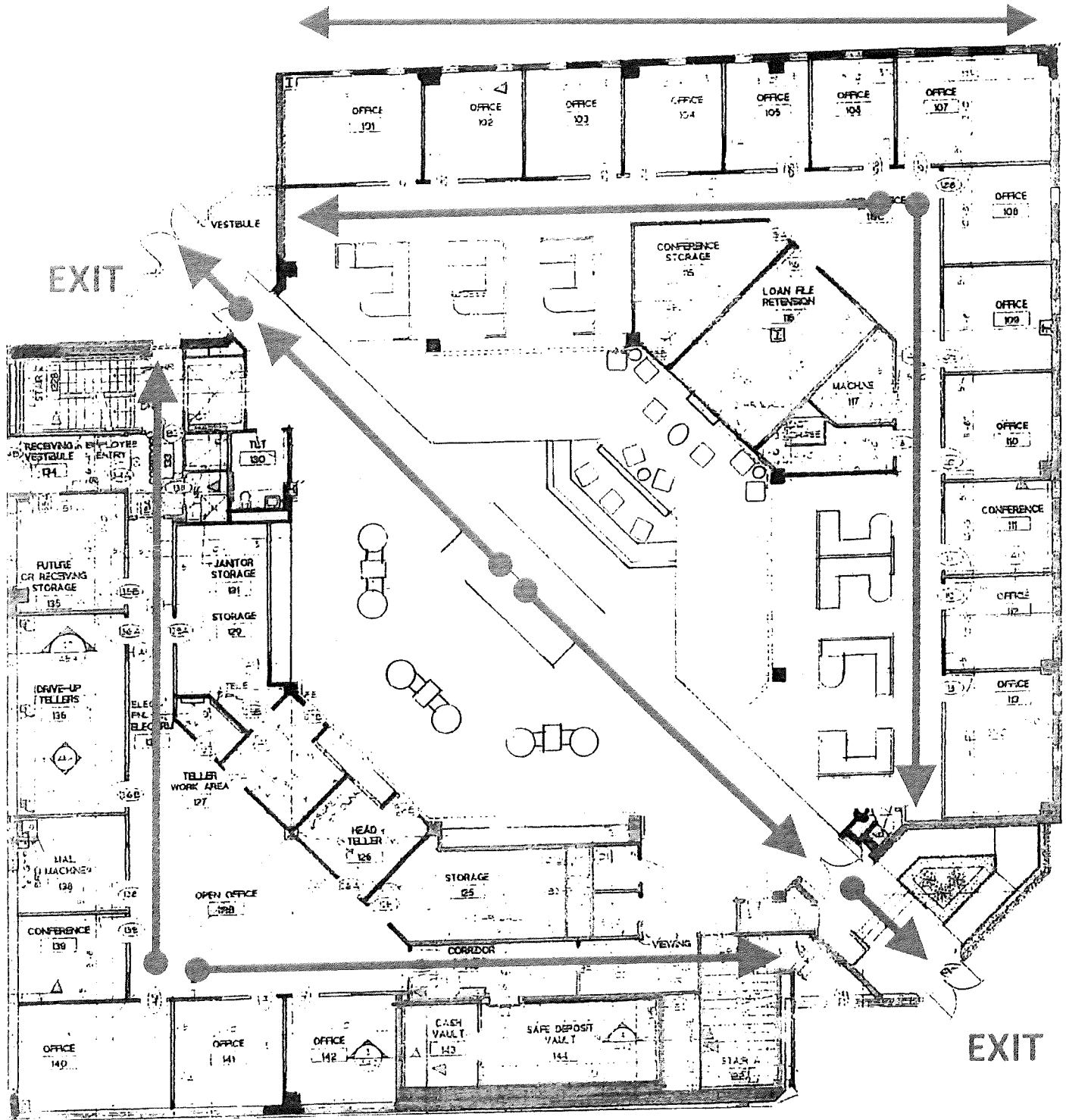
3M – Real Estate Department
Conservation Fund
Employee Relocation Council
Federal Deposit Insurance Corporation
Iron Range Resources & Rehabilitation Board
LTV Mining Company, Lands and Minerals Division
Metropolitan Federal Bank
Minnesota Cities of:
 Bemidji
 Cromwell
 Cloquet
 Duluth
 Grand Marais
 Hermantown
 Moose Lake
 Proctor
 Two Harbors
Minnesota Counties: St. Louis, Lake, Cook, Cass,
 Koochiching, and Aitkin
Minnesota Department of Natural Resources
Minnesota Land Trust
Minnesota Parks and Trails
Minnesota Power and Light Company
Nature Conservancy
North Shore Bank of Commerce
Potlatch Corporation
Republic Bank of Duluth
Soo Line Railroad
City of Superior, Wisconsin
 Community Development Program
State of Minnesota
Trust for Public Land
United States Forest Service
University of Minnesota
 Office of Real Estate Coordinator
U.S. Bank System
USX
 Northern Land & Minerals Division
Wells Fargo
Western National Bank

ADDENDA

CLOQUET MAIN FLOOR

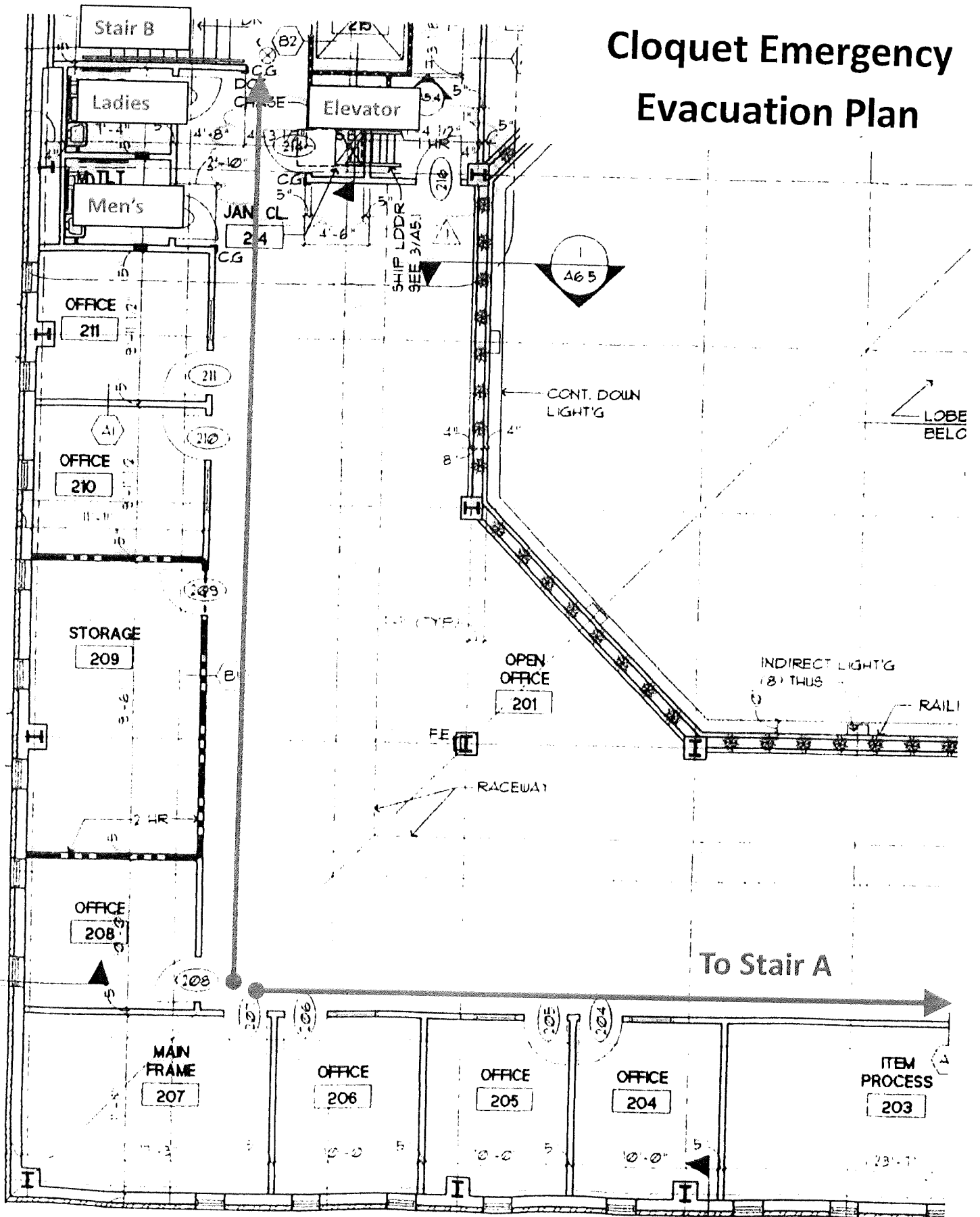
Cloquet Emergency Evacuation Plan

To employee parking lot



CLOQUET SECOND FLOOR (Mezzanine)

Cloquet Emergency Evacuation Plan



17.6.13 CC - City Center District.

Subd. 1 Intent. The intent of the CC City Center District is to encourage and foster the further development and enhancement of the downtown (city center) area. The district requirements recognize the unique characteristics of the city center area as the heart of the city. The city center provides a mix of traditional downtown uses that are consistent with the vision for the area as expressed in the Comprehensive Plan, including retail, entertainment, offices, services, government facilities, and a mixture of residential uses. However, the district also includes a variety of industrial uses, some of which may not be compatible with the City's vision for the district. The general intent of the district is to preserve and enhance those uses that are compatible with the vision of the area and to encourage uses that are not compatible with the vision for the city center to relocate to appropriate districts in the city. See Section 17.5.14 Design Standards for the West End and Downtown Business Districts.

Subd. 2 Permitted Uses. The following uses shall be permitted herein, without special application requirements or conditions attached:

- A. Bank or financial institutions.
- B. Clinic.
- C. Club or association.
- D. Dwelling, combined with a permitted commercial or conditional use.
- E. Eating and Drinking Places.
- F. Government or community service use.
- G. Office.
- H. Open space: public or private.
- I. Personal service.
- J. Public park.
- K. Religious institution.
- L. Single-Family Residential Use - provided that the use was in existence prior to the adoption of this Chapter.
- M. Retail: convenience or general.
- N. Seasonal market.
- O. Theater.
- P. Hotels and Tourist Homes (ie. Bed and Breakfast, pursuant to *Section 17.5.09.*)
- Q. Veterinary clinic: small animal, except that no kennels nor outdoor runs shall be allowed.
- R. Other uses not specifically listed in this Chapter, but for which the City Planner/Zoning Administrator or Planning Commission of the City has determined that the use is consistent with the intent of permitted uses in this district.
- S. Sexually Oriented Businesses subject to the following:
 - (1) No sexually oriented business shall be located closer than five hundred (500) feet from any other sexually oriented business. Measurements shall be made in a straight line, without regard to intervening structures or objects, from the nearest point of the actual business premises of the sexually oriented business to the nearest point of the actual business of any other sexually oriented business.
 - (2) No sexually oriented business shall be located closer than five hundred (500) feet from any place of worship, school, public park, state licensed family day care home, state licensed group family day care home, public library, or state licensed child care center. Measurements shall be made in a straight line, without regard to intervening structures or objects, from the nearest point of the actual premises used as a place of worship, school, park, or state licensed

family day care home, state licensed group family day care home, or state licensed child care center.

- (3) No sexually oriented business shall be located closer than five hundred (500) feet from any of the following residential use districts. Measurements shall be made in a straight line, without regard to intervening structures or objects, from the nearest point of the actual business premises of the sexually oriented business to the nearest boundary of the residential use district:
 - a. R-1, Single-Family Residence District;
 - b. R-2 One- and Two-Family Residence District; and
 - c. R-3, Multiple-Family Residence District.
- (4) A sexually oriented business must also comply with existing licensing requirements of the City of Cloquet.
- (5) The operation or maintenance of more than one (1) of the following uses in the same building or structure shall be prohibited:
Adult Body Painting Studio; Adult Book Store; Adult Car Wash; Adult Companionship Establishment; Adult Entertainment Facility; Adult Modeling Studio; Adult Oriented Cabaret; Adult Sauna; Adult Motion Picture Theater; and, Adult Mini-Motion Picture Theater.
- (6) Sign Restrictions. In order to protect children from exposure to lurid signs and materials and in order to preserve the value of property surrounding sexually oriented businesses, the following sign regulations shall apply to all sexually oriented businesses in the City in lieu of the provisions of Section 17.5.13 of the Cloquet Zoning Ordinance:
 - a. All signs shall be flat wall signs. No signs shall be freestanding, located on the roof, or contain any flashing lights, moving elements, or electronically or mechanically changing messages. No sign shall contain any message or image which identifies specified sexual activities or specified anatomical areas as defined herein.
 - b. The amount of allowable sign area shall be one (1) square foot of sign area per foot of lot frontage on a street, not to exceed eighty (80) square feet.
 - c. No merchandise, photos, or pictures of the products or entertainment on the premises shall be displayed in window areas or any area where they can be viewed from the sidewalk or public right-of-way adjoining the building or structure in which the sexually oriented business is located.

- d. No signs shall be placed in any window. A one (1) square foot sign may be placed on the door to state hours of operation and admittance to adults only.

T. Brew Pub, Brewery Taproom, Cocktail Room and Micro-Distillery.

Subd. 3 Conditional Uses. The following are conditional uses in the CC City Center District subject to the special requirements of this section and to the issuance of a Conditional Use Permit as specified in *Section 17.2.6* and pursuant to all applicable specific use standards:

- A. Any industrial use (as determined) by the City Planner/Zoning Administrator or other Authorized Agent of the City) that was in existence on the subject parcel on the date of adoption of this Chapter (and was a conforming use at that time) shall be a conditional use on the subject parcel provided that the use has not lapsed for more than twelve (12) consecutive months since the date of adoption of this Chapter.
- B. Car wash
- C. Currency exchange, payday loan establishment, or title load agency.
- D. Dwelling: multi-family, three (3) or more units per building not to exceed 20 units per acre.
- E. Parking lot as a principal use, pursuant to *Section 17.5.11*.
- F. Other uses not specifically listed in this Chapter, but for which the City Planner/Zoning Administrator or Planning Commission of the City has determined that the use is consistent with the intent of conditional uses in this district.

Subd. 4 Accessory Uses. The following uses are permitted only when auxiliary to a principal use permitted above; they may not exist as principal uses in their own stead:

- A. Accessory buildings, pursuant to *Section 17.5.01*.
- B. Fence, pursuant to *Section 17.5.05*.
- C. Off-street parking, loading, and access drives, pursuant to *Section 17.5.11*.
- D. Patio, deck, terrace, and similar use, pursuant to *Section 17.5.02, Subd. 3*.
- E. Signs, pursuant to *Section 17.5.13*.
- F. Sport court or play equipment for private recreation use, pursuant to *Section 17.5.02, Subd. 4*.
- G. Swimming pool, pursuant to *Section 17.5.10*.
- H. Other uses not specifically listed in this Chapter, but for which the City Planner/Zoning Administrator or Planning Commission of the City has determined that the use is consistent with the intent for permitted uses in this district.

Subd. 5 Dimensional Regulations.

- A. Minimum Parcel Area. Three thousand five hundred (3,500) square feet.
- B. Minimum Parcel Width. Twenty-five (25) feet.
- C. Setback Requirements of a Principal Building from all Parcel Lines. None.
- D. Setback from "R" District Boundary. Ten (10) feet.
- E. Maximum Height of Principal Building. Forty-five (45) feet, except that the City may allow the principal building to exceed forty-five (45) feet with the approval of a Conditional Use Permit.
- F. Setback and Height Requirements for Accessory Buildings.
 - (1) Minimum accessory building setback from interior side parcel line. Two and one-half (2 ½) feet. Must meet Building Code.
 - (2) Minimum accessory building setback from rear parcel line. Two and one-half (2 ½) feet. Must meet Building Code.
 - (3) Maximum height of accessory building. Cannot be taller than the principal building.
- G. Buffer Requirements Between Different Uses. Wherever a more intense proposed use (or expansion of a more intense use) in the CC City Center District abuts a less intense existing use, the more intense use shall provide a landscaped buffer pursuant to *Section 17.5.04: Landscaping Requirements* and *Section 17.5.03: Screening*.

Subd. 6 Special District Provisions.

- A. General Guidelines for Industrial Uses in the District. The City Council of the City of Cloquet recognizes that a variety of industrial uses exists in the CC District. Guidelines for continuation and / or expansion of industrial uses in the district are as follows:
 - (1) Existing industrial uses that are not compatible with the vision of the area as expressed in the City's Comprehensive Plan (for example, a heavy manufacturing use) should be encouraged to relocate to an appropriate industrial district in the city. However, under unique conditions, expansion or improvements to existing industrial uses may be considered pursuant to the Conditional Use Permit procedures pursuant to *Section 17.2.10*.
 - (2) Existing industrial uses that are compatible with the city center area (for example, a relatively clean and quiet light manufacturing use) may be allowed to continue (and possibly expand) if the use does not adversely affect the neighborhood and is consistent with the vision of the City as expressed in the Comprehensive Plan).
 - (3) New industrial uses in the district are not anticipated. However, in unique situations the City Council may find that it is in the best interest of the city center and the overall community to allow the replacement of existing, more intense industrial uses with appropriate light manufacturing, research

and development, or similar industrial uses that have less of an adverse impact on the surrounding area.

- (4) In general, industrial uses should be limited to arterial or collector streets, or to areas where there is a distinct cluster of appropriate industrial uses.

B. Parking. The parking provisions of this Chapter are modified as follows to carry out the intent of the CC District. Existing buildings are exempt from off street parking requirements: Also see Section 17.5.14 Subd. 5.

(1) Location of Parking on the Lot. Off-street parking shall not be located between building façade and the front lot line or street right-of-way. Nor shall off-street parking be located less than five (5) feet from any property line except as provided through access drives or by shared or joint parking agreements as permitted in this Chapter.

(2) Required Screening. Any off-street parking space or parking lot that abuts a street right-of-way shall be buffered from the right-of-way by a landscaped area no less than five (5) feet wide in which is located in a continuous row of shrubs no less than three and one half (3 ½) feet high, or by a wall no less than four (4) feet and no more than six (6) feet high, in addition to any required shade trees.

(3) Exception and Alternatives to Off-Street Parking Requirements. The City Council may allow exceptions and alternatives to the off-street parking requirements as follows:

a. Parking Reduction. The City Council may allow a reduction in the number of required parking stalls provided the property owner enters into a development contract and the following criteria are met:

1. Evidence is provided that demonstrates the proposed use will have a peak parking demand less than the required parking of this Chapter. Factors to be considered when reviewing the proposed parking demand shall include, but not limited to the following:

- Size of building.
- Type and use.
- Number of employees.
- Projected volume and turnover of traffic.
- Projected frequency and volume of delivery or service vehicles.
- Number of company owned vehicles.
- Storage of vehicles on site.

2. The amount of reduced parking shall not exceed fifty percent (50%) of the amount of parking required by the Chapter. However, parking spaces can be provided off-site pursuant to the joint and off-site parking provisions of this Chapter as described below.
 3. The property owner can demonstrate that the site has sufficient area to accommodate the parking required by the Chapter if the parking demand exceeds on-site supply. The property owner shall enter into a development contract with the City guaranteeing that additional parking shall be constructed in accordance with this Chapter if the actual site parking demand exceeds on-site supply.
- b. Joint Parking Facilities. The City Council may approve a Conditional Use Permit for one or more uses to provide the required off-street parking facilities by joint use of one or more sites where the total number of spaces provided are less than the sum of the total required for each business should they provide them separately. Conditions to be considered when reviewing the proposed joint parking facilities shall include, but not be limited to the following:
1. The building or use for which the application is being made to utilize the off-street parking facilities provided by another building or use shall be located within three hundred (300) feet of such parking facilities.
 2. The application shall show that there is no substantial conflict in the principal operating hours of the various buildings or uses for which the joint parking is proposed.
 3. A properly drawn legal instrument, executed by the parties involved in joint use of parking facilities, duly approved as to form and manner of execution by the City Attorney, shall be filed with the City Clerk and recorded with the Carlton County Recorder.
- c. Off-site Parking. The City Council may approve a conditional use permit for off-site parking. Conditions for approving off-site parking shall include, but are not limited to, the following:
1. Off-site parking shall be developed and maintained in compliance with all requirements and standards of this Chapter.
 2. Off-site parking for non-residential uses shall not be located more than three hundred (300) feet from the main public entrance of the principal use being served.

3. Any use which depends on off-site parking to meet the requirements of the Chapter shall maintain ownership and parking utilization of the off-site location until such time as on-site parking is provided or a site located closer to the principal use is acquired and developed for parking.
4. Compliance with off-street parking requirements provided through leased off-street parking may be approved by the City Council, subject to the following conditions:
 - The lease shall specify the total number and location of parking spaces under contract and this number, when added to any on-site parking provided, must be equal to the total number of parking spaces required.
 - The lease requirement shall legally bind all parties to the lease and provide for amendment or cancellation only upon written approval from the City.

C. Landscaping. The landscaping provisions of this Chapter are modified as follows to carry out the intent of the CC City Center District: Also see Section 17.5.14 Subd. 7.

- (1) It is the intent of the CC District to provide an attractive downtown area that includes landscaping. However, it is recognized that due to the compact nature of the downtown area, many of the standard provisions for landscaping described elsewhere in this Chapter cannot be reasonably applied to this District. Therefore, the landscaping provisions of this Chapter are modified as follows to carryout the intent of this District.
- (2) The applicant shall submit to the City a landscape plan for all site work requiring a building permit. The plan shall identify the location and size of both existing vegetation to be retained and proposed new vegetation, typical planting materials, the phasing of landscape installation, and planting methods. There shall be no minimum amount of green, landscaped area required. Nor shall there be a minimum amount of trees required. However, the City shall approve the landscape plan before a building permit can be issued.
- (3) Parking lots larger than nineteen (19) spaces and / or six thousand (6,000) square feet in size shall be provided with at least one shade tree for every eight (8) parking spaces or fraction thereof, located in internal planting islands and perimeter buffer strip(s) along the street edge(s) of the lot.

D. Conditional Use Permit for Adjustment to Standards. In cases where extraordinary limitations are imposed on a lot due to topography, unusual lot shape, placement of existing structures, and similar conditions, adjustments in the standard regulations will be made by issuance of a conditional use permit.



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: areeves@cloquetmn.gov
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Honorable Mayor and City Council
From: Aaron S. Reeves, City Administrator *AR*
Date: April 17, 2018

ITEM DESCRIPTION: Friends of Animals Update

Proposed Action

Review information provided by staff and provide direction if necessary related to future animal control activities.

Background/Overview

After the most recent dog bite/Dangerous Dog incident the Friends of Animals (FOA) refused to board the Dangerous Dog. Staff and the City Attorney agree that this is in direct violation of our agreement (attached) with FOA. The City pays FOA \$31,000/year to perform the duties detailed in the agreement. After this incident I followed up with FOA to discuss the issue and other concerns that have come to light related to their agreement with the City. The City was then told that FOA would no longer provide Animal Control Officer services per our agreement. We received the attached notice of cancellation of our agreement. In addition, FOA notified the City that they would like a new agreement (attached) that essentially charges the City \$52/day to house an animal but provide no other services to the City. The rate we had been paying and the rate charged by other humane societies is roughly \$25/day for dogs and \$20/day for cats. FOA has stated that over 200 strays were brought into their facility from the City of Cloquet over the past year. Our Police Department has only brought in 23. The rest are from private parties. Staff feels that this is a very large number for a City of our size and that many of these must be coming from outside the City limits. I have requested that FOA provide answers on when they stopped honoring the following details of our recently cancelled agreement but have yet to receive a response:

- When the FOA changed their hours to be open less than 6 days per week and less than 5 hours per day and the justification for this change.
- A list of the number of animals from the City of Cloquet FOA has turned away and the reasons for doing so in the past year.
- A list of all the investigations FOA has done in their role as Animal Control Officer in the past year.
- Documentation showing that the FOA Animal Control Officer has provided a minimum of 8 hours per week of active patrol in the City of Cloquet over the past year.

Because of FOA's notice of cancellation of our agreement the City has stopped all payments to them per our agreement. In addition, we have reached out to Animal Allies in Hermantown to discuss the possibility of using their impound services. In meeting with their representatives we have learned that FOA has been turning away numerous animals from Cloquet and Carlton County and sending people to their facility. This is another violation of our agreement. Animal Allies has agreed for now to take any

Dangerous Dog's that we may have to impound. They will also discuss with their Board a contract with the City to be our impound location. At this time staff is recommending that we continue working with Animal Allies to set up a long-term agreement. Currently our options are:

- Successfully negotiate an agreement with Animal Allies to provide our impounding services. The Police Department will assume the Animal Control Officer duties previously done by FOA. – **Staff recommendation.**
- Continue with FOA paying them \$52/day to house animals. – **Not recommended.**
- Rescind the portions of our City Code that deal with animals running at large, strays, or the like. If we do not have a proper impound facility we cannot enforce this section of our Code and it should be rescinded. – **Only recommended if we cannot come to agreement with Animal Allies.**

Supporting Documentation Attached

- Current Agreement with FOA
- Current Agreement Cancellation Notice From FOA
- Proposed New Agreement From FOA

**Friends of Animals Humane Society
Contract for Services**

This contract, made and entered into this 19th day of MARCH, 2015 by and between the Friends of Animals Humane Society, owner of the Friends of Animals Animal Shelter, 1418 Highway 33 South, Cloquet, Minnesota 55720, (hereinafter referred to as "Friends of Animals") and the City of Cloquet, 1307 Cloquet Avenue, Cloquet, MN 55720 (hereinafter referred to as the "City"):

WHEREAS, the City is in need of shelter and care of animals found within the city limits as strays/free roaming animals; and,

WHEREAS, Friends of Animals has a facility and is qualified and licensed to provide such care, services and shelter; and,

WHEREAS, the City wishes to purchase those services from Friends of Animals, acting as an independent contractor, in accordance with the terms of this contract;

THEREFORE, in consideration of the mutual covenants contained herein, it is agreed and understood as follows:

I. Term

The term of this contract shall be continuous unless terminated by either party upon thirty (30) days written notice delivery by mail or in person to the other party. Either party may request that the agreement and its terms be opened for review on an annual basis. However any request to review the compensation must be made no later than July 15 of each year for implementation the following calendar year.

II. Animal Control/Shelter Services

A. Shelter Operations.

1. Hours. The Friends of Animals agrees that its Animal Shelter shall be regularly available to the public and operational a minimum of six (6) days per week being open a minimum of five (5) hours per day.
2. Services. The Friends of Animals agrees that during public hours, staff will assist customers with adoptions and redemptions, issue licenses, receive animals from the public and respond to complaints or conduct follow up investigations.

3. Building Maintenance. The Friends of Animals shall maintain the shelter, facilities and vehicles in a clean and sanitary condition, and it will not permit any condition to exist which might constitute a public nuisance.
4. Zoning/Conditional Use Permit/Shelter License. The Friends of Animals shall operate the shelter in compliance with any and all conditions as identified in its Conditional Use Permit or shelter kennel license if required and issued by the City to operate such facility.
5. Care of Animals. The Friends of Animals shall give the best possible care and treatment of all animals in its custody by providing them adequate housing and food, shall not permit the shelter to become overcrowded, and shall receive and care for all animals brought to the shelter from or impounded within the City.

B. Enforcement and Field Operations.

1. The Friends of Animals shall act as a law enforcement agency for enforcement of Animal Control ordinances of the City and Statutes of the State. To this end, the Friends of Animals shall investigate and follow up on all animal control complaints referred to it by appropriate officers, the public, health services, or other entities which complaints constitute violations of the animal control ordinance, including but not limited to the following:
 - a. Complaints involving dangerous or threatening animals.
 - b. Injured, sick or distressed calls.
 - c. Complaints of animal bites.
 - d. Dogs at large representing an emergency or interfering with traffic.
 - e. Dogs/cats at large complaints.
 - f. Barking dog complaints.
 - g. Complaints of domestic animal noise.
 - h. Complaints of unlicensed animals.
 - i. Complaints of animals in excess of allowed numbers.
 - j. Animal cruelty and neglect cases.
 - k. Stray animals to be picked up at private residence or business.
 - l. Dead animals which constitute a health or traffic hazard.
2. The Friends of Animals shall perform active patrol in the City each week. The minimum patrol hours to be provided shall be a minimum of 8 hours per week. The Friends of Animals shall provide and maintain a vehicle and equipment necessary.

C. Animal Control Office (ACO)

1. Authority: Uniformed ACO's appointed by the FOA shall be granted authority by the City to enforce its animal control and related ordinances in accordance with law and Section II,B of this agreement. This authority will be granted under a limited commission.
2. Qualifications and Training: The FOA assumes full responsibility for the selection, qualifications and training of its animal control officers. The City agrees to make available general law enforcement training as might be appropriate to the FOA's officers.
3. Minimum Qualifications: Minimum qualifications require the ACO to be free from disqualifying conditions to include:
 - a. Felony conviction at any age, adult conviction for a crime of theft or deception, conviction for crime of violence, suspension of driving privileges within past five (5) years.
4. Hours: Animal control services shall be sufficiently staffed to provide services to the City for all response and shelter operations during the times described in Section II, A, 1. Further, FOA shall provide an ACO for emergency callouts at any other time subject to after hours call outs as described under Section IV (2).

D. Other Basic Services:

1. Shelter and care for stray/free roaming animals that are brought to the shelter. Barn and/or feral felines shall not be considered for intake into the shelter.
2. Pick up and transport animals from the City to the shelter upon request.
3. Boarding up to five (5) regular business days in holding facility (if unclaimed).
4. Provide euthanasia and disposal services if required after the period of owner redemption has expired consistent with MN Stat. 35.71 Subd. 3.
5. Issue license and collect license fees from the owners who retrieve animals not previously licensed.
6. Issue license to any animal being adopted by a person living in the City.
7. All animals seized by the City or delivered to Friends of Animals as stray animals will be held for redemption by the owner for at least five (5) regular business days per MN Stat. 35.71, Subd. 3. In addition, Friends of Animals must maintain the following records regarding animals so held in custody and preserve them for a minimum of six (6) months.

8. The description of the animal by species, breed, sex, approximate age, and other distinguishing traits.
 - a. The location where the animal was seized or found.
 - b. The date of seizure or finding of stray animal.
 - c. The name and address of the person from whom any animal three (3) months of age or over was received.
 - d. The name and address of the person to whom any animal three (3) months of age or over was transferred.
 - e. These records must be maintained in a form easily accessible to the public.

III. Responsibilities of the City

1. City designated personnel shall have access to bring animal(s) to the shelter at any time. The appointed personnel will be trained on procedures by a Friends of Animals representative.
2. The City may call Friends of Animals, Animal Control line at any time for animal pickup.
3. The City authorizes treatment for injured animals at a local veterinarian that are in a life-threatening condition and will defer judgment to Friends of Animals to determine when there is a need for such services. Friends of Animals will pick up the animal as soon as possible after being notified of its medical release. If these veterinarian services are performed within the five (5) contracted boarding days, the City is responsible for the actual costs invoiced from the veterinarian.
4. The City shall remain responsible for posting notice in accordance with the City ordinances regarding animals delivered to the shelter.

IV. Compensation/Fees

The FOA is charged with collection of animal impound fees and license fees. The process of accounting for these fees will be established by the City's fee schedule and shall be adhered to. FOA shall keep all such fees.

The City shall pay Friends of Animals the following fees:

1. \$31,000 (Thirty One Thousand Dollars) paid in quarterly installments of \$7,750.00 (Seven Thousand Seven Hundred Fifty Dollars) due within 10 days of the start of the quarter to cover boarding and intake costs for all impounded city dogs and cats.

2. A \$75.00 (Seventy Five Dollar) pickup fee per animal will be billed to the City for transports to the shelter by a Friends of Animals representative that are dispatched after hours. After hours include all weekend calls and calls prior to 0800 and after 1700 on weekdays. *(several animals picked up at one time will be considered one single pickup fee).*

V. Records and Reports

The FOA shall maintain records in accordance with best practice and as follows:

1. General: The FOA shall maintain a complete system of records which shall show the kinds and numbers of animals by type in its custody, the locations where such animals were found, the reasons for confinement, the care received and final disposition. Disposition records shall include the identity of the adoptive party or owner and include compliance verification of licensing prior to release.
2. Financial Activity Report: At the close of each quarter and as a prerequisite for receiving payment for services rendered during the quarter, the FOA shall submit an activity report to the Cloquet Police Department, the form and contents to be reasonably determined by the Police Department. An annual report shall include financial information, law enforcement and any public education program information undertaken by FOA to promote the mission of the FOA.
3. Audit of Financial Records: The FOA shall keep a comprehensive set of records on all income and expenditures in accordance with generally accepted accounting principles. The financial records shall be subject to audit by any governmental entity with jurisdiction at a time and place mutually convenient to the parties. The FOA shall prepare monthly financial statements and shall provide the City with a copy of such financial statements or annual tax reporting forms/documents as requested. The City reserves the right to perform audits of financial activity records of the FOA.
4. Public Records: The FOA shall coordinate with the City for public disclosure requests and records retention.

VI. Compliance with Laws

In providing all services pursuant to this contract, Friends of Animals shall abide by all statutes, ordinances, rules, and regulations pertaining to or regulating the provision of such services, including those now in effect and hereinafter adopted.

VII. Insurance and Liability

FOA shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses, or suits including attorney fees arising out of or resulting from the acts, errors or omissions of FOA in performance of this agreement, except for injuries and damages caused by the sole negligence of the City.

Friends of Animals shall purchase, maintain in full force and effect during the term of this contract, and provide proof of the following insurance coverage:

- Comprehensive General Liability, Automotive Liability and Professional Liability in amounts required to adequately protect the FOA and City from claims.

VII. Modifications

Any material alterations, modifications, or variations of the terms of this contract shall be valid and enforceable only when they have been reduced to writing as an amendment and signed by both or all parties involved.

IX. Entire Agreement

It is understood and agreed by the parties that the entire contract is contained herein and that this contract supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof, as well as any previous agreements presently in effect between Friends of Animals and the City.

Friends of Animals

City of Cloquet

By: *Cynthia K Haglin*
(FOA Representative)

By: *[Signature]*

Title: *Executive Director*

Title: *City Administrator*

Date: *3/19/15*

Date: *3-19-15*



Friends of Animals
 1001 Ave B
 Cloquet, Mn 55720
 218.879.1655

The City of Cloquet,

Friends of Animals (FOA) is writing to give the City of Cloquet 30 day notice that we will no longer provide or offer the Animal Control Officer Position as part of our business, or as part of the contract that Friends of Animals holds with the city of Cloquet.

As a non-profit organization, Friends of Animals does reserve the right to operate it's facilities as required by law. As such, we will no longer provide the position of an Officer. Instead, it is in the best interest of our organization to focus our business on our new \$725,000 animal shelter, that Friends of Animals and the public have worked towards for over 30 years.

Friends of Animals' primary concern is to the animals of this city and county. FOA looks forward to working with the public by increasing opportunities that will allow us to keep the community involved and knowledgeable about what they can do to help homeless animals in our community; as well as our NO KILL animal shelter mission to achieve the goal of "until they all have homes".

Friends of Animals believes that by focusing on being an animal shelter only, it will allow us to focus on other areas of animal care such as community involvement, foster programs, and animal abuse issues. At the heart of Friends of Animals' cause is helping to keep the community safe and well informed about the animals that live among us all. We would like to provide not only the knowledge and education needed, but the possibility of funding for the public in areas consisting of low incoming spays and neuter grants, TNR grants, and continued education opportunities for the community.

We sincerely hope you find the use of our facility as an impound a valuable tool in having a safe place for the homeless animals of Cloquet.

Best regards,

Friends of Animal Humane Society Board of Director's

Wayne Nelson

Marcia Johnson

Kenneth Muehlen

R. We

Diane M. Paulson

Scott



Friends of Animals Humane Society Contract for Service

This contract made and entered into by and between the Friends of Animals Humane Society, owner of the Friends of Animals Animal Shelter, 1001 Ave B, Cloquet, Minnesota 55720, (hereinafter referred to as "Friends of Animals") and the City of Cloquet, (hereinafter referred to as the "City"):

WHEREAS, the City is in need of shelter and care for animals found within the city limits as stray/free-roaming animals; and,

WHEREAS, Friends of Animals has a facility and is qualified and licensed to provide such care, services, and shelter; and,

WHEREAS, the City wishes to purchase those services from Friends of Animals, acting as an independent contractor, in accordance with the terms of this contract;

THEREFORE, in consideration of the mutual covenants contained herein, it is agreed and understood as follows:

I. Term

The term of this contract shall be continuous, unless terminated by either party consistent with the termination provisions contained herein and may be reviewed by both parties on an annual basis to insure it serves both Friends of Animals and the City.

II. Basic Services

It is mutually understood by the parties that Friends of Animals agrees to provide the services defined in this contract as an independent contractor. As such, it is the express understanding that neither Friends of Animals nor anyone retained by them to perform the services undertaken in this agreement shall be considered an agent, servant, representative, or employee of the City. In furtherance of that understanding, Friends of Animals will retain control of the means and methods necessary to perform

the services contracted and reserves the right to change the terms of this contract based on what is to the benefit of Friends of Animals as a nonprofit 501c and those decisions are left to the discretion of Friends of Animals and Friends of Animals alone. We will provide the following services pursuant to this contract:

1. Shelter and care for stray/free-roaming animals that are brought to the shelter. Strays as defined by definition; a domestic **animal** that is wandering at large or is lost, not owned, feral or barn;
 - a. To be considered, a stray or abandoned animal that is seized to protect the health or safety of the animal. Abandoned and no longer considered "owned".
2. Boarding up to five (5) regular business days in holding facility (if unclaimed);
3. Provide euthanasia and disposal services, if required, after the period of owner redemption has expired consistent with MN Stat. 35.71 Subd. 3;
4. All animals seized by the City or delivered to Friends of Animals as stray animals will be held for redemption by the owner for at least five (5) regular business days MN Stat. 35.71 Subd. 3 and up to ten (10) days in holding facility if animal is a "known stray", i.e. has strayed before according to shelter records. In addition, Friends of Animals must maintain the following records regarding animals so-held in custody, and preserve them for a minimum of six (6) months:
 - a. The description of the animal by species, breed, sex, approximate age, and other distinguishing traits;
 - b. The location where the animal was seized or found;
 - c. The date of seizure or finding of stray animal;
 - d. The name and address of the person from whom any animal three (3) months of age or over was received; and
 - e. The name and address of the person to whom any animal three (3) months of age or over was transferred.

These records must be maintained in a form easily accessible to the public, unless providing said information breaks any state or federal laws.

5. City Police shall have access to bring stray animals (as defined in Section II, 1, strays and free roaming, not owned, feral or barn animal(s) to the shelter at any time. The appointed personnel will be trained on procedures by a Friends of Animals representative. Including but not limited to the understanding of how many animals can be brought into intake in a certain period of time. This will allow Friends of Animals to insure the proper care of animals left in their facility after drop off from the City officials.

III. Responsibilities of the City

1. The City authorizes treatment for injured animals at a local veterinarian that are in a life-threatening condition and will defer judgment to Friends of Animals to determine when there is a need for such services. Friends of Animals will pick up the animal as soon as possible after being notified of its medical release. If these veterinarian services are performed within the five (5) contracted boarding days, the City is responsible for the actual costs invoiced from the veterinarian.
2. The City shall be responsible for posting notice in accordance with the City ordinances regarding animals delivered to the shelter.

IV. Compensation (Option 1, please initial___)

The City shall pay Friends of Animals the following fees:

A contract fee of \$31,000.00 annually shall be assessed for the animal impound and boarding service for a total of 120 animals. This will be paid in quarterly installments of \$7750.00. To be paid by EFT payment.

*The due date of this fee is within 30 days of the 1st of the month it is billed in, a late fee of \$30 dollars will be assessed every 30 days the payment is late.

1. **Animal Impound & Boarding – a total boarding fee of \$265** will be billed to the city per animal that is over the 120 animals allotted annually. These fees will apply for a police department drop off; abandoned or unclaimed strays, or if a citizen within the city limits brings in a stray. This will pay for the minimum 5-day stray hold that is required by law.
2. In addition, if Friends of Animals boards a “known” stray, there is a minimum 10 day hold by law, these additional 5 days will cost an additional \$265.

If the animal is claimed during a stray hold, all charges will be passed on to the owner. If an animal is surrendered or “relinquished” this as well will be passed onto the owner.

Any overages beyond the annual fee will be billed monthly and are to be paid by EFT payment.

***Note:** The due date of this fee is within 45 days of the 1st of the **month** it is billed in, a late fee of \$50 dollars will be assessed every 30 days the payment is late.

3. **For medical treatments** approved by the City, as defines in III. Section 1. The City will pay the actual costs invoiced from the veterinarian. These treatments would typically be related to an emergency. Examples of situations (this list is not inclusive):
 - An animal has been hit by a car and has a good chance of survival with prompt medical attention
 - an animal has been caught in a trap
 - an animal that has been in contact with a porcupine and needs quills pulled
 - an animal is believed to be suffering from hypothermia
 - Another dog or person severely injured the incoming animal

IV. Compensation (Option 2, please initial ___)

The City shall pay Friends of Animals the following fees:

A contract fee of \$62,965.00 annually shall be assessed for the animal impound and boarding service for a total of 245 animals, This will be paid in quarterly installments of \$15,741.25. To be paid by EFT payment.

*The due date of this fee is within 30 days of the 1st of the month it is billed in, a late fee of \$30 dollars will be assessed every 30 days the payment is late.

- 1 **Animal Impound & Boarding – a total boarding fee of \$265** will be billed to the city per animal that is over the 245 animals allotted annually. These fees will apply for a police department drop off; abandoned or unclaimed strays, or if a citizen within the city limits brings in a stray. This will pay for the minimum 5-day stray hold that is required by law.
- 2 In addition, if Friends of Animals boards a “known” stray, there is a minimum 10 day hold by law, these additional 5 days will cost an additional \$265.

If the animal is claimed during a stray hold, all charges will be passed on to the owner. If an animal is surrendered or “relinquished” this as well will be passed onto the owner.

Any overages beyond the annual fee will be billed **monthly** and are to be paid by eft payment.

*Note: The due date of this fee is within 45 days of the 1st of the month it is billed in, a late fee of \$50 dollars will be assessed every 30 days the payment is late.

- 3 **For medical treatments** approved by the City, as defines in III. Section 1. The City will pay the actual costs invoiced from the veterinarian. These treatments would typically be related to an emergency. Examples of situations (this list is not inclusive):
 - An animal has been hit by a car and has a good chance of survival with prompt medical attention
 - an animal has been caught in a trap
 - an animal that has been in contact with a porcupine and needs quills pulled
 - an animal is believed to be suffering from hypothermia
 - Another dog or person severely injured the incoming animal

IV. Compensation (Option 3, please initial___)

The City shall pay Friends of Animals the following fees:

- 1 **Animal Impound & Boarding** – a total boarding fee of \$265 will be billed to the city per animal. These fees will apply for a police department drop off; abandoned or unclaimed strays, or if a citizen within the city limits brings in a stray. This will pay for the minimum 5-day stray hold that is required by law.
- 2 In addition, if Friends of Animals boards a “known” stray, there is a minimum 10 day hold by law, these additional 5 days will cost an additional \$265.

If the animal is claimed during a stray hold, all charges will be passed on to the owner. If an animal is surrendered or “relinquished” this as well will be passed onto the owner.

These charges will be billed monthly and are to be paid by EFT payment.

*Note: The due date of this fee is within 45 days of the 1st of the month it is billed in, a late fee of \$50 dollars will be assessed every 30 days the payment is late.

- 3 **For medical treatments** approved by the City, as defines in III. Section 1. The City will pay the actual costs invoiced from the veterinarian. These treatments would typically be related to an emergency. Examples of situations (this list is not inclusive):
 - An animal has been hit by a car and has a good chance of survival with prompt medical attention
 - an animal has been caught in a trap
 - an animal that has been in contact with a porcupine and needs quills pulled
 - an animal is believed to be suffering from hypothermia
 - Another dog or person severely injured the incoming animal

V. Compliance with Laws

In providing all services pursuant to this contract, Friends of Animals shall abide by all statutes, ordinances, rules, and regulations pertaining to or regulating the provision of such services, including those now in effect and hereinafter adopted. We reserve the right to decline strays based on said ordinances, which will allow us to provide adequate shelter, as well as proper health care and disease control, housing, food, and care, and Friends of Animals shall not allow overcrowding of the shelter.

VI. Insurance

Friends of Animals shall purchase, maintain in full force and effect during the term of this contract, and provide proof of the following insurance coverage:
Comprehensive General Liability

VII. Early Termination of Contract

Either party may, upon thirty (30) days written notice delivery by mail or in person to the other party, terminate this contract. For purposes of such notice, the addresses of Friends of Animals and the City are as follows:

Friends of Animals
1001 Ave B
Cloquet, MN 55720

City of Cloquet
1307 Cloquet Ave
Cloquet, MN 55720

VIII. Modifications

Any material alterations, modifications, or variations of the terms of this contract shall be valid and enforceable only when they have been reduced to writing as an amendment, and signed by both or all parties involved.

IX. Entire Agreement

It is understood and agreed by the parties that the entire contract is contained herein, and that this contract supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof, as well as any previous agreements presently in effect between Friends of Animals and the City.

Friends of Animals

City of Cloquet

By: _____
(FOA Representative)

By: _____
(City of Cloquet Representative)

Title: _____

Title: _____

Date: _____

Date: _____

CLOQUET CITY COUNCIL WORK SESSION

Tuesday, April 3, 2018

DRAFT

Present: Bailey, Bjerkness, Kolodge, Langley, Maki, Rock, Mayor Hallback

Absent: None

Staff: Reeves, Barclay, Klassen, C. Peterson, J. Palmer

Other: J. Lund, Pine Journal; SEH Representatives D. Hinzman, C. Larson

Citizens Advisory Board Interviews

The Council interviewed applicants for the Citizen's Advisory Board vacancy. Those interviewed included S. Woollett, B. Wyman, P. Petite, and L. Ketola. Discussion of appointment followed the interviews. The Council will make a motion and vote on appointment at the Regular Meeting.

Water Treatment Plant Discussion

City Engineer Peterson gave an update on the Well #8 water treatment plant project. Dan Hinzman and Chris Larson from SEH were also present. Mr. Larson explained the primary reason for the water treatment plant is due to the large amount of manganese detected at Well #8.

- Mr. Larson reviewed the plan sheets and layout for the filter plant.
- Mr. Peterson further explained that there are 5 water sources for the city, Well #8 being one of them.
- Council members questioned the level of maintenance that the filter plant will require. Mr. Peterson explained it would be approximately 2 hours per day for regular checks but the plant will mainly be controlled by computers and there is no need for added staff.
- Conversation took place on the funding of the plant.
- Mr. Larson reviewed the tentative schedule for the project with completion in the fall of 2019.

City Hall Summer Hours

Mr. Reeves requested the Council consider summer hours for City Hall. Hours of operation would be Monday through Thursday 7:30-5:00 and Friday 7:30-11:30, Memorial Day to Labor Day. City Hall has never had summer hours and staff would like to try implementing the new hours. Mr. Reeves then explained the multiple payment options that are available to pay utility bills. Notification of the change in hours will be through the Pine Journal, the City's website, postings on City Hall doors, and in utility billing statements. Staff will track any complaints received and if appears the hours aren't suitable, Council would then reconsider.

After some questions by the Council, it was agreed to test summer hours.

There being no further business, the meeting adjourned at 6:45 p.m.

Respectfully Submitted,

Aaron Reeves
City Administrator

Regular Meeting



Roll Call

Councilors Present: Bailey, Bjerkness, Kolodge, Langley, Maki, Rock, Mayor Hallback

Councilors Absent: None

Pledge of Allegiance

AGENDA

MOTION: Councilor Rock moved and Councilor Kolodge seconded the motion to approve the April 3, 2018 agenda. The motion carried unanimously (7-0).

MINUTES

MOTION: Councilor Bailey moved and Councilor Rock seconded the motion to approve the minutes of the Work Session and Regular Meeting of March 20, 2018. The motion carried unanimously (7-0).

CONSENT AGENDA

MOTION: Councilor Bjerkness moved and Councilor Maki seconded the motion to adopt the consent agenda of April 3, 2018. The motion was carried unanimously (7-0).

- a. Resolution No. 18-19, Resolution Authorizing the Payment of Bills and Payroll
- b. WLSSD Letter of Support Request
- c. Authorization to Purchase Two Police Department Vehicles
- d. Authorization to Bid Cloquet Avenue Mill and Overlay

PUBLIC HEARINGS

There were none.

PRESENTATIONS

There were none.

CONSIDERATION OF APPOINTMENT TO CITIZENS ADVISORY BOARD

MOTION: Councilor Kolodge moved and Councilor Bjerkness seconded the motion to appoint Lauri Ketola to the Citizens Advisory Board with a term expiring December 31, 2020. The motion failed (3-4) with Councilors Rock, Langley, Bailey and Mayor Hallback opposing.

MOTION: Councilor Bailey moved and Councilor Langley seconded the motion to appoint Patty Petite to the Citizens Advisory Board with a term expiring December 31, 2020. The motion carried unanimously (7-0).

PUBLIC COMMENTS

There were none.

COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES

Mayor Hallback thanked Councilor Bailey for serving on the City Council and as a board member on the EDA and CAFD while serving as Councilor At Large.

CLOSED MEETING

The City Council closed the Regular Meeting for the purpose of discussing the City Administrator's performance evaluation. Mayor Hallback announced the time is 7:07 p.m.

After the 6-month review of Administrator Reeves, Mayor Hallback reopened the meeting. The time is 7:43 p.m.

MOTION: Councilor Bailey moved and Councilor Langley seconded a 3% pay increase for City Administrator Reeves effective April 4, 2018. The motion carried unanimously (7-0).

On a motion duly carried by a unanimous yeas vote of all members present on roll call, the Council adjourned.

Aaron Reeves, City Administrator



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet, MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Nancy Klassen, Finance Director *NK*
Reviewed/Approved by: Aaron Reeves, City Administrator
Date: April 12, 2018

ITEM DESCRIPTION: Payment of Bills

Proposed Action

Staff recommends the Council move to adopt **RESOLUTION NO. 18-22, A RESOLUTION AUTHORIZING THE PAYMENT OF BILLS.**

Background/Overview

Statutory Cities are required to have most claims authorized by the city council.

Policy Objectives

MN State Statute sections 412.271, Claims and disbursements for Statutory Cities.

Financial/Budget/Grant Considerations

See resolution for amounts charged to each individual fund.

Advisory Committee/Commission Action

Not applicable.

Supporting Documents Attached

- a. Resolution Authorizing the Payment of Bills.
- b. Vendor Summary Report.
- c. Department Summary Report.

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 18-22

A RESOLUTION AUTHORIZING THE PAYMENT OF BILLS

WHEREAS, The City has various bills each month that require payment.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the bills be paid and charged to the following funds:

101	General Fund	\$	46,740.30
207	Community Development Operating		77.95
226	Park Fund		10,222.28
228	Senior Center		928.95
231	Public Works Reserve		36,926.20
403	Revolving Capital Projects		602.56
600	Water - Lake Superior Waterline		121,828.29
601	Water - In Town System		16,028.22
602	Sewer Fund		1,399.24
614	CAT-7		94.00
	TOTAL:	\$	234,847.99

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET
THIS 17TH DAY OF APRIL, 2018.**

ATTEST:

Dave Hallback, Mayor

Aaron Reeves, City Administrator

INVOICES DUE ON/BEFORE 04/17/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
110902	ABRA AUTO BODY & GLASS -	2,863.43	694.80
111350	LEXISNEXIS RISK DATA MNGMT INC	156.75	50.00
112275	ADVANTAGE EMBLEM INC	0.00	521.62
121000	ARROWHEAD SPRINGS INC	326.75	133.25
123150	B W DISTRIBUTING	500.96	382.97
125700	BEST OIL COMPANY	17,961.14	566.82
127200	CHARLES BOEDIGHEIMER	0.00	161.00
129800	BUREAU CRIMINAL APPREHENSION	390.00	390.00
135675	VORK ENTERPRISES INC	0.00	130.00
137310	CENTURY LINK	8,381.83	236.52
137340	CHAMBERLAIN OIL CO., INC.	33,853.37	1,241.00
139025	CINTAS	942.46	80.21
142800	CLOQUET SANITARY SERVICE	2,253.65	512.00
145300	COMMUNITY PRINTING	3,754.72	480.00
145400	COMO LUBE & SUPPLIES, INC.	0.00	77.90
145500	COMPENSATION CONSULTANTS, LTD	900.00	225.00
150100	D A L C O	1,765.04	304.99
153300	DIAMOND DRILLING	295.80	229.00
156400	CITY OF DULUTH COMFORTSYSTEMS	236.64	78.53
162640	ENVENTIS TELECOM INC	141.72	47.24
165375	FERGUSON WATERWORKS #2516	2,726.40	457.96
169650	FORUM COMMUNICATIONS COMPANY	2,552.82	763.72
171550	GOVT FINANCE OFFICERS ASSOC	0.00	225.00
175950	GRAPHIC TECHNOLOGIES	1,136.62	143.75
179340	HAGENS GLASS & PAINT	15,439.89	598.10
180425	HARRIS COMPUTER SYSTEMS	918.30	255.85
180500	HAWKINS INC	18,465.41	5,449.89
190700	JAMAR COMPANY	4,246.75	778.71
197775	KWIK TRIP INC	214.47	65.70
197800	L & M SUPPLY CO	5,776.53	1,335.78
202100	LAWSON PRODUCTS INC	663.04	521.82
202725	LEICA GEOSYSTEMS INC	0.00	19,258.38
207400	MANEY INTERNATIONAL INC	5,858.69	83.80
210450	MEDIACOM LLC.	731.19	16.76
211400	MENARDS	1,977.05	522.39
222275	MN PEIP	137,462.82	44,912.02
227100	MORTON SALT	15,360.20	1,061.31
227750	MTI DISTRIBUTING, INC.	306.48	17,465.26
229500	NAPA AUTO PARTS	1,993.38	349.85
234600	NORTHERN BUSINESS PRODUCTS	2,000.34	137.00
240725	O'REILLY AUTO ENTERPRISES LLC	320.16	11.98
247250	POWERPLAN	1,681.37	2,955.55
248650	THE PROJECT CENTER	38.69	190.00
251475	RAILROAD MANAGEMENT CO.	214.01	214.01

DATE: 04/12/2018
TIME: 12:24:29
ID: AP442000.WOW

CITY OF CLOQUET
VENDOR SUMMARY REPORT

PAGE: 2

INVOICES DUE ON/BEFORE 04/17/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
260300	CITY OF SCANLON	3,156.92	90.50
261750	SEELYE PLASTICS, INC.	0.00	22.31
265250	SNAP ON TOOLS	691.74	1,401.24
268800	STOCK TIRE COMPANY	2,980.80	837.92
270200	SUPERIOR COMPUTER PRODUCTS INC	10,927.00	4,557.25
271325	NANCY GETCHELL	2,506.70	126.90
275075	TITAN MACHINERY	914.73	1,363.95
278600	TWIN PORT MAILING	13,922.87	603.05
279100	U S BANK EQUIPMENT FINANCE	1,804.58	142.71
280950	UNIQUE PAVING MATERIALS	0.00	2,095.80
285500	VIKING INDUSTRIAL NORTH	1,094.73	349.22
291350	JOHN & JULIE HAVERKAMP	30.47	63.84
293700	ZIEGLER INC	6,411.39	435.46
294000	ZUERCHER TECHNOLOGIES LLC	69,042.24	5,400.00
R0001048	LEA AID ACQUISITION COMPANY	0.00	160.00
R0001548	MINIT MART 557	560.00	168.00

TOTAL ALL VENDORS: 122,135.59

Less:

Library

Cloquet Area Fire

District

(39.66)

Total City Bills

122,095.93

Less:

Payroll benefits

(44,912.02)

Plus:

Investigations cash

5,930.00

Credit card/bill pay f

1,951.00

MN Sales Tax

1,004.66

MN Power auto pay

145,106.22

MN Energy auto pay

3,672.20

Total Bills

234,847.99

INVOICES DUE ON/BEFORE 04/17/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
00			
222275	MN PEIP	137,462.82	44,912.02
			44,912.02
32	LICENSES & PERMITS		
260300	CITY OF SCANLON	3,156.92	90.50
	LICENSES & PERMITS		90.50
41	GENERAL GOVERNMENT		
139025	CINTAS	942.46	36.65
142800	CLOQUET SANITARY SERVICE	2,253.65	53.45
145300	COMMUNITY PRINTING	3,754.72	480.00
145500	COMPENSATION CONSULTANTS, LTD	900.00	225.00
150100	D A L C O	1,765.04	167.58
169650	FORUM COMMUNICATIONS COMPANY	2,552.82	106.08
171550	GOVT FINANCE OFFICERS ASSOC		225.00
179340	HAGENS GLASS & PAINT	15,439.89	113.95
190700	JAMAR COMPANY	4,246.75	778.71
197800	L & M SUPPLY CO	5,776.53	112.84
211400	MENARDS	1,977.05	274.49
234600	NORTHERN BUSINESS PRODUCTS	2,000.34	16.07
248650	THE PROJECT CENTER	38.69	190.00
270200	SUPERIOR COMPUTER PRODUCTS INC	10,927.00	4,158.50
278600	TWIN PORT MAILING	13,922.87	234.53
279100	U S BANK EQUIPMENT FINANCE	1,804.58	53.51
291350	JOHN & JULIE HAVERKAMP	30.47	3.99
	GENERAL GOVERNMENT		7,230.35
42	PUBLIC SAFETY		
110902	ABRA AUTO BODY & GLASS -	2,863.43	694.80
111350	LEXISNEXIS RISK DATA MNGMT INC	156.75	50.00
112275	ADVANTAGE EMBLEM INC		521.62
127200	CHARLES BOEDIGHEIMER		161.00
129800	BUREAU CRIMINAL APPREHENSION	390.00	390.00
135675	VORK ENTERPRISES INC		130.00
142800	CLOQUET SANITARY SERVICE	2,253.65	81.51

INVOICES DUE ON/BEFORE 04/17/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
42	PUBLIC SAFETY		
150100	D A L C O	1,765.04	137.41
197775	KWIK TRIP INC	214.47	65.70
234600	NORTHERN BUSINESS PRODUCTS	2,000.34	67.98
270200	SUPERIOR COMPUTER PRODUCTS INC	10,927.00	253.75
271325	NANCY GETCHELL	2,506.70	126.90
278600	TWIN PORT MAILING	13,922.87	67.00
R0001048	LEA AID ACQUISITION COMPANY		160.00
R0001548	MINIT MART 557	560.00	168.00
	PUBLIC SAFETY		3,075.67
43	PUBLIC WORKS		
121000	ARROWHEAD SPRINGS INC	326.75	63.25
123150	B W DISTRIBUTING	500.96	191.49
137340	CHAMBERLAIN OIL CO., INC.	33,853.37	1,241.00
139025	CINTAS	942.46	21.78
142800	CLOQUET SANITARY SERVICE	2,253.65	50.61
145400	COMO LUBE & SUPPLIES, INC.		77.90
153300	DIAMOND DRILLING	295.80	229.00
197800	L & M SUPPLY CO	5,776.53	481.23
202100	LAWSON PRODUCTS INC	663.04	260.91
207400	MANEY INTERNATIONAL INC	5,858.69	83.80
227100	MORTON SALT	15,360.20	1,061.31
229500	NAPA AUTO PARTS	1,993.38	349.85
234600	NORTHERN BUSINESS PRODUCTS	2,000.34	13.82
240725	O'REILLY AUTO ENTERPRISES LLC	320.16	11.98
247250	POWERPLAN	1,681.37	2,955.55
265250	SNAP ON TOOLS	691.74	1,401.24
268800	STOCK TIRE COMPANY	2,980.80	100.00
270200	SUPERIOR COMPUTER PRODUCTS INC	10,927.00	145.00
275075	TITAN MACHINERY	914.73	1,363.95
278600	TWIN PORT MAILING	13,922.87	67.00
279100	U S BANK EQUIPMENT FINANCE	1,804.58	23.79
280950	UNIQUE PAVING MATERIALS		2,095.80
285500	VIKING INDUSTRIAL NORTH	1,094.73	200.50
293700	ZIEGLER INC	6,411.39	435.46
	PUBLIC WORKS		12,926.22
COMMUNITY DEV OPERATING (CITY)			
46	COMMUNITY DEVELOPMENT		

DATE: 04/12/2018
TIME: 12:24:55
ID: AP443000.WOW

CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

PAGE: 3

INVOICES DUE ON/BEFORE 04/17/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

COMMUNITY DEV OPERATING (CITY)			
46	COMMUNITY DEVELOPMENT		
234600	NORTHERN BUSINESS PRODUCTS	2,000.34	6.91
278600	TWIN PORT MAILING	13,922.87	33.50
279100	U S BANK EQUIPMENT FINANCE	1,804.58	17.84
	COMMUNITY DEVELOPMENT		58.25
PARK FUND			
45	CULTURE AND RECREATION		
125700	BEST OIL COMPANY	17,961.14	566.82
142800	CLOQUET SANITARY SERVICE	2,253.65	253.03
175950	GRAPHIC TECHNOLOGIES	1,136.62	143.75
179340	HAGENS GLASS & PAINT	15,439.89	484.15
197800	L & M SUPPLY CO	5,776.53	499.35
211400	MENARDS	1,977.05	247.90
227750	MTI DISTRIBUTING, INC.	306.48	5,197.44
291350	JOHN & JULIE HAVERKAMP	30.47	59.85
	CULTURE AND RECREATION		7,452.29
SENIOR CENTER FUND			
45	CULTURE AND RECREATION		
197800	L & M SUPPLY CO	5,776.53	3.99
	CULTURE AND RECREATION		3.99
PUBLIC WORKS RESERVE			
42	PUBLIC SAFETY		
294000	ZUERCHER TECHNOLOGIES LLC	69,042.24	5,400.00
	PUBLIC SAFETY		5,400.00
43 PUBLIC WORKS			
202725	LEICA GEOSYSTEMS INC		19,258.38
	PUBLIC WORKS		19,258.38

DATE: 04/12/2018
TIME: 12:24:55
ID: AP443000.WOW

CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

PAGE: 4

INVOICES DUE ON/BEFORE 04/17/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

PUBLIC WORKS RESERVE			
45	CULTURE AND RECREATION		
227750	MTI DISTRIBUTING, INC.	306.48	12,267.82
	CULTURE AND RECREATION		12,267.82
CAPITAL PROJECTS - REVOLVING			
81	SPECIAL PROJECTS		
169650	FORUM COMMUNICATIONS COMPANY	2,552.82	602.56
	SPECIAL PROJECTS		602.56
WATER - LAKE SUPERIOR WATERLIN			
50	STATION 1		
137310	CENTURY LINK	8,381.83	72.32
	STATION 1		72.32
51	STATION 2		
121000	ARROWHEAD SPRINGS INC	326.75	40.00
137310	CENTURY LINK	8,381.83	164.20
180500	HAWKINS INC	18,465.41	1,484.40
197800	L & M SUPPLY CO	5,776.53	9.98
285500	VIKING INDUSTRIAL NORTH	1,094.73	33.22
	STATION 2		1,731.80
52	LAKE SUPERIOR WATERLINE		
165375	FERGUSON WATERWORKS #2516	2,726.40	140.44
251475	RAILROAD MANAGEMENT CO.	214.01	214.01
	LAKE SUPERIOR WATERLINE		354.45
57	ADMINISTRATION		
156400	CITY OF DULUTH COMFORTSYSTEMS	236.64	78.53
	ADMINISTRATION		78.53

INVOICES DUE ON/BEFORE 04/17/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

WATER - IN TOWN SYSTEM			
49	CLOQUET		
123150	B W DISTRIBUTING	500.96	114.89
139025	CINTAS	942.46	13.07
165375	FERGUSON WATERWORKS #2516	2,726.40	317.52
169650	FORUM COMMUNICATIONS COMPANY	2,552.82	55.08
180500	HAWKINS INC	18,465.41	3,965.49
197800	L & M SUPPLY CO	5,776.53	137.44
202100	LAWSON PRODUCTS INC	663.04	156.55
261750	SEELYE PLASTICS, INC.		22.31
268800	STOCK TIRE COMPANY	2,980.80	737.92
285500	VIKING INDUSTRIAL NORTH	1,094.73	69.30
	CLOQUET		5,589.57
54	BILLING & COLLECTION		
180425	HARRIS COMPUTER SYSTEMS	918.30	255.85
234600	NORTHERN BUSINESS PRODUCTS	2,000.34	4.58
278600	TWIN PORT MAILING	13,922.87	67.01
	BILLING & COLLECTION		327.44
57	ADMINISTRATION & GENERAL		
142800	CLOQUET SANITARY SERVICE	2,253.65	16.87
234600	NORTHERN BUSINESS PRODUCTS	2,000.34	13.82
278600	TWIN PORT MAILING	13,922.87	67.00
279100	U S BANK EQUIPMENT FINANCE	1,804.58	23.78
	ADMINISTRATION & GENERAL		121.47
ENTERPRISE FUND - SEWER			
55	SANITARY SEWER		
123150	B W DISTRIBUTING	500.96	76.59
139025	CINTAS	942.46	8.71
197800	L & M SUPPLY CO	5,776.53	90.95
202100	LAWSON PRODUCTS INC	663.04	104.36
285500	VIKING INDUSTRIAL NORTH	1,094.73	46.20
	SANITARY SEWER		326.81

DATE: 04/12/2018
TIME: 12:24:55
ID: AP443000.WOW

CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

PAGE: 6

INVOICES DUE ON/BEFORE 04/17/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

ENTERPRISE FUND - SEWER			
57	ADMINISTRATION & GENERAL		
142800	CLOQUET SANITARY SERVICE	2,253.65	16.87
234600	NORTHERN BUSINESS PRODUCTS	2,000.34	13.82
278600	TWIN PORT MAILING	13,922.87	67.01
279100	U S BANK EQUIPMENT FINANCE	1,804.58	23.79
	ADMINISTRATION & GENERAL		121.49
CABLE TELEVISION			
45	CULTURE AND RECREATION		
121000	ARROWHEAD SPRINGS INC	326.75	30.00
162640	ENVENTIS TELECOM INC	141.72	47.24
210450	MEDIACOM LLC.	731.19	16.76
	CULTURE AND RECREATION		94.00
CLOQUET AREA FIRE DISTRICT			
42	PUBLIC SAFETY		
142800	CLOQUET SANITARY SERVICE	2,253.65	39.66
	PUBLIC SAFETY		39.66
	TOTAL ALL DEPARTMENTS		122,135.59



ADMINISTRATIVE OFFICES

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Phone: 218-879-3347 • Fax: 218-879-6555
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www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Nancy Klassen, Finance Director *NK*
Reviewed by: Aaron Reeves, City Administrator *AR*
Date: April 5, 2018

ITEM DESCRIPTION: Reimburse Expenditures from Public Facilities General Obligation Revenue Bond (Note)

Proposed Action

Staff recommends the Council move to approve **RESOLUTION NO. 18-23, A RESOLUTION DECLARING THE OFFICIAL INTENT OF CLOQUET TO REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF BONDS TO BE ISSUED BY THE CITY.**

Background/Overview

The City's 2018 Budget assumes issuing \$5.6 million Public Facilities General Obligation Water Revenue Bond to fund a water treatment plant. The project is estimated to cost \$7.2 million based on updated information. The work has been authorized to start in 2018.

Under federal law, a municipality is allowed to use its own money to pay for certain project costs before tax-exempt bonds are issued. However, in order for the City to preserve the right to reimburse itself for those costs at some future date, it is necessary for the Council to adopt the attached Reimbursement Resolution no later than 60 days after the first expenditures are incurred. The attached resolution provides for the City to make a declaration of intent to reimburse itself for prior expenditures out of the proceeds of subsequently issued bonds within the time specified in the resolution.

This resolution does not bind the City to the improvements or the bonding. It protects the City's funding of costs associated with the project prior to the bonding.

Policy Objectives

Compliance with IRS Treasury Regulation section 1.150-2.

Financial/Budget/Grant Considerations

The ability to charge costs incurred before issuance of bonds from bond proceeds.

Advisory Committee/Commission Action

Not applicable.

Supporting Documents Attached

Resolution No. 18-23

CITY OF CLOQUET COUNTY OF CARLTON STATE OF MINNESOTA

RESOLUTION NO. 18-23

A RESOLUTION DECLARING THE OFFICIAL INTENT OF CLOQUET
TO REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS
OF BONDS TO BE ISSUED BY THE CITY

WHEREAS, the Internal Revenue Service has issued Treas. Reg. 1.150-2 (the "Reimbursement Regulations") providing that proceeds of tax-exempt bonds used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; and

WHEREAS, the City expects to incur certain expenditures that may be financed temporarily from sources other than bonds, and reimbursed from the proceeds of a tax-exempt bond;

WHEREAS, the City has determined to make this declaration of official intent ("Declaration") to reimburse certain costs from proceeds of bonds in accordance with the Reimbursement Regulations.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA,

1. The City proposes to undertake the construction of municipal water treatment plant improvements in the City in 2018 (the "Project").
2. The City reasonably expects to reimburse the expenditures made for certain costs of the Project from the proceeds of bonds in an estimated maximum principal amount of \$7,200,000. All reimbursed expenditures will be capital expenditures, costs of issuance of the bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.
3. This Declaration has been made not later than 60 days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of bonds, except for the following expenditures: (a) costs of issuance of bonds; (b) costs in an amount not in excess of \$100,000 or 5 percent of the proceeds of an issue; or (c) "preliminary expenditures" up to an amount not in excess of 20 percent of the aggregate issue price of the issue or issues that finance or are reasonably expected by the City to finance the project for which the preliminary expenditures were incurred. The term "preliminary expenditures" includes architectural, engineering, surveying, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.
4. This Declaration is an expression of the reasonable expectations of the City based on the facts and circumstances known to the City as of the date hereof. The anticipated original expenditures for the Project and the principal amount of the bonds described in paragraph 2 are consistent with the City's budgetary and financial circumstances. No sources other than proceeds of bonds to be issued by the City are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the City's budget or financial policies to pay such Project expenditures.

5. This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 17TH DAY OF APRIL 2018.

CLOQUET, MINNESOTA

Dave Hallback, Mayor

Attest:

Aaron Reeves, City Administrator



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet, MN 55720
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REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Nancy Klassen, Finance Director *NK*
Reviewed/Approved by: Aaron Reeves, City Administrator *AR*
Date: April 9, 2018

ITEM DESCRIPTION: Year End Transfers for 2017

Proposed Action

Staff recommends the Council move to authorize the transfers for 2017 as detailed in the April 4, 2018 staff report.

Background/Overview

The council reviews and approves transfers for projects and other transactions yearly after the financial statements are finalized.

2017 Capital Improvements – Expenditures are made in the revolving capital projects fund for street projects then reimbursed by the permanent improvement fund. Funding changed on a few projects that were finalized in 2017 and the Revolving Capital Projects Fund needs to reimburse the Permanent Improvement Fund.

Transfer to the Permanent Improvement \$23,812.52
from Revolving Capital Projects \$23,812.52

2017 Capital Equipment – The transfer is for the utility portion of a dump truck and pick up truck purchased by the Street Department.

Transfer to Public Works Reserve \$194,652
from Water \$114,081
from Sewer \$80,571

Fund balance & future capital outlay – The General Fund is fully funded in accordance with the Fund Balance Policy. The Library Fund 2017 transfer was budgeted at \$200,000 to meet the Fund Balance Policy.

Transfer to Library Fund \$200,000
from General Fund \$200,000

Small Cities Development Program

The City's small cities project fund (208) is finalized and the future activity or repayment of loans is closed to the EDA's small cities loan fund (206).

Transfer to Small Cities Loan Fund (EDA) #206 - \$14,389.39
from Small Cities Development Program Fund (City) #208 - \$14,389.39

Marketing Study

The General Fund is reimbursing the Community Development Operating Fund for the cost of the marketing study for payments to the consultant in 2017.

Transfer to Community Development Operating Fund \$30,601
from General Fund \$30,601

Policy Objectives

Proper approval for financing transfers for the year ended 12/31/2017.

Financial Impacts/Budget/Grant Considerations

Approval of transfers so various funds are properly reimbursed for 2017 activities and to increase reserve for future capital outlay. The construction transfers are budgeted at the beginning of the year but actual numbers are not available until the audit is complete.

Advisory Committee/Commission Action

Not applicable.

Supporting Documents Attached

None.



ADMINISTRATIVE OFFICES

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www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Nancy Klassen, Finance Director *NJK*
Reviewed by: Aaron Reeves, City Administrator *AR*
Date: April 9, 2018

ITEM DESCRIPTION: Authorization to begin the hiring process for Part Time 20 hour/week Finance Department employee.

Proposed Action

Staff recommends the Council move to authorize the Finance Department to begin the hiring process for a part time 20 hours/week employee. This person is tentatively expected to be the cashier/receptionist along with other accounting duties between 10 am and 2 pm daily.

Background/Overview

The City's 2018 Budget assumes hiring a part time employee in the Administration Department. In the 2015 through 2017 Budget this position was in the Finance Department. Moving the part time employee from Finance to Administration was prompted by the potential move of the payroll duties to the Human Resources Department. The potential change was determined not to be effective since it would decrease the internal controls involving payroll processing.

The hiring of the position was delayed in 2015 through 2017 to allow the Administration and Finance Departments to acclimate to the new Human Resource Department position. Since the position has been on board over two years, now is the time for Finance to get some help and hire a part time employee.

Through discussion with the City Administrator and Human Resources Department, they do not see a need for this position in their departments. Finance is a very busy department with not much down time seasonally. Three full time Finance staff for a City our size is extremely lean. It leads the department to be more reactive than strategic. Friday afternoons seem to be the only time we aren't busy with customers or work deadlines.

Policy Objectives

Adequate staffing for the Finance Department.

Financial/Budget/Grant Considerations

The position has been budgeted for since 2015.

Advisory Committee/Commission Action

Not applicable.

Supporting Documents Attached

None.



COMMUNITY DEVELOPMENT DEPARTMENT
1307 Cloquet Avenue • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Al Cottingham, City Planner/Zoning Administrator
Reviewed/Approved By: Aaron Reeves, City Administrator *AR*
Date: April 11, 2018

ITEM DESCRIPTION: Zoning Case 18-04: Conditional Use Permit – John Haverkamp, Apartments in the City Center District

Proposed Action

The Planning Commission recommends the City Council move to adopt **RESOLUTION NO. 18-24, A RESOLUTION APPROVING THE CONDITIONAL USE PERMIT FOR JOHN HAVERKAMP FOR APARTMENTS IN THE CITY CENTER DISTRICT.**

Background/Overview

John Haverkamp is proposing a Conditional Use Permit to allow two additional apartments within his commercial property. The property involved is located at 901 Cloquet Avenue. Mr. Haverkamp would like to remodel the upper floor of his building to have four apartments rather than the existing two. The main floor of the building will remain commercial and currently is home to Wood City Lights and Hardware.

A public hearing was held on Tuesday, April 10, 2018 to consider a conditional use permit for for two additional apartments in the City Center District. A legal notice was published in the Pine Journal on March 29, 2018 and property owners within 350 feet were sent notices of the public hearing.

Policy Objectives

The Zoning Ordinance states Conditional Use Permits may be granted when they comply with the following approval criteria: *(Staff comments in italic)*

1. Consistency with the Comprehensive Plan. The relationship of the proposed use to the goals, objectives, and policies of the City of Cloquet Comprehensive Plan. *The proposed site is guided as City Center. For the purposes of the Comprehensive Plan, it does reference housing (particularly housing above commercial uses) is also a desirable use in the city center. This structure has two stories.*

3. Importance of services to the community. The importance of the services provided by the proposed facility to the community, if any, and the requirements of the facility for certain locations, if any, and without undue inconvenience to the developer, and the availability of alternative locations equally suitable. *There is a need for rental housing within the community.*

4. Neighborhood protections. The sufficiency of terms and conditions proposed to protect and maintain the uses in the surrounding neighborhood. *The site is currently occupied by a commercial building and two apartments. They are not proposing any changes in the access to the site or the site layout.*

5. Conformance with other requirements of this Chapter. The conformance of the proposed development with all provisions of this Chapter. *The proposed location meets all the requirements of the Zoning Ordinance. There is adequate off-street parking to the north of the building and there will be no expansions to the building.*

6. Other factor. Other factors pertinent to the proposed use, site conditions, or surrounding area considerations that the Planning Commission or the City Council feels are necessary for review in order to make an informed and just decision.

Financial/Budget/Grant Considerations

The Conditional Use Permit fee is \$400. The applicant has paid this fee to cover the cost associated with the application process.

Advisory Committee/Commission Action

The Planning Commission has recommended approval of the Conditional Use Permit subject to the conditions in the attached resolution on a 4-0 vote.

Supporting Documentation Attached

- Resolution No. 18-24
- Location Map
- Aerial Photo

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 18-24

**A RESOLUTION APPROVING THE CONDITIONAL USE PERMIT
FOR JOHN HAVERKAMP FOR TWO ADDITIONAL APARTMENTS FOR
A TOTAL OF FOUR IN THE CITY CENTER DISTRICT**

WHEREAS, John Haverkamp is proposing a Conditional Use Permit for two additional apartments, for a total of four apartments in the City Center District; and

WHEREAS, As required by ordinance, notification was advertised in the Pine Journal and property owners within 350 feet were sent notice. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on April 10, 2018 at which time Zoning Case / Development Review No. 18-04 was heard and discussed; and

WHEREAS, the property of the proposed Conditional Use Permit is located 901 Cloquet Avenue and is legally described as follows:

Lots 12, 13 and the westerly 60 of Lot 14, Block 5, Nelson's Subdivision of Outlots 35, 36 and 40 to the Village of Cloquet, Carlton County, Minnesota. and

WHEREAS, the Planning Commission reviewed the staff report and recommends approval of the Conditional Use Permit.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, that it approves Zoning Case 18-04 for John Haverkamp for an additional two apartments, for a total of four apartments in the City Center District subject to the following conditions:

1. A Building Permit be issued prior to beginning any work.
2. The three separate tax parcels must be consolidated into one parcel prior to the issuance of a building permit.

PASSED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 17TH DAY OF APRIL 2018.

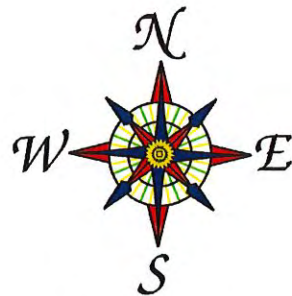
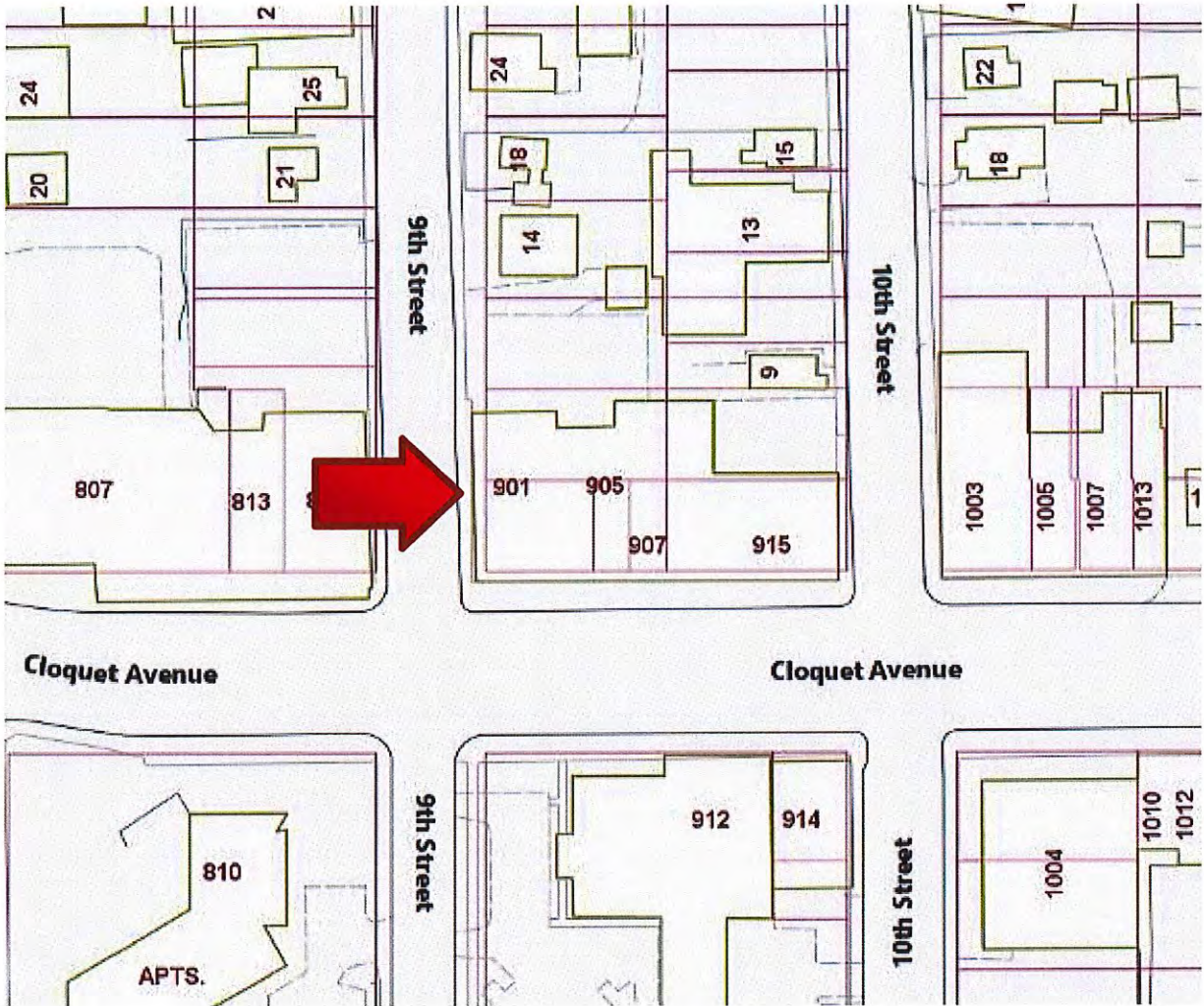
Dave Hallback, Mayor

ATTEST:

Aaron Reeves, City Administrator

Location Map

John Haverkamp



No Scale



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.



Carlton County, MN

Date: 4/2/2018

Carlton County GIS

901 Cloquet Ave

Wood City Lights & Hardware former Erickson Hardware

Legend

Erickson Hardware

Google Earth

© 2018 Google

8.34 ft





COMMUNITY DEVELOPMENT DEPARTMENT

1307 Cloquet Avenue • Cloquet MN 55720

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

www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Al Cottingham, City Planner/Zoning Administrator
Reviewed/Approved By: Aaron Reeves, City Administrator *AR*
Date: April 11, 2018

ITEM DESCRIPTION: Zoning Case 18-01: Site Plan for Northland Consulting Engineers, Toy Storage Barn, LLC. North of Stark Road and Business Park Drive West

Proposed Action

The Planning Commission recommends the City Council move to adopt **RESOLUTION NO. 18-25, A RESOLUTION APPROVING THE SITE PLAN IN THE OM – OFFICE DISTRICT FOR TOY STORAGE BARN, LLC.**

Background/Overview

Northland Consulting Engineers has submitted a Site Plan application for Toy Storage Barn, LLC. The site is located North of Stark Road and Business Park Drive West.

The Site Plan is for Toy Storage Barn, LLC with associated parking, landscaping, grading and drainage and building locations.

Site Plan

Attached, the Council will find the following plans for this development:

- Site Plan
- Grading and Drainage Plan

Impervious Surface: (Section 17.6.11, Subd. 5. E and F)

The zoning district allows the maximum building coverage to be 40% with a maximum impervious surface coverage of 70%. The building coverage is 21% and the impervious surface coverage is approximately 59% for the easterly lot. The building coverage is 31% and the impervious coverage for the entire development is 68%.

Building Setbacks: (Section 17.6.11, Subd. 5. B)

The ordinance requires that the minimum front setback be 35 feet, the minimum side yard setback be 20 feet and the minimum rear yard setback be 30 feet. It has been determined that the site has two front yards, a side yard and a rear yard. The setbacks to all property lines are met. Since the site is being purchased in phases a building that doesn't meet the required setbacks for the specific lot will not be issued a permit.

Landscaping: (Section 17.5.04 Subd. 5.)

The landscape plan shows 22 overstory plantings for the first lot, the site is required to have 22 overstory plantings in addition to understory trees and shrubs. Prior to a building permit being issued for the other lots a revised landscape plan will need to be submitted showing a minimum of 76 overstory trees for the entire site. This is based on 1 tree per 1,000 square feet of building area.

Parking: (Section 17.5.11 Subd. 6.)

Do to the nature of the site there are no designated parking stalls. The area between the buildings is large enough to allow for parallel parking adjacent to the building and traffic to flow by.

Trash Storage: (Section 17.5.15 Subd. 7. A (7))

There will be no trash storage area. Customers will need to remove their belongings/trash when they leave.

Lighting: (Section 17.5.12 Subd. 5. B)

The applicant has provided information on the types of light fixtures that will be installed. There is not a photometric plan submitted so prior to the issuance of a building permit a plan will need to be submitted showing they are in compliance with City lighting standards.

Other Site Plan Items:

The site will be secured with a 6-foot fence. There will be outside storage of vehicles on the site prior total buildout of the property. The outside storage must be on a paved or Class V surface.

Policy Objectives

The purpose of this Site Plan Review application is to ensure that this development project is aligned with city development standards.

Financial/Budget/Grant Considerations

The Site Plan fee of \$300 was paid.

Advisory Committee/Commission Action

The Planning Commission has recommended approval of the Site Plan on a 4 – 0 vote.

Supporting Documents Attachments

- Resolution No. 18-25
- Location Map
- Engineer's Memo Dated March 5, 2018
- Site Plan Maps

**STATE OF MINNESOTA
COUNTY OF CARLTON
CITY OF CLOQUET**

RESOLUTION NO. 18-25

A RESOLUTION APPROVING A SITE PLAN IN THE OM – OFFICE/MANUFACTURING DISTRICT FOR NORTHLAND CONSULTING ENGINEERS, TOY BARN STORAGE, LLC

WHEREAS, Northland Consulting Services, Toy Barn Storage, LLC is proposing a Site Plan in the OM – Office/Manufacturing District; and

WHEREAS, the property of the proposed Site Plan is located north of Stark Road and Business Park Drive West and is legally described as follows:

Lots 1 – 3, Block 3, Cloquet Business Park, Carlton County, Minnesota. And,

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

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, that the Planning Commission recommends approval of Zoning Case 18-01 for a site plan for Northland Consulting Services, Toy Barn Storage, LLC in the OM – Office/Manufacturing District subject to the following conditions:

1. Compliance with the Assistant City Engineer’s Memo.
2. No building permit will be issued unless the building meets the required setbacks.
3. A luminaire plan must be submitted showing the foot-candles on the site prior to the issuance of a building permit.
4. The outside storage must be on a paved or Class V surface.
5. A revised landscape plan must be submitted prior to construction of units on Lots 2 and 3 showing a minimum of 76 overstory plantings for the entire site.
6. The lots must be consolidated into one tax parcel at time of purchase.

PASSED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 17TH DAY OF APRIL 2018.

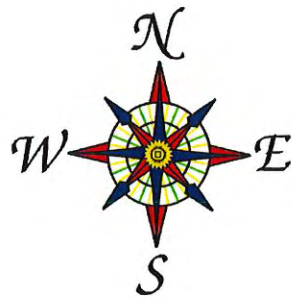
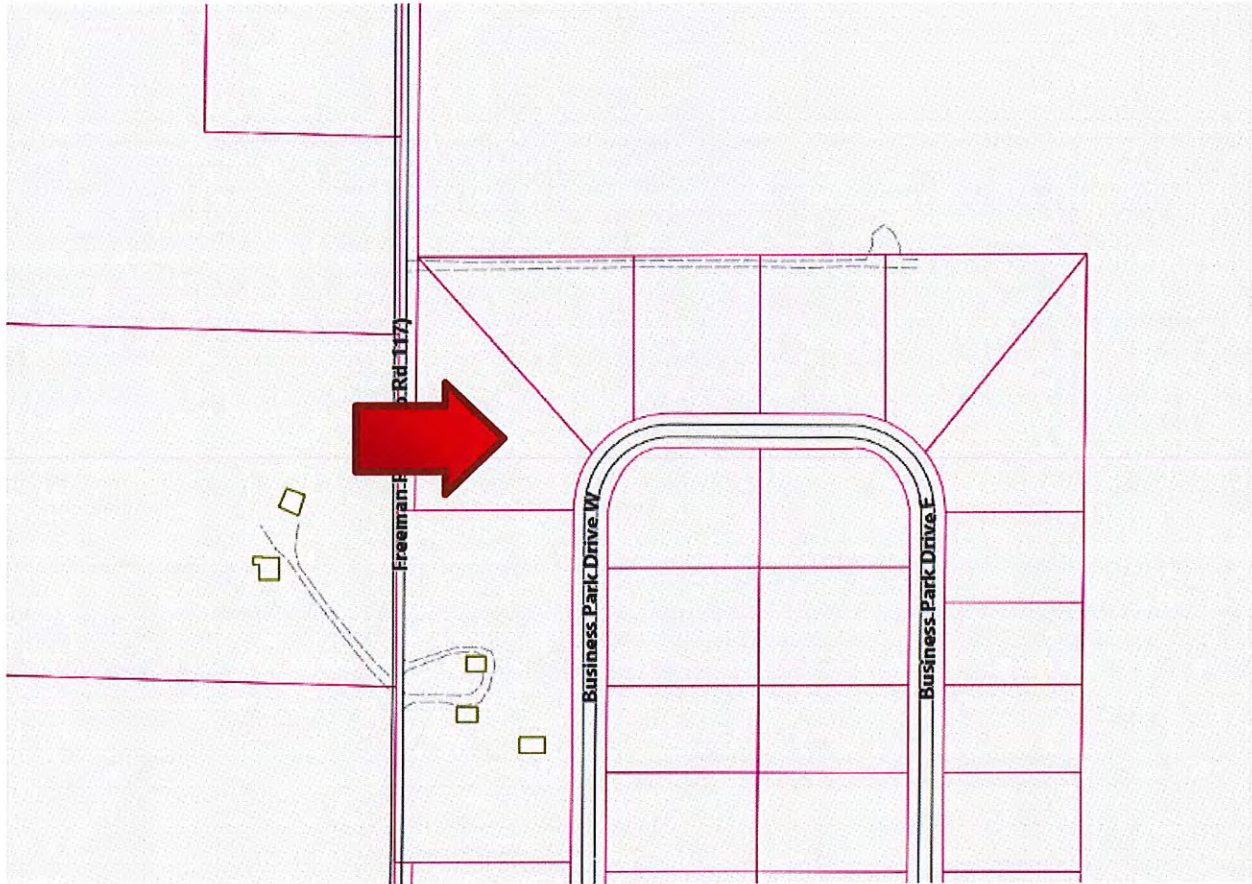
Dave Hallback, Mayor

ATTEST:

Aaron Reeves, City Administrator

LOCATION MAP

Toy Storage Barn, LLC



No Scale

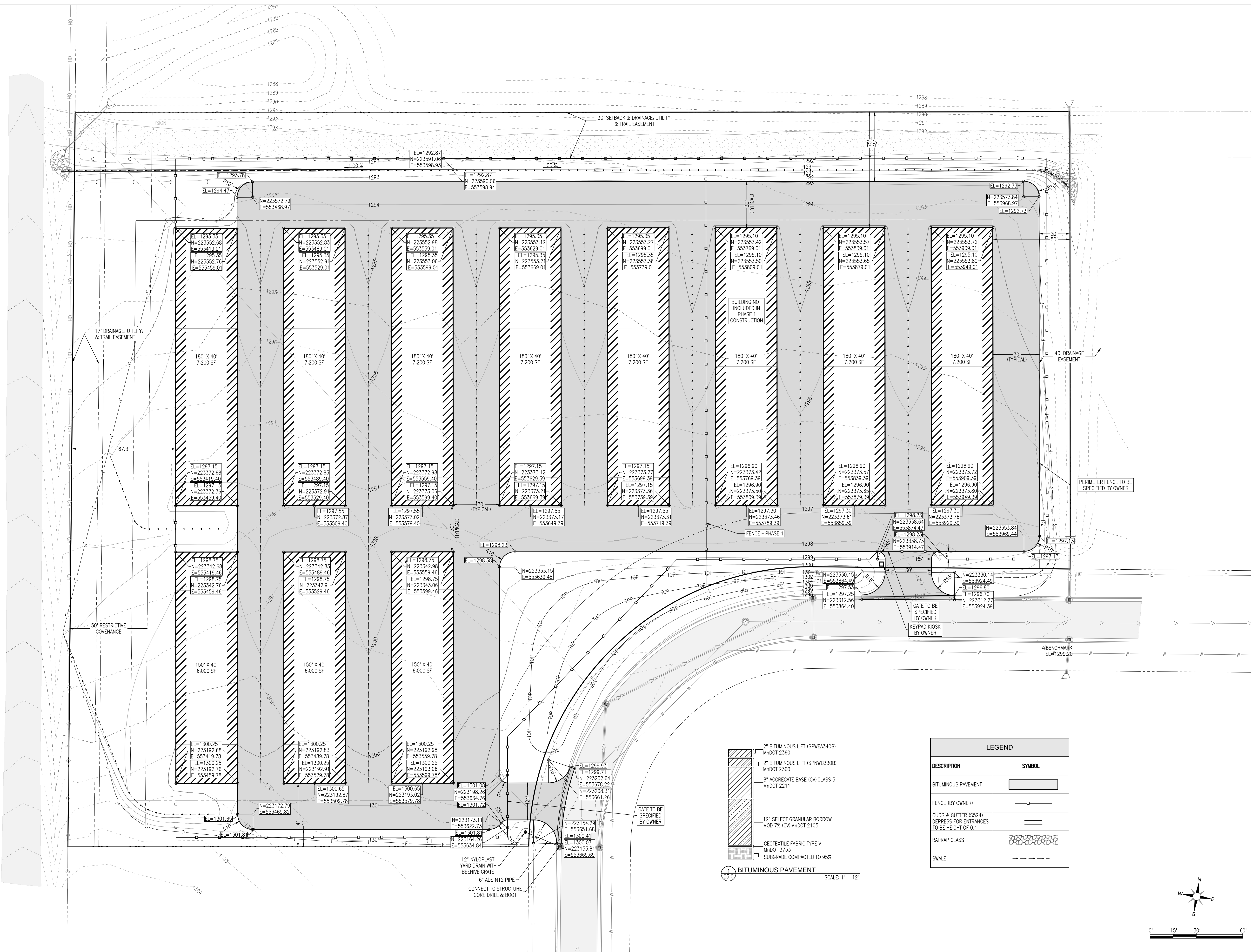
MEMO



DATE: 3/5/18
TO: Al Cottingham, City Planner
FROM: John Anderson, Assistant City Engineer
SUBJECT: Cloquet Mini Storage plan review 3rd

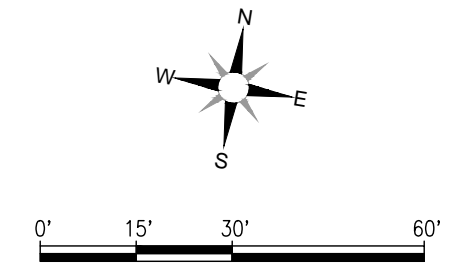
I have reviewed the Grading plan for the Cloquet Mini Storage prepared by Northland Consulting dated 2/26/18. The following are my comments on this plan. Items that have been resolved are shown in ~~strike through~~ and additions are shown underlined.

1. A City issued grading permit is required. Storm water treatment and detention is not required as this site was treated by regional treatment with the development of the Business Park. An NPDES construction permit will be required for this site.
- ~~2. The proposed ditch along the north side of the site should be covered in erosion control blanket once graded.~~
- ~~3. The much of the site appears to be cut and there must be a substantial amount of material being hauled off site. Please provide an estimate of earthwork quantities.~~
4. City code requires the pavement edges to be curbed.
5. The Fire department needs to review the hydrant spacing on site for adequate coverage of the structures.
6. Identify the location of the existing sewer and water services in place intended to serve the site. Existing sewer and water services installed with the original construction of the development that serve these lots need to be cut off at the mains if the site is not going to be served.
- ~~7. Is any signage proposed for the site?~~
- ~~8. Do the two buildings on the west end of the site need access to the west side or do they access the storage entirely from the east side.~~



LEGEND	
DESCRIPTION	SYMBOL
BITUMINOUS PAVEMENT	[Symbol]
FENCE (BY OWNER)	[Symbol]
CURB & GUTTER (SS24) DEPRESS FOR ENTRANCES TO BE HEIGHT OF 0.1'	[Symbol]
RAPRAP CLASS II	[Symbol]
SWALE	[Symbol]

1. BITUMINOUS PAVEMENT
SCALE: 1" = 12'



I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer under the laws of the State of Minnesota.
Tom O'Sullivan
Engineer: Thomas P. O'Sullivan P.E. Lic. No. 50121

REVISIONS:

PROJECT: 18-035
CHECKED: TPD
DRAWN: ARD
DATE: 2-26-18

Sheet Title
SITE & GRADING
PLAN

Sheet Number
C3.0



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet, MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: James Barclay, Interim City Administrator
Date: April 9, 2018

ITEM DESCRIPTION: Approval of LOU Between Local #346 & City Amending the Health and Welfare Article of the CBA to Read "Teamsters Joint Council 32 – Employers Health and Welfare Fund"

Proposed Action

Staff recommends that the City Council move to approve the attached Letter of Understanding (LOU) between the City of Cloquet and Local #346 Amending the Health and Welfare Article of the CBA to Read "Teamsters Joint Council 32 – Employers Health and Welfare Fund."

This LOU does not modify the CBA in any other respect.

Background/Overview

In January 2018 the Teamsters Local 346 Health and Welfare Fund merged with the Minnesota Teamsters Health and Welfare Plan and the Beverage Drivers, Helpers and Inside Employees Union Local 792 Health and Welfare Fund to form the Teamsters Joint Council 32 – Employers Health and Welfare Fund.

Policy Objectives

The Trustees believe that the merger was in the best interest of all participants because a larger plan will be able to better stretch health care dollars through increased economies of scale in its administration and the creation of a larger and more stable participant number.

Financial/Budget/Grant Considerations

No cost. This only changes where the City remits its monthly payments for Teamsters Health Benefits.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Letter of Understanding

LETTER OF UNDERSTANDING
BETWEEN
TEAMSTERS LOCAL 346
AND
CITY OF CLOQUET POLICE DEPARTMENT

WHEREAS, the parties are signatory to a Collective Bargaining Agreement (“CBA”) with a term from January 1, 2018 to December 31, 2020.

WHEREAS, the CBA requires contributions to the Teamsters Local 346 Health and Welfare Fund; and

WHEREAS, effective January 1, 2018 the Teamsters Local 346 Health and Welfare Fund will merge with the Minnesota Teamsters Health and Welfare Plan and the Beverage Drivers, Helpers and Inside Employees Union Local 792 Health and Welfare Fund to form the Teamsters Joint Council 32 – Employers Health and Welfare Fund; and

WHEREAS, the parties desire to have the employees covered by the CBA participate in the Teamsters Joint Council 32 – Employers Health and Welfare Fund.

NOW, THEREFORE, the parties agree as follows:

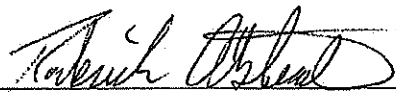
1. The Health and Welfare Article of the CBA shall be amended by deleting all references to the “Teamsters Local 346 Health and Welfare Fund” and replacing those references with “Teamsters Joint Council 32 – Employers Health and Welfare Fund.”

2. This Letter of Understanding does not affect the contribution requirements of the CBA. Contributions previously due to the Teamsters Local 346 Health and Welfare Fund shall be due to the Teamsters Joint Council 32 – Employers Health and Welfare Fund effective with hours worked first beginning January 1, 2018 for contributions due in February 2018.

3. This Letter of Understanding does not modify the CBA with respect to:
- a. Any formula for sharing the cost of coverage between the Employer and Employees.
 - b. Separate contribution rates for medical, dental and vision coverage contributions for each separate benefit shall continue.
 - c. The timing or circumstances under which contributions are due on behalf of employees.

AGREED:

TEAMSTERS LOCAL 346

By:  _____

Its: Secretary-Treasurer

EMPLOYER

By: _____

Its: _____



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet, MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: James Barclay, Interim City Administrator
Date: April 9, 2018

ITEM DESCRIPTION: Approval of LOU Between Local #346 & City Amending the Health and Welfare Article of the CBA to Read "Teamsters Joint Council 32 – Employers Health and Welfare Fund"

Proposed Action

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This LOU does not modify the CBA in any other respect.

Background/Overview

In January 2018 the Teamsters Local 346 Health and Welfare Fund merged with the Minnesota Teamsters Health and Welfare Plan and the Beverage Drivers, Helpers and Inside Employees Union Local 792 Health and Welfare Fund to form the Teamsters Joint Council 32 – Employers Health and Welfare Fund.

Policy Objectives

The Trustees believe that the merger was in the best interest of all participants because a larger plan will be able to better stretch health care dollars through increased economies of scale in its administration and the creation of a larger and more stable participant number.

Financial/Budget/Grant Considerations

No cost. This only changes where the City remits its monthly payments for Teamsters Health Benefits.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Letter of Understanding

LETTER OF UNDERSTANDING
BETWEEN
TEAMSTERS LOCAL 346
AND
CITY OF CLOQUET POLICE DEPARTMENT

WHEREAS, the parties are signatory to a Collective Bargaining Agreement (“CBA”), with a term from January 1, 2018 to December 31, 2020.

WHEREAS, the CBA requires contributions to the Teamsters Local 346 Health and Welfare Fund; and

WHEREAS, effective January 1, 2018 the Teamsters Local 346 Health and Welfare Fund will merge with the Minnesota Teamsters Health and Welfare Plan and the Beverage Drivers, Helpers and Inside Employees Union Local 792 Health and Welfare Fund to form the Teamsters Joint Council 32 – Employers Health and Welfare Fund; and

WHEREAS, the parties desire to have the employees covered by the CBA participate in the Teamsters Joint Council 32 – Employers Health and Welfare Fund.

NOW, THEREFORE, the parties agree as follows:

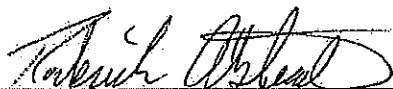
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2. This Letter of Understanding does not affect the contribution requirements of the CBA. Contributions previously due to the Teamsters Local 346 Health and Welfare Fund shall be due to the Teamsters Joint Council 32 – Employers Health and Welfare Fund effective with hours worked first beginning January 1, 2018 for contributions due in February 2018.

3. This Letter of Understanding does not modify the CBA with respect to:
- a. Any formula for sharing the cost of coverage between the Employer and Employees.
 - b. Separate contribution rates for medical, dental and vision coverage contributions for each separate benefit shall continue.
 - c. The timing or circumstances under which contributions are due on behalf of employees.

AGREED:

TEAMSTERS LOCAL 346

By: 
Its: Secretary-Treasurer

EMPLOYER

By: _____
Its: _____



DEPARTMENT OF PUBLIC WORKS

1307 Cloquet Avenue; Cloquet, MN 55720
Phone: (218) 879-6758 Fax: (218) 879-6555
Street - Water - Sewer – Engineering - Park
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Caleb Peterson, Public Works Director
Reviewed by: Aaron Reeves, City Administrator *AR*
Date: April 17, 2018

ITEM DESCRIPTION: Scanlon Letter of Understanding

Proposed Action

Staff recommends the City Council move to approve the Letter of Understanding with the City of Scanlon amending the 1998 Cloquet/Scanlon Utility Extension Agreement.

Background/Overview

Upon notification of the proposed water rate increase in 2018, Scanlon reached out to express concern about fixed fees for meter replacement and maintenance. Under City Code, Cloquet takes responsibility for meter replacement and maintenance associated with “ordinary wear and tear” however, the 1998 Cloquet/Scanlon Utility Extension Agreement states Scanlon is responsible said expenses. The attached Letter of Understanding (LOU) is intended to clarify this discrepancy.

Policy Objectives

N/A.

Financial/Budget/Grant Considerations

Cloquet maintains four (4) master water meters which serve the City of Scanlon. Scanlon pays Cloquet a fixed monthly fee for each of these connections based on meter size in addition to the consumption fee per 1,000 Gallons. Fixed fees for outside customers are approximately 14% higher than the inside rates while consumption fees are approximately 30% higher.

Advisory Committee/Commission Action

N/A

Supporting Documents

- Letter of Understanding
- 2018 Utility Fee Schedule
- 1998 Agreement

LETTER OF UNDERSTANDING

The express purpose of this Letter of Understanding is to memorialize the agreement reached between the City of Cloquet (hereinafter referred to as "Cloquet") and the City of Scanlon (hereinafter referred to as "Scanlon") regarding the payment of fees and the cost of repairs or replacement of master water meters serving the City of Scanlon.

WHEREAS, Scanlon has been a customer of the Cloquet Water Utility for many years, purchasing potable water from Cloquet for service and sale in Scanlon's distribution system; and,

WHEREAS, Cloquet and Scanlon entered into a Utility Extension Agreement in August of 1998 which requires Scanlon to furnish and replace a master water meter at the sole expense of Scanlon; and,

WHEREAS, Cloquet City Code states "Following the initial purchase of a water meter by the customer, the City shall maintain and repair, at its expense, all water meters. Any meter that has become unserviceable through ordinary wear and tear shall be reconditioned or replaced by the City with a meter approved by the City Engineer. Meters which become broken or unserviceable because of freezing due to inadequate frost protection, negligence or vandalism shall be repaired or replaced by the City at the customer's expense. If the replacement of an existing meter requires additional or revised plumbing within the building itself to accommodate the new meter installation, the building owner shall be responsible to make arrangements for this plumbing work at his or her own expense. ; and

WHEREAS, Cloquet charges a fixed monthly fee for each master water meter in order to fund meter repair, calibration and replacement.

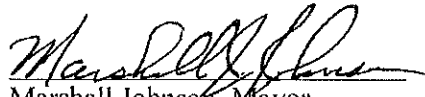
NOW, THEREFORE, CLOQUET AND SCANLON AGREE AS FOLLOWS:

1. That Cloquet will continue to charge a fixed monthly fee based on meter size for each connection to Cloquet's distribution system.
2. That the rate for all fixed fees and commodity charges shall be as adopted by the Cloquet City Council.
3. That following the initial purchase of any master water meter by Scanlon, Cloquet shall assume all costs to maintain, repair, and replace said meter provided the following conditions:
 - a. Any master meter that has become unserviceable through ordinary wear and tear shall be reconditioned or replaced by Cloquet with a meter approved by the City Engineer.
 - b. Master meters which become broken or unserviceable because of freezing due to inadequate frost protection, negligence or vandalism shall be repaired or replaced by Cloquet at Scanlon's expense.
 - c. If the replacement of an existing master meter requires additional or revised plumbing or structure improvements to accommodate the new meter installation, Scanlon shall be responsible to make arrangements for this work at its sole expense.


4. That to the extent there is any dispute which arises pertaining to the duties of the respective parties pursuant to this Letter of Understanding, it is agreed that this agreement and its terms will be governed by Minnesota law and that jurisdiction shall lie with the Minnesota State District Court in the county of Carlton, State of Minnesota.

IN WITNESS WHEREOF, the undersigned Mayors of Scanlon and Cloquet have caused this instrument to be duly executed on the 14 day of March, 2018.

CITY OF SCANLON


Marshall Johnson, Mayor

ATTEST:



City Clerk

CITY OF CLOQUET

Dave Hallback, Mayor

ATTEST:

Aaron Reeves, City Administrator

2018 PUBLIC WORKS-UTILITIES (Approved 1/16/2018) Effective 7/1/2018 - August 10th Billing

Water Rates - Residential & Commercial		
Inside Rate - Consumption	Per 1,000 gallons	\$2.35
Irrigation	Per 1,000 gallons	\$2.95
Residential single metered - conservation	Over 6,000 gallons	\$2.95
Inside Rate - Fixed - monthly	5/8" & 3/4" meter	\$6.00
	1" meter	\$6.60
	1 1/2" meter	\$8.40
	2" meter	\$10.80
	3" meter	\$17.40
	4" meter	\$66.00
	6" meter	\$84.00
	8" meter	\$126.00
	10" or larger meter	\$174.00
Outside Rate - Consumption	Per 1,000 gallons	\$3.35
Irrigation	Per 1,000 gallons	\$4.20
Residential single metered - conservation	Over 6,000 gallons	\$4.20
Outside Rate - Fixed - monthly	5/8" & 3/4" meter	\$7.00
	1" meter	\$7.70
	1 1/2" meter	\$9.80
	2" meter	\$12.60
	3" meter	\$20.30
	4" meter	\$77.00
	6" meter	\$98.00
	8" meter	\$147.00
	10" or larger meter	\$203.00
<i>Inside and Outside Rate</i>	Dept of Health monthly fee	\$0.55
Sewer Rates - Residential & Commercial		
Class 1 & 2	Per 1,000 gallons	\$5.15
Class 3	Per 1,000 gallons	Set by Council
	Fixed - monthly	\$4.00
Unpolluted Water Connection Fees Monthly Fees (effective 1/1/2018)		
Sump pump installation discharging	Less than 50,000 gallons yrly	\$15.00
	50,000 to 100,000 gallons yrly	\$35.00
	More than 100,000 gallons yrly	\$50.00
Roof Drain Connections involving	Less than 4,000 sq ft roof area	\$25.00
	4,000 to 8,000 sq ft roof area	\$50.00
	8,000 to 10,000 sq ft roof area	\$75.00
	More than 10,000 sq ft roof area	Set by City Engineer

CLOQUET / SCANLON UTILITY EXTENSION AGREEMENT

THIS AGREEMENT, made and entered into this 12th day of August
by and between the City of Cloquet, a municipal corporation in Carlton County,
Minnesota, hereinafter called "Cloquet", and The City of Scanlon, a municipal
corporation in Carlton County, Minnesota, hereinafter called "Scanlon",

WITNESSETH:

WHEREAS, it is deemed desirous by the governing bodies of the respective
communities, parties to this agreement, that Cloquet and Scanlon extend sanitary sewer
and water utilities south of Washington Avenue, along their common municipal boundary
at 22nd Street;

NOW, THEREFORE, it is mutually agreed as follows:

1. Sanitary Sewer Extension. That Cloquet shall design, acquire permits for,
acquire right-of-way for, contract for, pay for the cost to install and retain title to a ten
inch diameter sanitary sewer main from the intersection of 22nd Street and Washington
Avenue, south approximately 2,000 feet, at which point it will connect with the existing
South Cloquet I-35 Interceptor Sewer.

2. Water Main Extension. Scanlon shall design, acquire the right-of-way for,
acquire permits for, contract for, pay for the cost to install and retain title to a ten inch
diameter water main from the intersection of 22nd Street and Washington Avenue, south
approximately 2,000 feet.

3. Approval of Construction Plans. Both parties to this agreement shall be afforded the opportunity to review and approve final construction plans, for both sewer and water facilities, prior to construction.

4. Delivery and Metering of Water to Scanlon. Water shall be furnished and delivered by Cloquet to Scanlon, in accordance with the rules and regulations of the City of Cloquet insofar as they apply to the operation of its water department. That water shall be measured by a master water meter, to be furnished by Scanlon at its own expense. This metering facility shall be located on the ten inch water main connection to Cloquet's water system, near the intersection of 22nd Street and Washington Avenue. Such meter shall be of suitable make and setting and shall be installed, housed and maintained properly, subject to the approval of the Cloquet City Engineer. Such meter shall be tested by an independent testing firm, at Cloquet's expense, at least once every three years, for the verification of proper operation and accuracy. All necessary minor repairs or adjustments of the meter, to insure acceptable accuracy, shall be made at the sole expense of Cloquet. The cost of repairs or replacement due to obsolescence or other catastrophic failure shall be at the sole expense of Scanlon. During the period of time that the meter remains unrepaired and in service, Cloquet shall, bill the account on a normal estimated average water usage.

5. Individual House or Building Connections to Utility Mains. Both parties, shall be afforded the opportunity to make connections to both the sanitary sewer and water mains, which are the subject of this agreement, for the purpose of providing utility service to those properties located along this right-of-way. Such connections will not require the payment or reimbursement of any utility connection fees, by either city to the other, for the right to do so, other than the reimbursement by either party for any costs incurred by the other for making any taps or connections. Both Cloquet and Scanlon may charge individual property owners, of their respective municipality, utility connection fees as they see fit, in accordance with their existing policies. Prior to each connection to the sanitary sewer main, Scanlon shall provide a Utility Connection Permit Application to Cloquet. Prior to each connection to the water main, Cloquet shall provide a similar utility connection permit application to Scanlon. All applications shall indicate the owner of the property being services, the name and address of the person responsible for the payment of all sewer or water user fees attributed to that specific account, the size of the service connections, the name of the plumber and excavator connecting the services, and any other pertinent information required by either party. All connections or taps to either utility main shall be completed by or in the presence of a representative of Cloquet and Scanlon.

6. Water and Sewer Accounts and Billings. All sewer and water service furnished and provided, under the terms of this agreement, shall be in accordance with the applicable rules and regulations of the City of Cloquet and City of Scanlon. All water use by each individual property serviced, shall be measured by and through suitable water meters, acceptable to both parties. Both Cloquet and Scanlon shall set up individual water and sewer utility accounts for each dwelling or building serviced by this system and bill monthly each account based on their water consumption. Cloquet shall be responsible for those customers within the city limits of Cloquet, and Scanlon shall be responsible for those customers within the city limits of Scanlon. Each month, Cloquet shall reimburse Scanlon for the cost of water consumed by those Cloquet property owners which are connected to the Scanlon 10 inch water main. Similarly, each month Scanlon shall reimburse Cloquet for the cost of sewer service provided to those Scanlon property owners which are connected to the Cloquet 10 inch sewer main.

7. Maintenance. Scanlon shall pay for and maintain, at no expense to Cloquet, its entire water system from the point or points of delivery, to include all water mains, fire hydrants, hydrant leads and necessary isolation valves provided for under this agreement. Scanlon shall further operate and maintain all systems in such a manner as not to jeopardize or disrupt the normal operation of Cloquet's water system. Cloquet shall pay for and maintain, at no expense to Scanlon, the sanitary sewer main, which is the subject of this agreement.

8. **Liability of Cloquet.** Cloquet shall not be liable for interruptions in service or for failure to deliver water which results from failure of supply, inability to secure necessary processing materials, breakdown or damage to processing, pumping, transmission facilities, work stoppage, routine maintenance, electrical failures or other conditions which result in a shut down or stoppage of the flow of water to Scanlon.

9. **Insurance.** Both parties hereby agree to carry and maintain liability insurance in the amounts as required by State statute.

10. **Default.** Cloquet shall have the right to terminate water service to Scanlon in the event Scanlon fails to properly operate and maintain its water system in such a manner as not to jeopardize or disrupt the normal operation of Cloquet's water system or if Scanlon fails to comply with any other terms or conditions of this agreement. In the event such service shall be terminated under the terms and conditions of this paragraph, notice shall be given in writing, or hand delivered, to the Clerk of Scanlon. Scanlon shall have thirty (30) days after delivery of said notice to correct any default set forth in the notice. Failure of Scanlon to correct the default set forth in the notice of default shall, at the sole option of Cloquet, entitle Cloquet to terminate all water service under the terms of this agreement.

11. **Rate Determinations.** The rates for water sold by Cloquet to Scanlon shall be provided in Section 12 of this Agreement. Such rate schedule shall be subject to change by Cloquet's City Council, provided, however, that any increase in the rates charged to Scanlon shall be consistent with rate increases charged by Cloquet to its other

Outside Customers. Scanlon shall be given written notice sixty (60) days prior to any change to water rate charges.

12. Initial Rates. Unless modified as described above, the rates for water sold by Cloquet to Scanlon under the terms of this agreement shall be as follows:

(a) Water Commodity Rate. The water commodity rate shall be as follows:

<u>Gallons Per Month</u>	<u>Rate Per 1,000 U.S Gallons</u>
0 - and over	\$ 1.67

(b) Monthly Fixed Charge. In addition to the above commodity water rate per one thousand gallons, a monthly fixed charge of \$130.00 per month shall be billed to Scanlon, regardless of the amount of water used. This monthly fixed charge is based on the diameter of the master water meter installed by Scanlon and assumes a 10 inch diameter meter.

13. Resale of Water Service Prohibited. Other than to its own residents or property owners of Scanlon, all water sold to Scanlon by Cloquet, under the terms of this Agreement, shall not be resold or otherwise provided to any other entity, utility, governmental subdivision or customer, without the expressed written approval of Cloquet.

14. Cross Connections Between Cloquet Water Supply and Other Sources of

Supply Forbidden. Scanlon shall not permit any person to make a direct cross connection or allow the existence of a direct cross connection between their water system and any other source of supply, or cause a cross connection to be made or permit one to exist between their water system and any other water piping system whatsoever. Where required by the laws or regulations of the State of Minnesota, Scanlon agrees to provide and maintain adequate back flow control for the protection of public health.

15. Arbitration. In the event of a dispute under the terms of this agreement, either party may initiate arbitration pursuant to the provisions of Minnesota Statutes, Chapter 572, by appointing an arbitrator and giving written notice thereof to the other party. The other party shall thereupon appoint a second arbitrator, and the two appointed arbitrators shall select a third. In the event such appointments and selections have not been completed within sixty (60) days after delivery of the initial arbitration notice, either party may apply to the District Court of Carlton County to complete the same.

16. Notices. All communications, demands, notices, or objections permitted or required to be given or served under this agreement shall be in writing and shall be deemed to have been duly given or served if delivered in person to the other party or its duly authorized agent, (Scanlon City Clerk; 2801 Dewey Avenue, Scanlon, Minnesota 55720; Cloquet City Administrator; 1307 Cloquet Avenue; Cloquet, Minnesota 55720) or deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, or if

telegraphed, by prepaid telegram, and addressed to the other party of this agreement, to the addresses set forth above. Any party may change its address by giving notice in writing, stating its new address, to any other party as provided in the foregoing manner. Commencing on the tenth day after the giving of such notice, such newly designated address shall be such party's address for the purpose of all communications, demands, notices, or objections permitted or required to be given or served under this agreement.

17. Amendment, Modification, or Waiver. No amendment, modification, or waiver of any condition, provision, or term of this agreement shall be valid or of any effect unless made in writing, signed by the party or parties to be bound, or its duly authorized representative, and specifying with particularity the extent and nature of such amendment, modification, or waiver. Any waiver by any party of any default or another party shall not effect or impair any right arising from any subsequent default.

18. Severable Provisions. Each provision, section, sentence, clause, phrase and word of this agreement is intended to be severable. If any provision, section, sentence, clause, phrase, or word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not effect the validity of the remainder of this Agreement.

19. Renewal. This agreement shall remain in effect for a period of five years from the date first written. After the initial five year period, it shall renew itself for a one year period, on an annual basis, unless either party serves the other with a sixty (60) day written notice of their intent to cancel the agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the
day and year first above written.

CITY OF SCANLON

BY *[Signature]*

Its Mayor

BY *[Signature]*
Its City Clerk

CITY OF CLOQUET

BY *[Signature]*

Its Mayor

BY *[Signature]*
Its City Administrator



DEPARTMENT OF PUBLIC WORKS

1307 Cloquet Avenue; Cloquet, MN 55720
Phone: (218) 879-6758 Fax: (218) 879-6555
Street - Water - Sewer - Engineering - Park
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: City Council
From: John Anderson, Assistant City Engineer
Reviewed By: Aaron Reeves, City Administrator *AR*
Date: April 17, 2018

ITEM DESCRIPTION: Authorization to Purchase Signal Equipment for Reconstruction of Traffic Signals on Cloquet Avenue

Proposed Action

Staff recommends that the City Council move to adopt **RESOLUTION 18-26, APPROVING THE PURCHASE OF SIGNAL EQUIPMENT FOR CLOQUET AVENUE PROJECT.**

Background/Overview

The City Council has planned for pavement rehabilitation and streetscape work on Cloquet Avenue in the Capital Improvement Plan (CIP). As part of that project the traffic signal systems at the intersections of 10th Street / Cloquet Avenue and 14th Street / Cloquet Avenue are planned to be refurbished. The work to reconstruct these signal systems will be part of the street contract. Some of the materials needed to reconstruct these signal systems require long lead times for delivery. In order to insure materials are available in time for construction it is necessary to place orders with vendors at this time. Additionally, the City should see some cost savings by providing these materials directly and not having a general contractor mark up the cost associated with these items.

Our signal consultant has obtained quotes for signal equipment and signal poles and mast arms. The quotes are split into two categories, the first being cabinets and controllers and the second being steel pole, mast arm and foundation steel. The quote obtained for controller cabinet equipment was provided by Traffic Control Corporation in the amount of \$38,018.00. The quote obtained for steel pole, mast arm and foundations was provided by Millerbernd Manufacturing in the amount of \$11,732.00. Delivery of this equipment is expected to take 12 to 16 weeks from when the order is placed. Installation of these items will be part of the larger contract. The balance of the materials needed for the reconstruction of these two signal systems be included in the Cloquet Avenue Mill and Overlay contract. One item of note is the signal systems will be repainted during the course of this work. Both the new signal pole and mast arm and the existing poles and mast arms will be painted black to match the color of the proposed new street lights

Policy Objectives

The project's objectives are to extend the useful life of traffic signal systems by maintaining the existing equipment and replacing equipment that has reached the end of its useful life.

Financial/Budget/Grant Considerations

The CIP budget for this project is \$2,000,000. The City of Cloquet was successful in obtaining \$1,000,000 in additional funding through the Local Road Improvement Program, administered by the Minnesota Department of Transportation. The total costs of signal equipment and installation has been estimated to be \$329,200. The cost of the signal system at Cloquet Avenue and County Road 3 (14th Street) will be split between The City (75%) and Carlton County (25%). The City has provided a signal agreement to Carlton County and will be bringing this item to the City Council for approval.

Advisory Committee/Commission Action

N/A.

Supporting Documents Attached

- Resolution No. 18-26
- Traffic Control Corporation Quote
- Millerbernd Manufacturing Quote

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 18-26

**RESOLUTION APPROVING THE PURCHASE OF SIGNAL
EQUIPMENT FOR CLOQUET AVENUE PROJECT**

WHEREAS, The City has identified maintaining its traffic signal infrastructure is a priority; and

WHEREAS, The traffic signals located at Cloquet Avenue and 10th Street and Cloquet Avenue and 14th Street are in need of maintenance; and

WHEREAS, Some items require long lead times to insure delivery; and

WHEREAS, The City's signal consultant has obtained quotes for those items requiring long lead times; and

WHEREAS, The City now wishes to proceed with obtaining this equipment.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA:

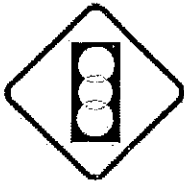
1. The quote by Traffic Control Corporation in the amount of \$38,018.00 is hereby approved.
2. The quote by Millerbernd Manufacturing in the amount of \$11,732.00 is hereby approved.
3. The City Engineer is hereby authorized to order the equipment detailed in these quotes.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 17TH DAY OF APRIL 2018.

Dave Hallback, Mayor

ATTEST:

Aaron Reeves, City Administrator



TRAFFIC CONTROL CORPORATION

5651 MEMORIAL AVENUE
OAK PARK HEIGHTS, MN 55082
P: 651-439-1737 F: 651-439-0311

QUOTATION

Number 619973

Page 1 of 1

To 14385
CLOQUET, CITY OF
1307 CLOQUET AVENUE
CLOQUET MN 55720
USA

Attn
Email
Phone 218-879-3347 Fax 218-879-6555

Quote Date 3/14/2018 Expires 6/12/2018
Terms NET 30 BASED ON APPROVED CREDIT
FOB DESTINATION-FRT INCLUDED
Salesperson ALLEN EISINGER
Email aeisinger@trafficcontrolcorp.com

Letting Date Location CLOQUET
Book/Call/Item Description CLOQUET AVE 10TH ST & 14TH ST
Contract No

QUOTE INCLUDES ONE TRIP ONE DAY TURN ON ASSISTANCE (BOTH INTERSECTIONS DONE AT THE SAME TIME). ADDITIONAL TRIPS AND HOURS CAN BE QUOTED UPON REQUEST.

Part Number	Description	Unit Price	Qty/UM	Net Price
	CLOQUET AVE & 10TH ST 65" ECONOLITE ALUM UN PAINTED CABINET TS2 BACK PANEL SET UP FOR FYA, 80 POSITION FUSE BLOCK, 1 DETECTOR RACK, CABINET POWER SUPPLY, 1 FL, 4 FTR, 3 BIUS. MMU, LS AND DETECTROS QUOTED SEPARATLEY BELOW. EXISITNG ASC3 2100 CONTROLLER WILL BE REUSED FOR THIS INTERSECTION.	13,850.00	1.00 EA	13,850.00
	CLOQUET AVE & 14TH ST 65" ECONOLITE ALUM UN PAINTED CABINET TS2 BACK PANEL SET UP FOR FYA, 80 POSITION FUSE BLOCK, 1 DETECTOR RACK, CABINET POWER SUPPLY, 1 FL, 4 FTR, 3 BIUS. MMU, LS AND DETECTROS QUOTED SEPARATLEY BELOW. COBLAT CONTROLLER QUIOTED SEPARATELY BELOW	13,850.00	1.00 EA	13,850.00
F00057	CONTROLLER, COBALT, G, TYPE 2, DATA KEY: ECONOLITE, COB21120110000	3,750.00	1.00 EA	3,750.00
F78272	ENHANCED TS2 SMART MONITOR: RENO, MMU2-1600GE	1,085.00	2.00 EA	2,170.00
F74868	LOAD SWITCH SOLID STATE: LS-200	27.00	34.00 EA	918.00
F11771	DETECTOR, 2 CH RACK MOUNT, TS 1 / TS 2 TYPE, SOLID STATE OUTPUTS: C-1200-SS	232.00	15.00 EA	3,480.00
Item Total				38,018.00

Pricing does not include applicable sales taxes. If order is to be exempt sales tax, documentation must be provided at time of order. Additional terms may apply. Review our full Terms & Conditions of Sale at www.trafficcontrolcorp.com.



Our Quotation # 118110-00
03/27/2018

To :
SHORT - ELLIOTT - HENDRICKSON
3535 VADNAIS CENTER DRIVE
ST. PAUL MN 55110

Quotation Valid Thru : 04/27/2018
Terms : NET 30

Attention : JOHN GRAY

Your Request : SAP.112.146-003

MN CITY OF CLOQUET SAP.112-146-003

PRICES ARE CITY OR COUNTY NET COST - DROP SHIP FREIGHT INCLUDED - TAXES NOT INCLUDED

****MUST SEND KELSEY HARTKOPF A VERBAL OR WRITTEN PO WITH CUSTOMER BILL TO AND SHIP TO ADDRESS AND CONTACT NAME AND PHONE NUMBER WHEN PLACING VERBAL ORDER** ADVISE IF ORDER IS TO BE RELEASED FOR IMMEDIATE PRODUCTION AT TIME OF ORDER.**

SIGNAL MAST ARM POLE ASSY'S. Include: (Set of 4) Anchor bolts with double anchor bolt nuts and mechanical cage as indicated below, transformer base, plumbizer design vertical shaft with pair of hubs @ 0,90,180,270DEG, truss style signal mast arm as indicated above, pole cap or luminaire extension as indicated above Mastarm EVP hub, "M" = mid-signal slipfitters (as required), "V" = EVP hub.
{MnDot STANDARD HOT DIP GALVANIZED FINISH & PAINTED BLACK (VERIFY COLOR OF BLACK)} Transformer base, Vertical shaft, Truss mast arm, & Luminaire extension.

TRANSPORTATION ALLOWED BASED ON TOTAL LOT SHIPMENT FREIGHT FORWARD IN ITS ENTIRETY. MILLERBERND MANUFACTURING COMPANY'S STANDARD TERMS AND CONDITIONS APPLY.

Item	Facility / Part / Rev / Description / Details	Quantity Quoted	Unit Price	Extended Price
001	Default SYSTEM A CLOQUET AVE @ 10TH ST Rev 000 U/M EA	1.00000	2,250.00000	\$ 2,250.00
002	Default 460A12-8DN-C-T-12" A2,A4: AB-2"-F1554-CAGE-TEMP-12"CTRS. PA100 FOUNDATION ANCHOR BOLTS Rev 000 U/M EA	2.00000	0.00000	\$ 0.00
003	Default SYSTEM B CLOQUET AVE @ 14TH ST Rev 000 U/M EA	1.00000	9,482.00000	\$ 9,482.00
004	Default B2CMST-25C-203-GVPT B2: PA90(109)-A25 GALV/PAINT (M-0)(V-6) INCLUDES PA90 FOUNDATION ANCHOR BOLTS Rev NS U/M EA	1.00000	0.00000	\$ 0.00

Customer

Authorized Signature



MILLERBERND
MANUFACTURING COMPANY

622 6th Street South P 320.455.2111
P.O. Box 98 F 320.455.4423
Winnetka, MN 55389 www.millerberndmfg.com

Our Quotation # 118110-00
03/27/2018

To :
SHORT - ELLIOTT - HENDRICKSON
3535 VADNAIS CENTER DRIVE
ST. PAUL MN 55110

Quotation Valid Thru : 04/27/2018
Terms : NET 30

Attention : JOHN GRAY

Your Request : SAP.112.146-003

Item	Facility / Part / Rev / Description / Details	Quantity Quoted	Unit Price	Extended Price
005	Default 500A2190-GV/PT-H Rev 000 U/M EA POLE MOUNT WELDMENT MNDOT *IF REQUIRED, VERIFY QUANTITY*	1.00000	350.00000	\$ 350.00
Total Items Price				\$ 12,082.00
"This Quotation is Based Upon Millerbernd Manufacturing Company Standard Terms and Conditions of Sale"				



DEPARTMENT OF PUBLIC WORKS

1307 Cloquet Avenue; Cloquet, MN 55720
Phone: (218) 879-6758 Fax: (218) 879-6555
Street - Water - Sewer - Engineering - Park
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: City Council
From: John Anderson, Assistant City Engineer
Reviewed By: Aaron Reeves, City Administrator *ARR*
Date: April 17, 2018

ITEM DESCRIPTION: Approve Traffic Signal Agreement – Cloquet Avenue and CSAH 3

Proposed Action

Staff recommends that the City Council move to adopt **RESOLUTION 18-27, APPROVING TRAFFIC SIGNAL AGREEMENT, CLOQUET AVENUE AND COUNTY STATE AID HIGHWAY NO. 3.**

Background/Overview

The City of Cloquet is planning to reconstruct two traffic signal systems along Cloquet Avenue this summer along with the rest of the street improvements. The signals are located at 10th Street and 14th Street. Carlton County is the road authority for the south leg of the 14th Street / Cloquet Avenue intersection and as such they will share in the cost to reconstruct this signal system.

Staff prepared a signal agreement and the Carlton County Board has approved the agreement. Carlton County agrees to fund 25% of the signal construction costs and future major maintenance such as painting. The City of Cloquet is responsible for routine maintenance and operations of the signal.

Policy Objectives

The project's objectives are to extend the useful life of traffic signal systems by maintaining the existing equipment and replacing equipment that has reached the end of its useful life.

Financial/Budget/Grant Considerations

The cost of the signal system at Cloquet Avenue and County Road 3 (14th Street) will be split between The City (75%) and Carlton County (25%). The signal system at Cloquet Avenue and 14th Street (CSAH 3) is estimated to cost \$166,680 to construct. Additionally, construction engineering services are estimated at 8% of the signal cost and 25% of these costs would be paid by Carlton County. Schedule I is attached and shows the estimated cost split between the City of Cloquet and Carlton County.

Advisory Committee/Commission Action

N/A.

Supporting Documents Attached

- Resolution No. 18-27
- Traffic Signal Agreement
- Schedule I

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 18-27

**RESOLUTION APPROVING TRAFFIC SIGNAL AGREEMENT,
CLOQUET AVENUE AND COUNTY STATE AID HIGHWAY NO. 3**

WHEREAS, The City has identified maintaining its traffic signal infrastructure is a priority; and

WHEREAS, The traffic signal located at Cloquet Avenue and 14th Street (CSAH 3) is in need of maintenance; and

WHEREAS, the City of Cloquet is responsible for 3 legs of this intersection; and

WHEREAS, Carlton County is responsible for 1 leg of the intersection; and

WHEREAS, The City and the County now wishes to proceed with reconstructing this signal.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA:

The signal agreement is approved and the City shall move forward to make such improvements. Carlton County shall reimburse the City of Cloquet as specified in the agreement.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 17TH DAY OF APRIL 2018.

Dave Hallback, Mayor

ATTEST:

Aaron Reeves, City Administrator

CITY of CLOQUET, MINNESOTA
And
CARLTON COUNTY
TRAFFIC SIGNAL AGREEMENT

State Project Number (SAP) 112-146-003 & 009-603-037

This Agreement is between the City of Cloquet, Minnesota, acting through its City Council ("City") and Carlton County acting through its Board of Commissioners ("County").

Recitals

1. The City will perform bituminous mill and overlay, ADA improvements, lighting, traffic signal construction, and other associated construction upon, along and adjacent Cloquet Avenue from Trunk Highway No. 33 to the eastern Cloquet City Limits according to City-prepared plans, specifications and special provisions designated by the City as SAP 112-146-003, City Project No. 1077
2. The County has requested the City include in its Project major rehabilitation to the Traffic Signal at the intersection of Cloquet Avenue and County State Aid Highway No. 3, Signal System "B", County; and
3. The County wishes to participate in the costs Signal System "B" construction and associated construction engineering; and

Agreement

1. Term of Agreement; Survival of Terms; Plans; Incorporation of Exhibits

- 1.1. *Effective Date.* This Agreement will be effective on the date the City obtains all signatures.
- 1.2. *Expiration Date.* This Agreement will expire when all obligations have been satisfactorily fulfilled.
- 1.3. *Survival of Terms.* All clauses which impose obligations continuing in their nature and which must survive in order to give effect to their meaning will survive the expiration or termination of this Agreement, including, without limitation, the following clauses: 8. Liability; Worker Compensation Claims; 10. Government Data Practices; 11. Governing Law; Jurisdiction; Venue; and 13. Force Majeure. The terms and conditions set forth in Article 3. Signal System "B" and EVP System Operation and Maintenance will survive the expiration of this Agreement, but may be terminated by another Agreement between the parties.
- 1.4. *Plans, Specifications, Special Provisions.* Plans, specifications, and special provisions designated by the City as SAP 112-146-003 City Project No. 1077 are on file in the office of the City Engineer of the City of Cloquet and incorporated into this Agreement by reference ("Project Plans").
- 1.5. *Exhibits.* Preliminary Schedule "I" is on file in the office of the County Engineer and incorporated into this Agreement by reference.

2. Construction by the City

- 2.1. *Contract Award.* The City will advertise for bids and award a construction contract to the lowest responsible bidder according to the Project Plans.
- 2.2. *Direction, Supervision and Inspection of Construction.*
 - A. *Supervision and Inspection by the City.* The City will direct and supervise all construction activities performed under the construction contract, and perform all construction engineering and inspection functions in connection with the contract construction. All contract construction will be performed according to the Project Plans.
 - B. *Inspection by the County.* The County participation construction covered under this Agreement will be open to inspection by the County. If the County believes the County participation construction covered

under this Agreement has not been properly performed or that the construction is defective, the County will inform the City Engineer in writing of those defects. Any recommendations made by the County are not binding on the City. The City will have the exclusive right to determine whether the City's contractor has satisfactorily performed the County participation construction covered under this Agreement.

2.3. Plan Changes, Additional Construction, Etc.

- A. The City will make changes in the Project Plans and contract construction, which may include the County participation construction covered under this Agreement, and will enter into any necessary addenda, work orders, change orders and supplemental agreements with the City's contractor that are necessary to cause the contract construction to be performed and completed in a satisfactory manner. The City Engineer will inform the appropriate County official of any proposed addenda, work orders, change orders, and supplemental agreements to the construction contract that will affect the County participation construction covered under this Agreement.
- B. The County may request additional work or changes to the work in the plans as part of the construction contract. Such request will be made by an exchange of letter(s) with the City. If the City determines that the requested additional work or plan changes are necessary or desirable and can be accommodated without undue disruption to the project, the City will cause the additional work or plan changes to be made.

2.4. Satisfactory Completion of Contract. The City will perform all other acts and functions necessary to cause the construction contract to be completed in a satisfactory manner.

3. Signal System "B" and EVP System Operation and Maintenance

Operation and maintenance responsibilities will be as follows for the Signal System "B" and EVP System on County State Aid Highway 3 and Cloquet Avenue.

3.1 City Responsibilities.

- A. **Power.** The City will be responsible for the hook-up cost and application to secure an adequate power supply to the service pad(s) or pole(s) and will pay all monthly electrical service expenses necessary to operate the Signal System and EVP System.
- B. **Minor Signal System Maintenance.** The City will provide for the following, without cost to the County.
 - i. Maintain the signal pole mounted LED luminaires, including replacing the luminaires when necessary. The LED luminaire must be replaced when it fails or when light levels drop below recommended AASHTO levels for the installation.
 - ii. Replace the Signal System LED indications. Replacing LED indications consists of replacing each LED indication when it reaches end of life per the MnDOT Traffic Engineering Manual or fails or no longer meets Institute of Traffic Engineers (ITE) standards for light output.
 - iii. Clean the Signal System controller cabinet and service cabinet exteriors.
 - iv. Clean the Signal System and luminaire mast arm extensions.
 - v. Paint and maintain the pedestrian crosswalk markings.
- C. **Other Maintenance.** The City will maintain the signing, and perform all other Signal System, APS, and signal pole luminaire circuit maintenance without cost to the County. All Signal System timing will be determined by the City, and no changes will be made without the City's approval.
- D. **EVP System Operation.** The EVP System will be installed, operated, maintained, and removed according to the following conditions and requirements:
 - i. All maintenance of the EVP System must be done by City forces.

- ii. Emitter units may be installed only on authorized emergency vehicles, as defined in Minnesota Statutes § 169.011, Subdivision 3. Authorized emergency vehicles may use emitter units only when responding to an emergency. The County will provide the City Engineer or their designated representative a list of all vehicles with emitter units, if requested by the City.
- iii. Malfunction of the EVP System must be reported to the City immediately.
- iv. In the event the EVP System or its components are, in the opinion of the City, being misused or the conditions set forth in Paragraph ii. above are violated, and such misuse or violation continues after the County receives written notice from the City, the City may remove the EVP System. Upon removal of the EVP System pursuant to this Paragraph, all of its parts and components become the property of the City.
- v. All timing of the EVP System will be determined by the City.

3.2 County Responsibilities.

- A. **Major renovation and paint maintenance** The County will be responsible for 25% of future major renovations needs as the signal system ages and requires renovation or replacement.
 - i. All major replacement of equipment, poles, mast arms and other components of the signal system will be split between the City and the County with the County paying 25% and the City responsible for 75% of the costs.
 - ii. All major maintenance involving painting the poles and mast arms shall be split between the City and the County with the County paying 25% and the City responsible for 75% of the costs

3.3 **Right-of-Way Access.** Each party authorizes the other party to enter upon their respective public right-of-way to perform the maintenance activities described in this Agreement.

3.4 **Related Agreements.** This agreement will supersede and terminate any existing agreements that may exist related to this signal system.

4. Basis of County Cost

4.1. **Schedule "I".** The Preliminary Schedule "I" includes all anticipated County participation construction items, City Furnished Materials lump sum amounts and the construction engineering cost share covered under this Agreement, and is based on engineer's estimated unit prices.

A. **County Participation Construction.** The County will participate in the following at the percentages indicated. The construction includes the County's proportionate share of item costs for mobilization, and traffic control. The County may be billed for the match of their cost participation as shown on the Schedule "I".

B. 25 Percent will be the County's rate of cost participation in all of the Signal System "B" construction. The construction includes, but is not limited to, those construction items tabulated on the Preliminary Schedule "I".

4.2. **City Furnished Materials.** The City will furnish a cabinet and controller ("City Furnished Materials") and a pole and mast arm to be located at the north east corner of the intersection, according to the Project Plans, to operate the traffic control signal system covered under this Agreement. The County's lump sum share for City Furnished Materials is ~~\$7,625~~ (~~\$30,500 x 0.25 = \$7,625~~). The County's cost share for City Furnished Materials will be added to the County's total construction cost share as shown in the Schedule "I".

4.3. **Construction Engineering Costs.** The County will pay a construction engineering charge equal to 8 percent of the total County participation construction covered under this Agreement.

4.4. **Plan Changes, Additional Construction, Etc.** The County will share in the costs of construction contract addenda, work orders, change orders, and supplemental agreements that are necessary to complete the

County participation construction covered under this Agreement, including any County requested additional work and plan changes.

The City reserves the right to invoice the County for the cost of any additional County requested work and plan changes, construction contract addenda, work orders, change orders and supplemental agreements, and associated construction engineering before the completion of the contract construction.

- 4.5. **Liquidated Damages.** All liquidated damages assessed the City's contractor in connection with the construction contract will result in a credit shared by each party in the same proportion as their total construction cost share covered under this Agreement is to the total contract construction cost before any deduction for liquidated damages.

5. County Cost and Payment by the County

- 5.1. **County Cost.** \$45,003.60 is the County's estimated share of the costs of the contract construction and City Furnished Materials, and 8 percent construction engineering cost share as shown in the Preliminary Schedule "I". The Preliminary Schedule "I" was prepared using estimated quantities and unit prices, and may include any credits or lump sum costs. Upon award of the construction contract, the City will prepare a Revised Schedule "I" based on construction contract unit prices, which will replace and supersede the Preliminary Schedule "I" as part of this Agreement.

- 5.2. **Conditions of Payment.** The County will pay the City the County's total estimated construction and construction engineering cost share, as shown in the Revised Schedule "I", after the following conditions have been met:

- A. Execution of this Agreement and transmittal to the County, including a copy of the Revised Schedule "I".
- B. The County's receipt of a written request from the City for the advancement of funds.

- 5.3. **Acceptance of the County's Cost and Completed Construction.** The computation by the City of the amount due from the County will be final, binding, and conclusive. Acceptance by the City of the completed contract construction will be final, binding, and conclusive upon the County as to the satisfactory completion of the contract construction.

- 5.4. **Final Payment by the County.** Upon completion of all contract construction and upon computation of the final amount due to the City, the City will prepare a Final Schedule "I" and submit a copy to the County. The Final Schedule "I" will be based on final quantities, and include all County participation construction items and the construction engineering cost share covered under this Agreement. The Final Schedule "I" may also include County costs in an amount equal to all Federal aid funding not applied to the federally eligible County participation construction, City Furnished Materials, and associated construction engineering. If the final cost of the County participation construction exceeds the amount of funds advanced by the County, the County will pay the difference to the City without interest. If the final cost of the County participation construction is less than the amount of funds advanced by the County, the City will refund the difference to the County without interest.

The City and the County waive claims for any payments or refunds less than \$5.00 according to Minnesota Statutes § 15.415.

6. Authorized Representatives

Each party's Authorized Representative is responsible for administering this Agreement and is authorized to give and receive any notice or demand required or permitted by this Agreement.

6.1. The City's Authorized Representative will be:

Name/Title: Caleb Peterson, City Engineer (or successor)
Address: 1307 Cloquet Avenue, Cloquet, MN 55720
Telephone: (218) 879-6758
E-Mail: cpeterson@cloquetmn.gov

6.2. The County's Authorized Representative will be:

Name/Title: JinYeene Neumann, County Engineer (or successor)
Address: 1630 County Road 61, Carlton, MN 55718
Telephone: (218) 384-9154
E-Mail: JinYeene.neumann@co.carlton.mn.us

7. Assignment; Amendments; Waiver; Contract Complete

- 7.1. *Assignment.* Neither party may assign or transfer any rights or obligations under this Agreement without the prior consent of the other party and a written assignment agreement, executed and approved by the same parties who executed and approved this Agreement, or their successors in office.
- 7.2. *Amendments.* Any amendment to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Agreement, or their successors in office.
- 7.3. *Waiver.* If a party fails to enforce any provision of this Agreement, that failure does not waive the provision or the party's right to subsequently enforce it.
- 7.4. *Contract Complete.* This Agreement contains all prior negotiations and agreements between the City and the County. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party.

8. Liability; Worker Compensation Claims

8.1. Each party is responsible for its own acts, omissions and the results thereof to the extent authorized by law and will not be responsible for the acts and omissions of others and the results thereof. Minnesota Statutes Chapter 466 and other applicable law govern liability of the County.

8.2. Each party is responsible for its own employees for any claims arising under the Workers Compensation Act.

9. Nondiscrimination

Provisions of Minnesota Statutes § 181.59 and of any applicable law relating to civil rights and discrimination are considered part of this Agreement.

10. Government Data Practices

The County and City must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided under this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the County under this Agreement. The civil remedies of Minnesota Statutes §13.08 apply to the release of the data referred to in this clause by either the County or the City.

11. Governing Law; Jurisdiction; Venue

Minnesota law governs the validity, interpretation, and enforcement of this Agreement. Venue for all legal proceedings arising out of this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

12. Termination; Suspension

12.1. *By Mutual Agreement.* This Agreement may be terminated by mutual agreement of the parties.

12.2. *Termination/or Insufficient Funding.* The City or the County may immediately terminate this Agreement if it does not obtain funding from the Minnesota Department of Transportation, or other funding source; or if funding cannot be continued at a level sufficient to allow for the performance of contract construction under the Project. Termination must be by written or fax notice to the County.

12.3. *Suspension.* In the event of a total or partial government shutdown, the City or the County may suspend this Agreement and all work, activities, and performance of work authorized through this Agreement.

13. Force Majeure

Neither party will be responsible to the other for a failure to perform under this Agreement (or a delay in performance), if such failure or delay is due to a force majeure event. A force majeure event is an event beyond a party's reasonable control, including but not limited to, unusually severe weather, fire, floods, other acts of God, labor disputes, acts of war or terrorism, or public health emergencies.

[The remainder of this page has been intentionally left blank]

CARLTON COUNTY

CITY OF CLOQUET

The undersigned certify that they have lawfully executed this contract on behalf of the Governmental Unit as required by applicable charter provisions, resolutions, or ordinances.

By: [Signature]
Title: County Engineer
Date: 4/10/18

By: _____
Title: _____
Date: _____

By: [Signature]
Title: COUNTY AUDITOR
Date: 4/10/18

INCLUDE COPY OF RESOLUTION APPROVING THE AGREEMENT AND AUTHORIZING ITS EXECUTION,

Schedule I - Cost Split between City of Cloquet and Carlton County
 Project: Cloquet Avenue / County State Aid Highway No. 3 (14th Street)
 SAP 112-146-003 (Cloquet Avenue) / SAP 009-603-037 (CSAH 3)

Signal System B	Total	County	City
Percentage		25%	75%
Construction contract	\$ 132,000.00	\$ 33,000.00	\$ 99,000.00
mobilization (4.4% of total construction contract)	\$ 3,300.00	\$ 825.00	\$ 2,475.00
traffic control (4.4% of total construction contract)	\$ 880.00	\$ 220.00	\$ 660.00
city supplied materials	\$ 30,500.00	\$ 7,625.00	\$ 22,875.00
total	\$ 166,680.00	\$ 41,670.00	\$ 125,010.00
Construction engineering	\$ 13,334.40	\$ 3,333.60	\$ 10,000.80
Total Construction, materials and Engineering	\$ 180,014.40	\$ 45,003.60	\$ 135,010.80



DEPARTMENT OF PUBLIC WORKS

1307 Cloquet Avenue; Cloquet, MN 55720
Phone: (218) 879-6758 Fax: (218) 879-6555
Street - Water - Sewer - Engineering - Park
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: City Council
From: Caleb Peterson, Public Works Director
Reviewed By: Aaron Reeves, City Administrator *AR*
Date: April 17, 2018

ITEM DESCRIPTION: Authorization to Bid Water Treatment Plant No. 1

Proposed Action

Staff recommends that the City Council move to adopt **RESOLUTION 18-28, APPROVING THE SOLICITATION OF BIDS FOR WATER TREATMENT PLANT NO. 1.**

Background/Overview

In 2009, Council authorized Public Works to proceed with completion of an evaluation of our potable water system to address the issue of water quality and to identify major capital improvements for consideration over the next 5 to 20 years. As part of the study, it was identified that the water from Well #8 located in Pine Valley and Well #11 located on the Prevost Road have elevated levels of manganese. Manganese occurs naturally and can be found in rock, soil and drinking water across Minnesota.

The City's water is supplied through 5 sources. Testing of raw water conducted at Wells 1, 6 and the Spring Lake Reservoir show excellent water quality with no detectable manganese concentrations. Conversely, Wells #8 and #11 have manganese concentrations of 500 and 150 parts per billion (ppb) respectively. The Department of Health has issued guidance values for manganese in drinking water of 100ppb for formula-fed infants and infants that regularly drink tap water. The guidance value for adults, children and nursing mothers is 300ppb. Considering this information, Public Works has ceased all use of Well #8 and distributed a Public Information Advisory to all our customers.

Well #8 accounts for approximately 30% of our total pumping capacity with Well #11 an additional 17%. While the current wells have sufficient capacity to serve the system for the foreseeable future, it is clear discontinuing the use of Wells #8 and #11 is not a feasible alternative long term. Unfortunately, Cloquet has a long history with the search for new ground water wells with very limited success in locating water in the quality and quantity needed for a municipal well application. The geology of aquifers affects the quality of the groundwater contained within. Past glacial activity in this region has resulted in a complex network of deposits beneath the City. The most recent study of this issue was completed in 2017 with no indication of alternative sources of sufficient quality to negate the need for additional treatment.

While the City's water meets all current safe drinking water regulations, concerns about the effects elevated levels of Manganese may have on humans, especially infants, continues to rise. Recently manganese was placed on EPA's potential contaminant list. If a primary drinking water standard were to be developed for manganese concentrations, the City's current water supply would be noncompliant.

In addition to potential health impacts, Well #8 manganese concentrations are also ten times higher than the recommended Secondary Drinking Water Standards (SDWS) set by the EPA. These secondary standards are unenforceable drinking water guidelines for the utilities related to the aesthetic quality of water. Potential impacts at measured levels include staining of clothing and plumbing fixtures; clogging of pipelines and meters with insoluble iron and manganese compounds; and taste and odor problems.

Manganese can be removed with a combination of oxidation and filtration. In 2014, Council authorized a feasibility study to further explore treatment options and associated costs. A subsequent 2016 study involved rental of a pilot treatment plant to confirm the adequacy of the recommend treatment process.

In May of 2017, the City applied for funding eligibility under the Drinking Water Revolving Fund (DWRF) for the first of two proposed water treatment plants. The DWRF is a low interest loan program offered by the State to assist with funding priority improvements to public water supplies. Use of this funding source would save the City money on interest and various bonding fees associated with typical project financing. The City was notified in October that our application was in the fundable range for construction in 2018.

In December 2017, Council authorized a contract for professional services with Short Elliot Hendrickson for preliminary design, final design and bidding services related to the proposed water treatment plant to serve Well #8. Construction plans have since been developed for review by the Minnesota Department of Health, and an application for DWRF funding submitted to the Minnesota Public Facilities Authority.

Policy Objectives

N/A.

Financial/Budget/Grant Considerations

The CIP budget for this project is \$5,600,000 while the current engineers estimate is 7,181,000. The City completed a utility rate study in December of 2017 which recommended a series of rate increases over the next 8-10 years to fund this and other anticipated Capital projects along with operations over the coming years. The rate study projected an interest rate approximately 1% higher than anticipated from the DWRF. The current water fund balance is also estimated at over \$3 million at the end of 2018, well above the required levels for our projected O&M and debt service costs. Staff will be better able to estimate actual financial impacts once the final debt service payments are determined based on bid results.

Advisory Committee/Commission Action

N/A.

Supporting Documents Attached

- Resolution No. 18-28

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 18-28

**A RESOLUTION APPROVING THE SOLICITATION OF BIDS FOR
WATER TREATMENT PLANT NO. 1.**

WHEREAS, The 2009 Water Quality Study identified manganese concentrations in Well Numbers 8 and 11 which are of concern for aesthetic reasons; and

WHEREAS, Emerging concerns have surfaced regarding the health effects elevated levels of manganese may have on humans; and

WHEREAS, The City is committed to reducing manganese levels in drinking water for both public health and aesthetic reasons; and

WHEREAS, Previous engineering studies have found the construction of new water filter plant to be a cost feasible means of reducing manganese levels for Well No. 8; and

WHEREAS, The City previously contracted with Short Elliot Hendrickson Inc. for design and bidding services related to the proposed Water Treatment Plant No. 1; and

WHEREAS, The City now wishes to proceed with these improvements

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA:

1. Such plans and specifications are hereby approved.
2. The City Engineer is hereby authorized to advertise and solicit bids for such Improvements.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 17TH DAY OF APRIL 2018.

Dave Hallback, Mayor

ATTEST:


Aaron Reeves, City Administrator



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet, MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Aaron Reeves, City Administrator 
Date: April 9, 2018

ITEM DESCRIPTION: Transient Merchant License for Fireworks Sales

Proposed Action

Staff recommends that the City Council move to approve the Peddlers, Solicitors, & Transient Merchants License for Christopher Ulmer, dba TNT Fireworks, to sell fireworks at Wal Mart, 1308 Highway 33 South, from June 20 - July 5, 2018 and identify the hours of sale subject to submittal of all licensing requirements and completion of background check.

Background/Overview

The City has received an application from Christopher Ulmer, dba TNT Fireworks, for a Peddlers, Solicitors, & Transient Merchants license seeking approval to sell fireworks from June 20 - July 5, 2018 Wal Mart, 1308 Highway 33 South.

The applicant is seeking authority to sell until midnight, however Section 6.6.08, Subd. 1(B) of City Code restricts sales to 8:00 am to 8:00 pm. The City Council has previously authorized another applicant in past years to sell until 10:00 pm. The City has received no complaints regarding the operation during this timeframe. Staff would suggest that the Council either follow Code or in the case of fireworks sales limit it to the previously established precedent of 10:00 pm.

Policy Objectives

Section 6.6 of the Municipal Code requires the regulation of peddlers, solicitors, and transient merchants. The purpose of such licensing is to regulate the potential nuisance and public safety issues which sometimes relate to such operations. The City does not have a separate licensing requirement for retail fireworks sales, though it may wish to do so in the future.

Financial/Budget/Grant Considerations

The applicant has submitted the appropriate license fee associated with this license. There is no other direct cost to the City.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Application



STATEMENT OF PURPOSE

American Promotional Events dba TNT Fireworks is submitting for approval for the attached application.

Location address: Wal-Mart, 1308 Highway 33 South, Cloquet, MN 55720

The purpose is to sell Minnesota State approved fireworks in a temporary tent from, approximately, June 20th 2018 - July 5th 2018. The tent will be erected about three days prior to the sale and removed within two to five days of completion of the sale. The hours of operation will be from 8am-10pm, or as dictated by local location ordinances.

There will be two fire extinguishers readily accessible. "No Smoking," age limit signs, as well as "No Discharging Fireworks within 300ft" signs will be posted and enforced. There will be a minimum of two people onsite at all times and the product will be secured 24/7 to ensure safety.

If you have any questions, please do not hesitate to call me at 256-740-6158.

Sincerely,

A handwritten signature in black ink that reads "Virginia Daniel". The signature is written in a cursive style.

Virginia Daniel

Permitting Coordinator

danielv@tntfireworks.com



CITY ADMINISTRATOR'S OFFICE

1307 Cloquet Avenue, Cloquet MN 55720
Phone: 218-879-3347 Fax: 218-879-6555
www.ci.cloquet.mn.us
email: admin@ci.cloquet.mn.us

Application for License Regulating Peddlers, Solicitors, & Transient Merchants

This application, all required documentation and fees must be submitted by any person desiring to obtain a Peddlers, Solicitors & Transient Merchant license within the City of Cloquet, MN.

APPLICANT'S FULL LEGAL NAME:

Name: CHRISTOPHER JON ULMER
First Full Middle Name Last

Residence Address: _____
City, State, Zip: FARGO, ND 58104

Home Phone _____ Work Phone _____ Cell Phone _____
ULMERC@TNTFIREWORKS.COM
E-Mail Address

Date of Birth: _____ Place of Birth: DICKINSON, ND

Social Security #: _____ Drivers License #: _____ State: ND

Eye Color: BROWN Hair Color: BROWN Height: 6'3 Weight: 240

BUSINESS/ORGANIZATION INFORMATION:

Business or Organization Name: TNT FIREWORKS

Address: 4003 HELTON DRIVE, FLORENCE, AL 35630

Mailing Address (if different from above): _____

Phone: _____ Alternate Number: _____

LOCATION OF PROPOSED SALES:

Business/Organization Name: WAL-MART PARKING LOT

Address: 1308 HIGHWAY 33 SOUTH, CLOQUET, MN 55720

Local Phone Number: _____ Permanent Phone Number: _____

Any and all addresses and telephone numbers where the applicant can be reached while conducting business within the city, including the location where a transient merchant intends to set up business:

Address: _____ Phone: _____

Address: _____ Phone: _____

**THE LENGTH OF TIME FOR SALES OR SOLICITING AND HOURS DURING WHICH BUSINESS WILL BE CONDUCTED:
(Not to exceed 30 days)**

Beginning Date: 06.20.2018 Ending Date: 07.05.2018

Hours during which business will be conducted: 8 AM - 8 PM DAILY
(City Code states hours of business are to be conducted between 8:00 a.m. and 8:00 p.m.)

Brief description of the nature of the business or solicitation and the goods to be sold or given away:

RETAIL SALE OF MN STATE APPROVED FIREWORKS

Do you have written consent of the landowner upon whose premises this activity is to be conducted? Yes No (If yes, please attach written consent.)

Do you use a Sales Contract? Yes No (If yes, please attach a copy.)

Name and Address of the Source of Supply of the goods or property proposed to be sold, or orders taken for the sale thereof; location of such goods or products at the time of this application; and proposed method of delivery:

TNT FIREWORKS

List the names of the last three (3) cities where you have registered and conducted business for your activities:

City and Address	State
ST. CLOUD - 101 10TH AVENUE NORTH	MN
WEST ST. PAUL - 1616 HUMBOLDT AVENUE	MN
SARTELL - 125 PINECONE ROAD NORTH	MN

Describe all vehicles that you will be using in your activities:

NO VEHICLES. SALES ARE FROM FIXED LOCATION.

Make:	Year:
Model:	License #:
Color:	State:

Make:	Year:
Model:	License #:
Color:	State:

Make:	Year:
Model:	License #:
Color:	State:

Make:	Year:
Model:	License #:

1. Have you, or those working for you in Cloquet, been convicted within the last five (5) years, of any felony, gross misdemeanor, or misdemeanor for violation of any federal, state, or local ordinance other than traffic ordinances
 Yes No *If yes, give information as to the date, place, and offense for each conviction.*

2. List all names, nicknames and aliases by which you have been known: CHRIS

3. List addresses at which you have lived during the preceding three years. (Begin with present or last address and work back. *Attach additional sheets if necessary.*)

Street Address: _____
City, State, Zip: FARGO, MN 58104
Dates at Address: AUGUST 2007 - PRESENT

Street Address: _____
City, State, Zip: _____
Dates at Address: _____

Street Address: _____
City, State, Zip: _____
Dates at Address: _____

I HEREBY UNDERSTAND AND AGREE THAT:

1. Information revealed herein for a Peddler, Solicitor and Transient Merchant License in the City of Cloquet will be handled by the City in accordance with federal and state laws regarding privacy of criminal records.
2. Failure to reveal a criminal conviction will be considered falsification of the application and may be used as grounds for denial of the license.

(I) do hereby swear that I have submitted all of the required documentation as listed above and that the answers in this application are true and correct to the best of my knowledge. I do authorize the City of Cloquet, its agents, and employees, to obtain any necessary information and to conduct an investigation, if necessary, into the truth of the statements set forth in this application and my qualifications for this license. I do understand that providing false information shall be grounds for denial of my license.



Signature of Applicant

03.12.2018

Date

Print Name CHRISTOPHER JON ULMER
First Middle Last



Independent Sales Organization (ISO) Access Letter

TNT Fireworks to scope parking lot space and sell fireworks

To: American Promotional Events, Inc. D.B.A. TNT Fireworks

From: Walmart Services

Date: 01/02/17

RE: TNT Fireworks to scope parking lot space and sell fireworks

Dear Valued ISO,

Thank you for your continued support and collaboration. Upon arrival at the store where the event/promotion will occur, this access Letter ("Letter") should be provided to store management. This letter shall serve as proof that you are authorized to enter the store and complete the parking lot scoping and execution of a temporary firework stand as a promotion/event for the time period specified below. You are also authorized and required to obtain the proper permitting as required by the local city, county, and/or state. Only your employees (collectively "Representatives") may perform the promotion on your behalf. Your Representatives must produce credentials to store management showing that the Representative has been authorized by you to perform the promotion on your behalf.

Scoping Timeline: Scope work may happen anytime from January 01, 2017 – July 31, 2018

Sales Timeline: Parking lot sales may happen anytime from June 15, 2017 – July 31, 2018

Store Associate (Management) Responsibilities:

- 1) Allow and agree upon space with TNT Fireworks to sell fireworks on the parking lot during the Independence Day season
- 2) Customers and employees of TNT Fireworks may have access to restrooms in Walmart facilities
- 3) For other questions call Walmart Field Support at 1-700-Walmart
- 4) Keep a copy of this LOA for your records

This particular program does **NOT** violate the Walmart Corporate Solicitation Policy.

Best regards,

Jesse Danielson
Manager II, WM Services

Anne Johnson
Director, Walmart Services

MAYOR'S PROCLAMATION

City of Cloquet

WHEREAS, mental health is part of overall health; and

WHEREAS, mental health helps to sustain an individual's thought processes, relationships, productivity and ability to adapt to change or face adversity; and

WHEREAS, mental health adversely affects those abilities and often is life-threatening in nature; and

WHEREAS, one in four adults experiences mental health problems in any given year and such problems can contribute to onset of mental illness; and

WHEREAS, long delays, sometimes decades, often occur between the time symptoms first appear and when individuals get help; and

WHEREAS, early identification and treatment can make a profound difference in successful management of mental illness and recovery; and

WHEREAS, every citizen and community can make a difference in helping end the silence and stigma that for too long has surrounded mental illness and discouraged people from getting help;

WHEREAS, Northland Healthy Minds is working to promote public education and community activities which can reduce stigma, encourage mental health and help improve the lives of individuals and families affected by mental illness;

NOW, THEREFORE BE IT RESOLVED, I, David Hallback, Mayor of the City of Cloquet, Minnesota, hereby proclaim the month of May 2018 as Mental Health Awareness Month in Cloquet, Minnesota, to increase public understanding of the importance of mental health and to promote identification and treatment of mental illness.

MENTAL HEALTH AWARENESS MONTH



David Hallback, Mayor



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: areeves@cloquetmn.gov
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Honorable Mayor and City Council
From: Aaron S. Reeves, City Administrator *AR*
Date: April 17, 2018

ITEM DESCRIPTION: Councilmember at Large Vacancy

Proposed Action

Approve the attached resolution declaring a vacancy for the Councilmember at Large position, calling for applications to temporarily fill the vacancy for the rest of this year, and calling for a special election to occur at the times of the regular elections to fill the vacancy for the remainder of the seat's term.

Background/Overview

Councilmember At Large Bailey has notified the Council that on April 15, 2018 he will no longer reside in the City limits and must resign his position on the Council.

Supporting Documentation Attached

- Resolution

**RESOLUTION NO. 18-30
DECLARING A VACANCY FOR COUNCIL MEMBER
AT LARGE AND CALL FOR SPECIAL ELECTION**

BE IT RESOLVED, by the Cloquet City Council and Mayor of the City of Cloquet, Minnesota, as follows:

WHEREAS, council member Adam Bailey was elected to the Cloquet City Council in November 2016 to serve a four-year term as a council member at large which term was scheduled to expire on December 31, 2020; and,

WHEREAS, council member Adam Bailey has notified the Mayor and City Council that he is voluntarily resigning that position effective April 15, 2018; and,

WHEREAS, it is the intent of the Mayor and City Council to formally declare a vacancy in that council seat which it intends to temporarily fill by appointment as required by law until such time that a special election can be held to fill the seat for the remainder of the term; and,

WHEREAS, it is the intent of the Mayor and City Council to formally call for a special election to fill the seat to be held at the next regularly scheduled election in November of 2018:

NOW, THEREFORE, the Mayor and City Council of the City of Cloquet, Minnesota, do hereby declare a vacancy in the council member at large seat previously held by Adam Bailey effective immediately upon adoption of this resolution. Any interested citizens of qualified age living in the City of Cloquet that want to be considered for that position are encouraged to contact the City Administrator and submit a list of their qualifications for consideration for appointment no later than April 30th, 2018. The Mayor and City Council also do hereby call for a special election to fill out the remaining two years of that term which election is to be held in conjunction with the regular election scheduled for November of 2018.

Adopted by the City Council of the City of Cloquet, Minnesota, at its regular City Council meeting on the 17th day of April 2018.

David Hallback, Mayor

ATTEST:

Aaron Reeves, City Administrator



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: areeves@cloquetmn.gov
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Honorable Mayor and City Council
From: Aaron S. Reeves, City Administrator *AR*
Date: April 17, 2018

ITEM DESCRIPTION: EDA Appointment

Proposed Action

Appoint a Councilmember to replace Adam Bailey on the EDA.


Background/Overview

With Councilmember Bailey's resignation from the Council there is a vacancy on the EDA. The EDA consists of 7 members, 2 of whom must be members of the City Council



Community Development Department
1307 Cloquet Avenue • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and Cloquet City Council
From: Holly Hansen, Community Development Director
Reviewed by: Aaron Reeves, City Administrator 
Date: April 12, 2018

ITEM DESCRIPTION: Approve Land Sale, Development and Purchase Agreement with Boss Builders for Development at the Former Water Tower Site

Proposed Action

The Council is asked to approve the terms and conditions detailed in the attached Development and Purchase Agreement with Boss Builders related to a land sale for construction of two single family homes on the 200 Block of Avenue E, the City's former water tower site.

Background / Overview

In late summer/early fall of 2017, the Cloquet Economic Development Authority (EDA) released the first Request for Proposals (RFP) for the City's former water tower site. There were no interested developers at that time and the feedback we received was that the former water tower footings were unknown and too much of a risk for any developer to proceed. As such, the City withdrew the RFP and utilized City Public Works crews to rent equipment and conduct the footing removal. Public Works crews also demolished the onsite equipment shed at that time and will remove the valve vault onsite during the summer of 2018, leaving the site clear for development.

With that work complete in early winter 2018, the EDA re-released the RFP with clearer information on site conditions. The RFP was directly mailed to 15 Carlton County area single family home builders stating the preference for stick built homes on the site. The City received one response from Boss Builders.

EDA Commissioner Shelly Peterson and Community Development Director Holly Hansen interviewed the owners of Boss Builders on March 15th and were impressed with their management style and work samples. Boss Builders formed in 2013. They have four employees in the field and do all their work within a thirty-mile radius of Cloquet, all via word of mouth and project yard signs.

Proposal Details and Work Samples

Attached the Council will find a letter dated March 8, 2018 along with work samples from Boss Builders to provide background on their product quality. They propose to build two stick built slab on grade homes with 3 bedrooms that are two-story in format with garages on the two lots created by the City of Cloquet (each lot size will be 80' W x 100' D). The goal of Boss Builders would be to get the

foundations in this coming fall and have the two homes be winter construction projects. Being that spec homes are not common to finance, they would be financed by either a construction loan, line of credit, or subs would hold off on payment until the homes are sold. They would advertise the homes for sale online and in the yard as they are being built.

As the Council is aware, the City will be reconstructing West End street systems and the contractor would be utilizing the City's water tower site for construction laydown materials through October 1, 2018. The City would make available the water tower property to Boss Builders as of October 15, 2018. Attached the Council will find the prepared Development and Purchase Agreement terms.

Policy Objectives

This project meets two key goals for the City that are priorities for the EDA: 1) it creates Move-up/Move-down housing stock hitting the mid financial market; 2) accomplishes neighborhood stabilization goals of the Cloquet/Scanlon Housing Task force and of the 2014 Cloquet Housing Study by reinvesting into an existing neighborhood.

I would like to express a sincere thank you to the City Engineering Department, who owned and formerly used this property, for keeping broader Community Development goals and priorities of the Cloquet EDA in mind, allowing this Commission to issue an RFP for this opportunity. Thank you to Boss Builders for responding to the opportunity, the hope is this is an overall win-win for the community.

Financial/Budget/Grant Considerations

The City will have legal costs involved in preparing deeds for these parcels and closing on land to convey this to private parties. This property has not been on the tax rolls presumably since Cloquet became a City in 1904 (the water tower is visible in the post-1918 fires photos). All the water tower land is proposed to return to the tax rolls in three configurations:

- 20' wide x 100' deep to the westerly neighbors; and
- two lots that are 80' wide x 100' deep

While there is no funding exchanged on this onset with the City, there are long term benefits and value to providing space for home building which will yield taxes and utility connections for the City into the future.

Advisory Committee/Commission Action

On April 12, 2018, the Cloquet EDA met and reviewed the proposed residential construction project and associated development and purchase agreement terms. The EDA voted 5-0 recommending the Council:

1. Provide 20' to the westerly neighbor (Jirschele)
 - The west 20' of Lot 5, Block 6, Original Town of Cloquet.
2. Provide 160' W x 100' D to Boss Builders, splitting that land into two new parcels that are 80' W x 100' D with the proposed legal descriptions:
 - Lot 3, Block 61 the east 20' of Lot 4, Block 61 Original town of Cloquet
 - Lot 4, Block 61 except the east 20' thereof and Lot 5, Block 61 except the west 20' thereof, Original Town of Cloquet

To Mayor and Council
Water Tower Site Development
April 12, 2018
Page 3

This land is provided by the City to Boss Builders under the attached terms described in the Development and Purchase Agreement.

Supporting Documentation

- Boss Builders RFP response and work samples
- Development and Purchase Agreement with Boss Builders
- Proposed new single-family lots and property survey
- 2014 Cloquet Housing Study / Cloquet-Scanlon Housing Task Force recommendations

March 8, 2018

To: Holly Hansen, Community Development Director, City of Cloquet

From: Jesse Hecimovich, Boss Builders

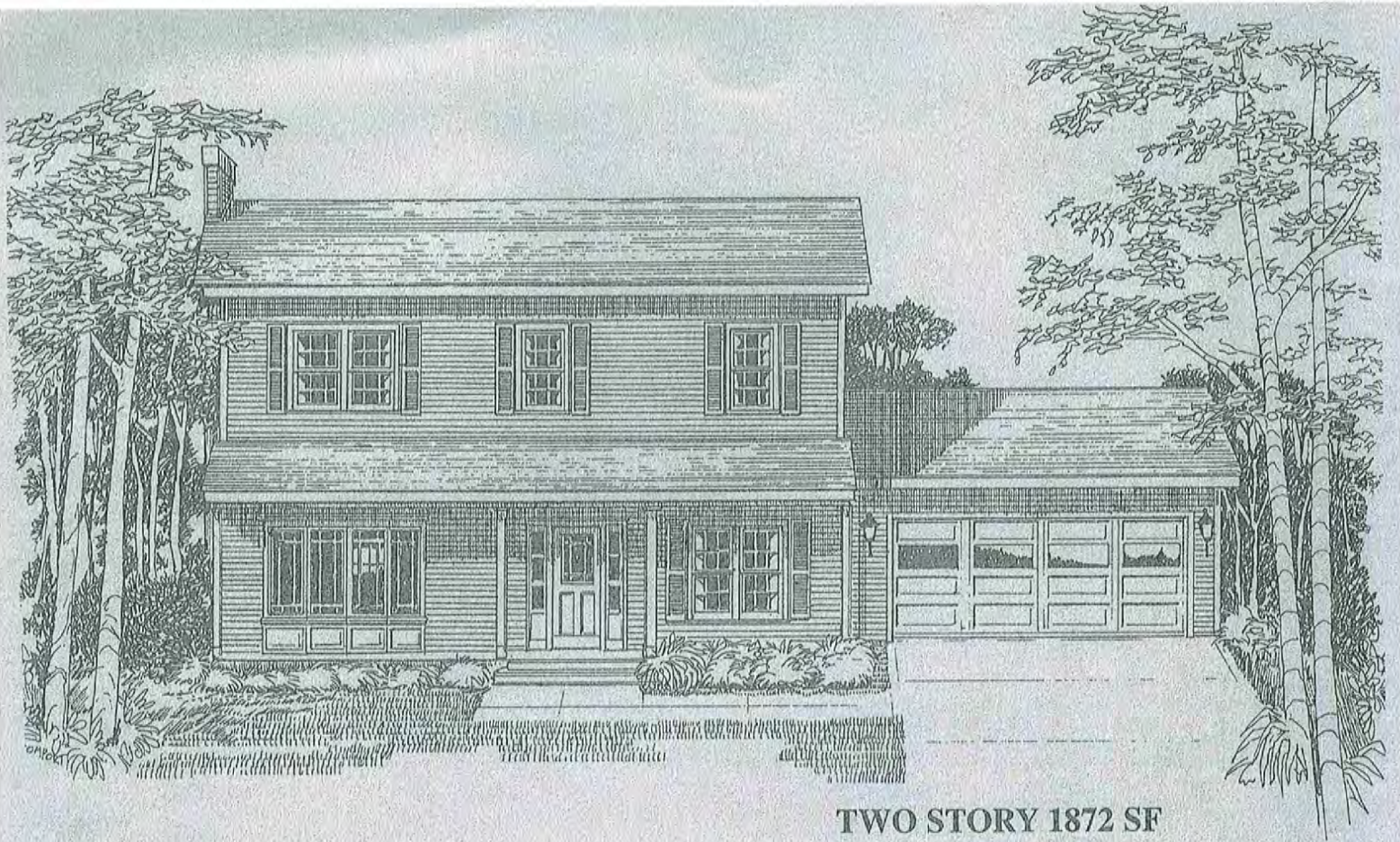
RE: Response to EDA Water Tower RFP - 200 Block of Avenue E

We write you today to show our interest in the two proposed lots of 200 Block of Avenue E. We would like to propose building a two-story slab home design (3-4 bedroom) with garage on each of the two lots in the summer of 2019.

Building new homes within the city of Cloquet does come with some major costs. First new home construction is very expensive. Most of the time it is easier and cheaper for a potential homeowner to purchase an existing home than it is to build one. Second of all, is the appraisal market. New homes built within the city are not valuing as high as a house with 5 acres in a rural area. The profitability of building in the city just isn't comparable to building in a rural setting. Street improvements and hookup fees will also add to the cost of the build. With that said, I do believe a simple yet spacious design can be built within the city, but all costs will have to be at a minimum. I don't think that the price of these new home would be less than \$250,000.00. I believe that they would be between \$275,000.00 to \$300,000.00 finished. I think the value/purchase price of the property would have to be on the low end for spec homes to be built. As for the price of the property we would be willing to pay, might be in the neighborhood of \$10,000.00 total, obviously if the EDA is willing to consider less recognizing the cost and risk of doing a project like this we're open and appreciative to that consideration and are open to additional discussion.

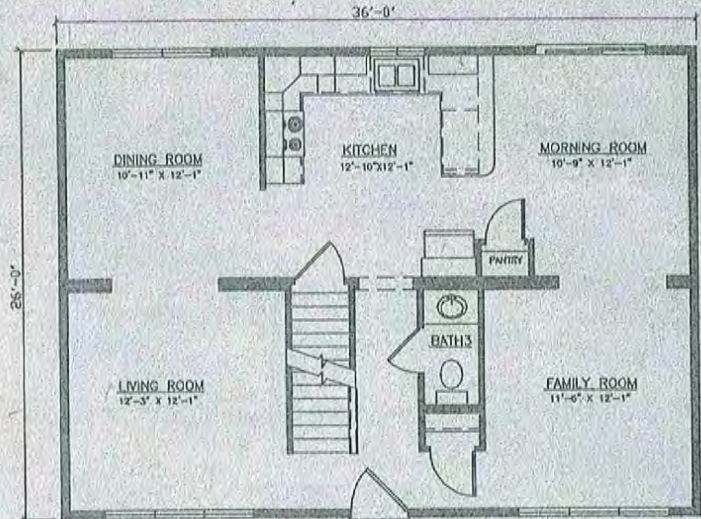
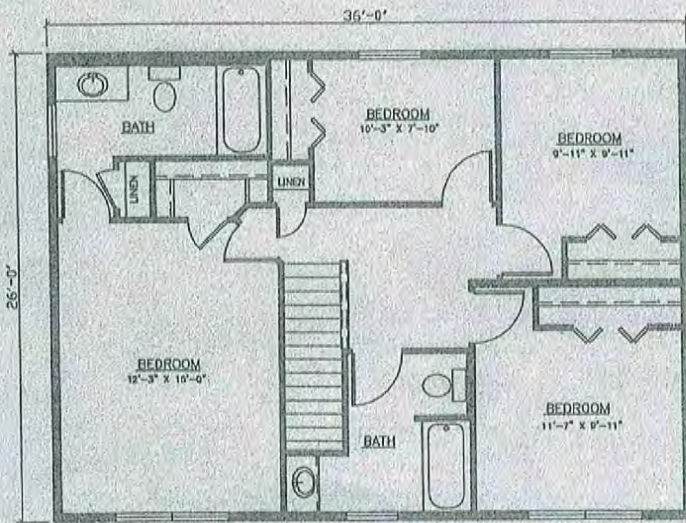
I hope that we can take a serious look into purchasing this property in the hope of building slab on grade stick built homes and improving the property for the city of Cloquet in the summer of 2019.





TWO STORY 1872 SF
4 bedrooms
2 1/2 baths

OPTIONAL FEATURES SHOWN:
 Entry door with sidelights
 Grilles in window
 Shutters
 Garage
 Front porch
 Chimney
 Bow window



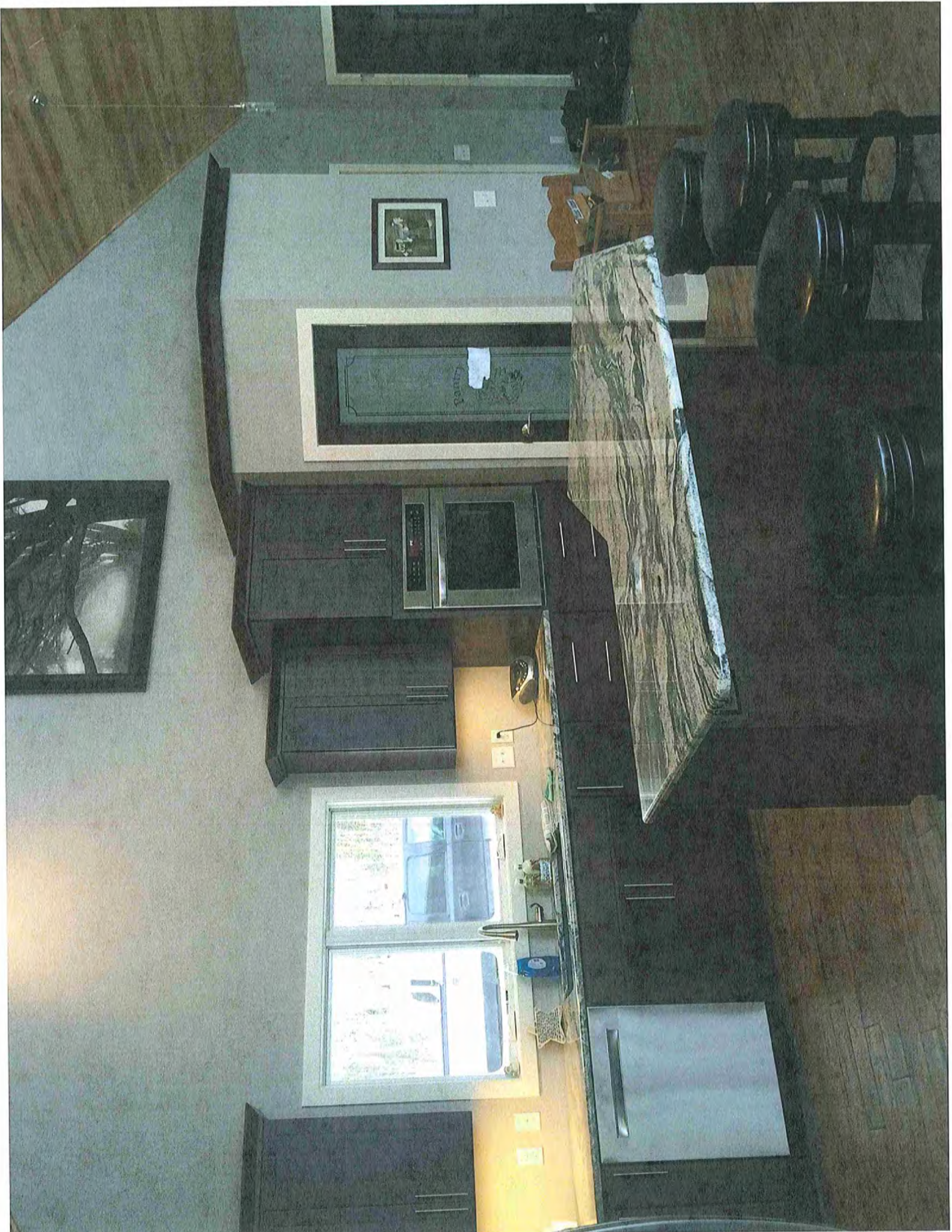
















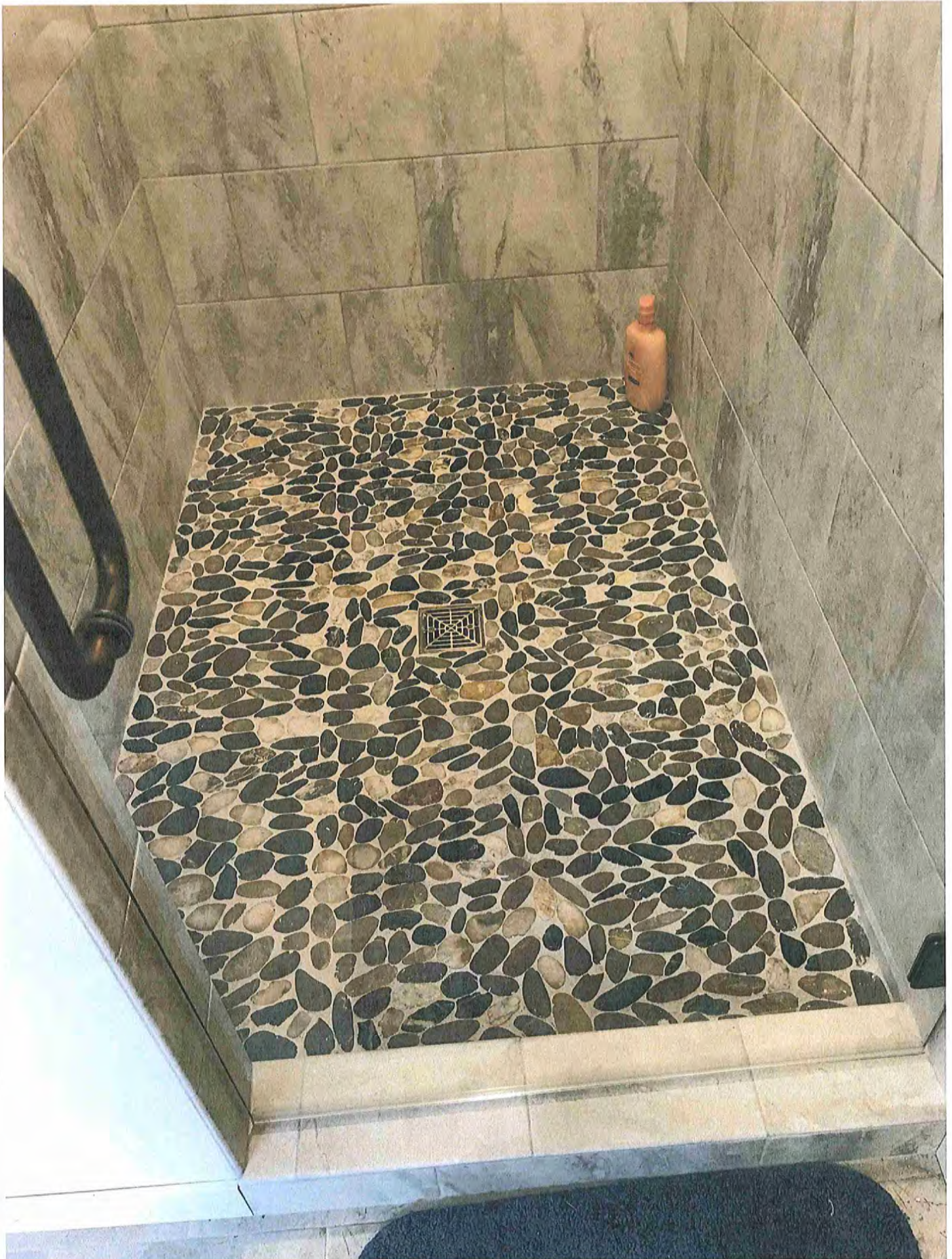










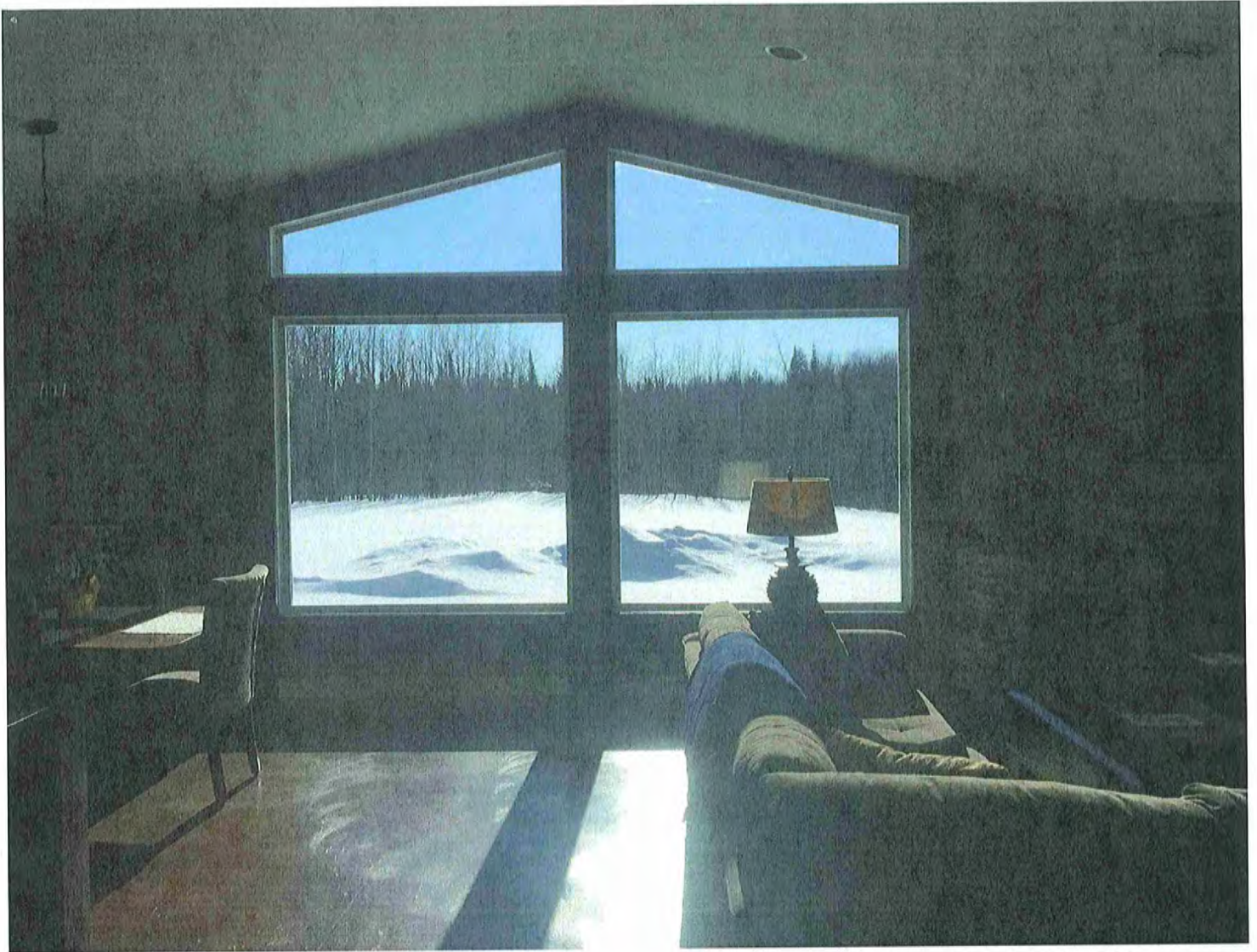














KENNETH J. MARTIN

CERTIFICATE OF SURVEY

218-879-5198
1548 COUNTY ROAD #5
CARLTON, MN 55718

FOR: City of Cloquet

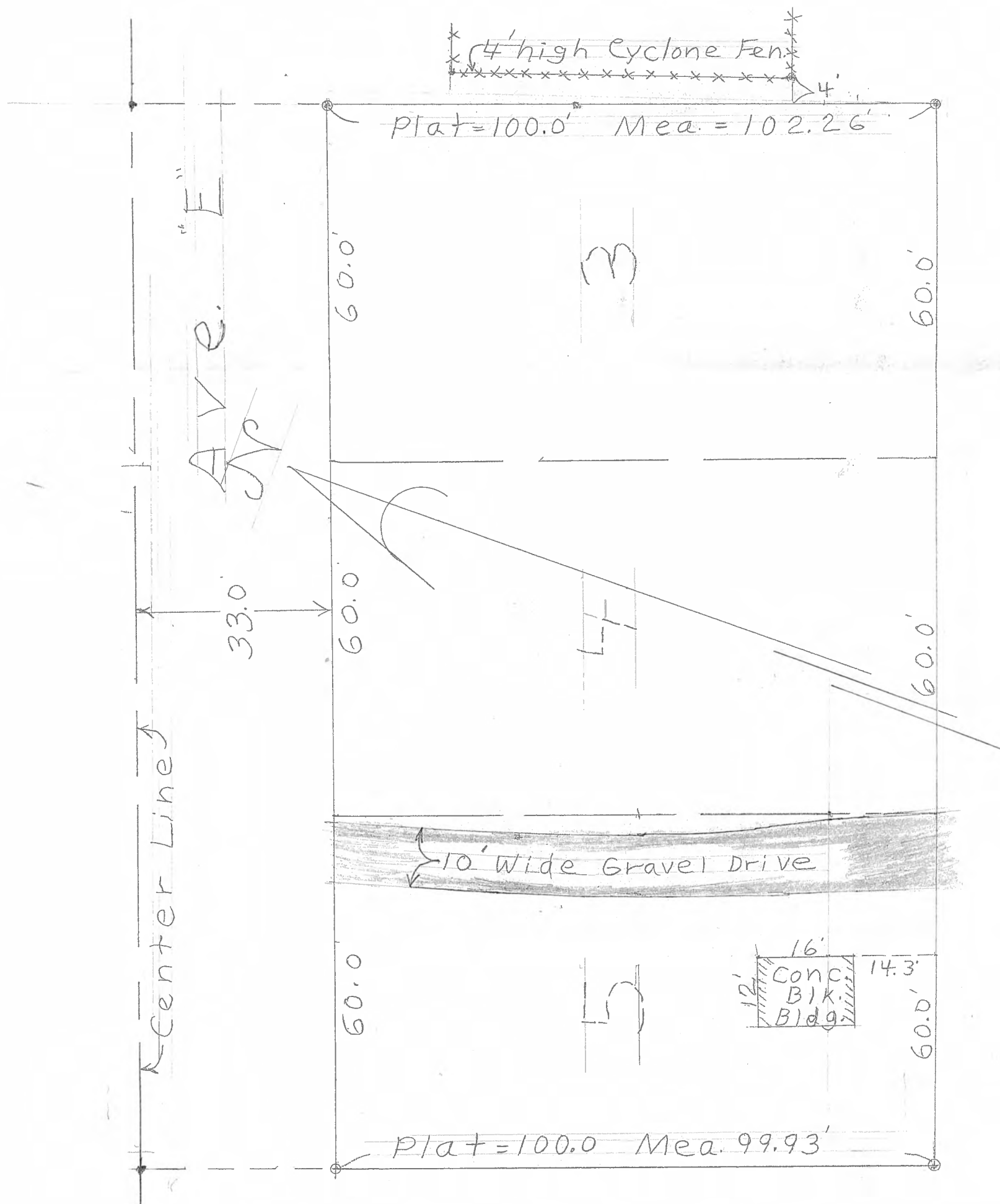
MINNESOTA REGISTERED
LAND SURVEYOR
NO. 12278

DESCRIPTION

Lots 3,4,5, Block 61, Original Town
of Cloquet.

I hereby certify that this survey plan, or report
was prepared by me or under my direct super-
vision and that I am a duly Registered Land
Surveyor under the laws of the State of Minn.

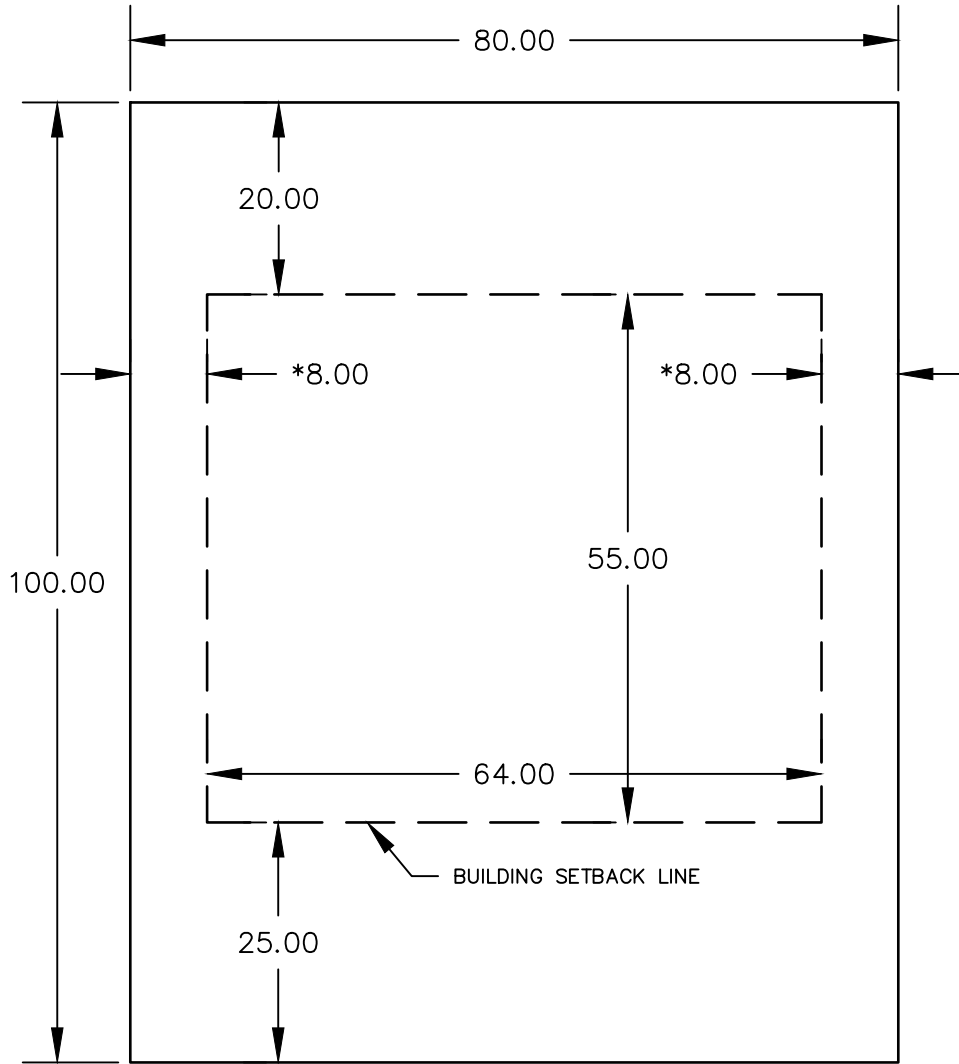
Kenneth J. Martin
Date 7-12-17 Reg. No. 12278



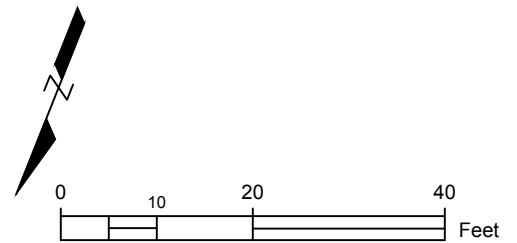
Scale: 1" = 20.0' Date: 7-12-17

● = Iron Monument Set. • = Nail Set.

LOT 3, BLOCK 61 AND
THE EAST 20' OF LOT 4,
BLOCK 61 ORIGINAL TOWN
OF CLOQUET



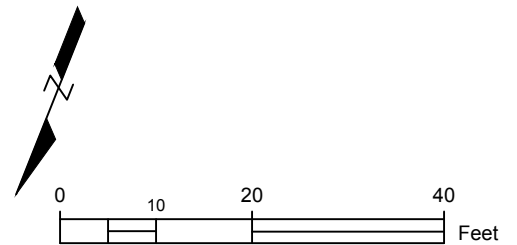
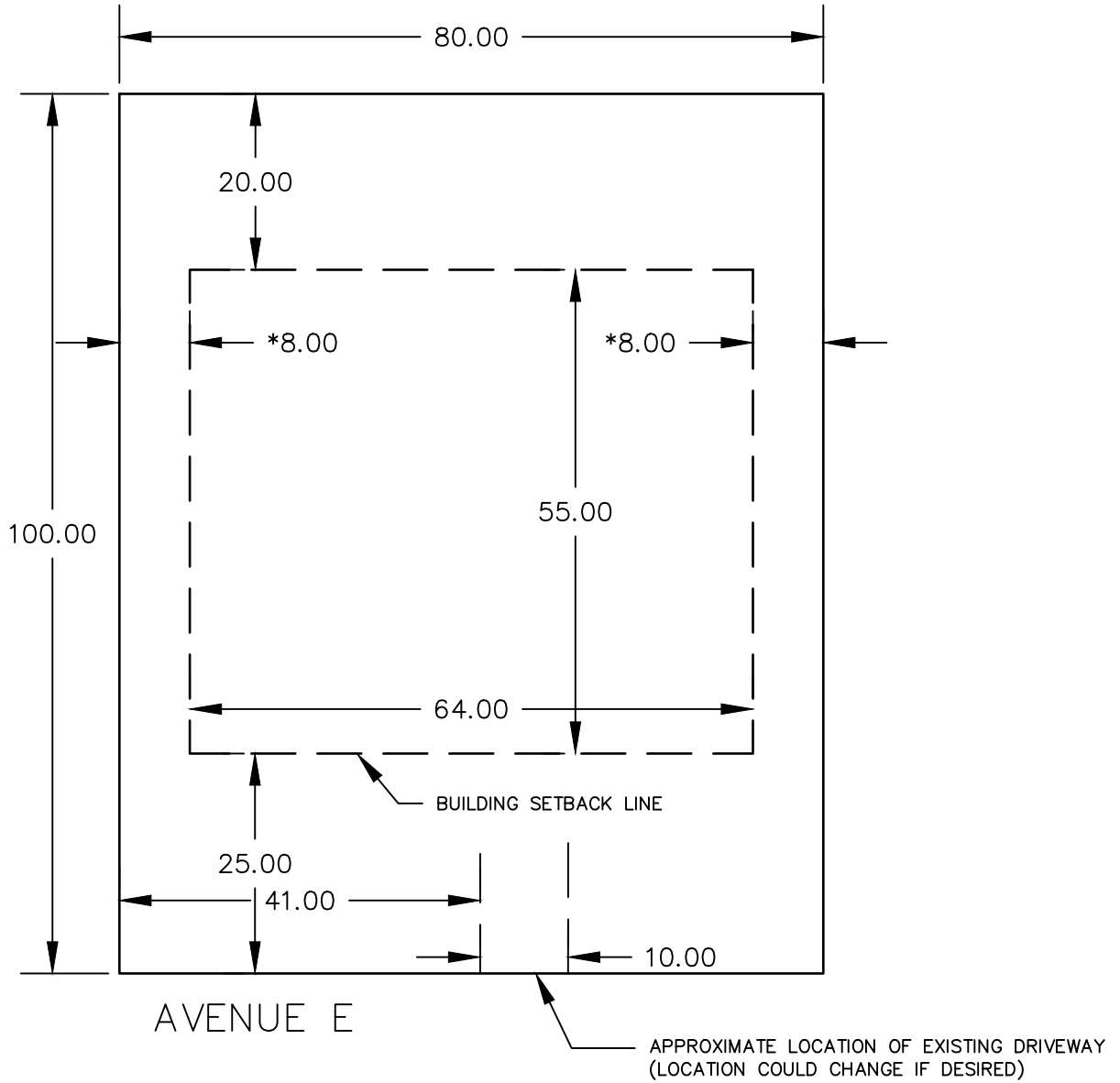
AVENUE E



MAX LOT COVERAGE BY STRUCTURES IS 30% = 2,400 SQ.FT.

*SIDE YARD SETBACK IS 20% OF LOT WIDTH (TOTAL) = 16' - WITH MIN. 5' ON A SIDE

LOT 4, BLOCK 61
EXCEPT THE EAST 20'
THEREOF AND LOT 5,
BLOCK 61 EXCEPT THE
WEST 20' THEREOF,
ORIGINAL TOWN OF
CLOQUET



MAX LOT COVERAGE BY STRUCTURES IS 30% = 2,400 SQ.FT.

*SIDE YARD SETBACK IS 20% OF LOT WIDTH (TOTAL) = 16' - WITH MIN. 5' ON A SIDE

DEVELOPMENT AND PURCHASE AGREEMENT BETWEEN THE CITY OF CLOQUET
AND BOSS BUILDERS RELATED TO THE CITY'S FORMER WATER TOWER SITE
LOCATED ON THE 200 BLOCK OF AVENUE E

**City of Cloquet will sell FOR \$1: LOT 3, BLOCK 61 AND THE EAST 20' OF LOT 4,
BLOCK 61 ORIGINAL TOWN OF CLOQUET, subject to the following conditions:**

- The City of Cloquet will allow the sale to take place at any point after October 15, 2018; and
- As a condition of sale, Boss Builders must present evidence of acceptable financing for the project to the City; and
- The house plans proposed for the site have been review and approved by the City's Building Official and a building permit has been pulled and paid for; and
- Boss Builders has 6 months from the point of land conveyance to start construction of one single family home this lot from the point of closing on the land with the City and 12 months to complete construction once ground is broken; and
- The target home investment will be between \$175,000 - 300,000 / each achieving the goals of the Cloquet EDA's "move-up/move-down" housing niche as noted in the 2014 Cloquet Housing Study targeting a 3 bedroom, 2 bathroom, 2 car garage home; and
- Boss Builders acknowledges that there are pending street assessments on this lot which must be paid by Boss Builders or a subsequent buyer estimated at \$8,600 which includes new water/sewer service stubs and driveway aprons, as such there will be no other city water/sewer connection fees; and
- If no development takes place, the agreement to sell the land to the developer shall expire if the conveyance of the land hasn't occurred within one year of October 15, 2018;
- The City will prepare the deed and will record the sale of this deed to Boss Builders or under a name as directed; and
- The City will install survey pins for the lots once construction on the home is complete; and
- It is the responsibility of Boss Builders to identify for the City Engineering Department where the driveway is to be located and where driveway aprons are to be installed as part of this street project; and
- It is the responsibility of Boss Builders to identify for the City Engineering Department where water/sewer are to be stubbed into the lot; and
- Boss builders is aware that there are City grading, building permit, home plan review fees in the City of Cloquet; and
- Boss Builders is aware that to connect this home to the City's sewer that this connection triggers the WLSSD Capacity Availability Fee (CAF fee) of \$940; and
- Boss Builders must purchase a water meter from the City and install it (estimated at \$302).

City of Cloquet will sell FOR \$1: LOT 4, BLOCK 61 EXCEPT THE EAST 20' THEREOF AND LOT 5, BLOCK 61 EXCEPT THE WEST 20' THEREOF, ORIGINAL TOWN OF CLOQUET, subject to the following conditions:

- The City of Cloquet will allow the sale to take place at any point after October 15, 2018; and
- As a condition of sale, Boss Builders must present evidence of acceptable financing for the project to the City; and
- The house plans proposed for the site have been review and approved by the City's Building Official and a building permit has been pulled and paid for; and
- Boss Builders has 6 months from the point of land conveyance to start construction of one single family home this lot from the point of closing on the land with the City and 12 months to complete construction once ground is broken; and
- The target home investment will be between \$175,000 - 300,000 / each achieving the goals of the Cloquet EDA's "move-up/move-down" housing niche as noted in the 2014 Cloquet Housing Study targeting a 3 bedroom, 2 bathroom, 2 car garage home; and
- Boss Builders acknowledges that there are pending street assessments on this lot which must be paid by Boss Builders or a subsequent buyer estimated at \$8,600 which includes new water/sewer service stubs and driveway aprons, as such there will be no other city water/sewer connection fees; and
- If no development takes place, the agreement to sell the land to the developer shall expire if the conveyance of the land hasn't occurred within one year of October 15, 2018;
- The City will prepare the deed and will record the sale of this deed to Boss Builders or under a name as directed; and
- The City will install survey pins for the lots once construction on the home is complete; and
- It is the responsibility of Boss Builders to identify for the City Engineering Department where the driveway is to be located and where driveway aprons are to be installed as part of this street project; and
- It is the responsibility of Boss Builders to identify for the City Engineering Department where water/sewer are to be stubbed into the lot; and
- Boss builders is aware that there are City grading, building permit, home plan review fees in the City of Cloquet; and
- Boss Builders is aware that to connect this home to the City's sewer that this connection triggers the WLSSD Capacity Availability Fee (CAF fee) of \$940; and
- Boss Builders must purchase a water meter from the City and install it (estimated at \$302).
- Boss Builders understands that the current driveway on this lot does not have to stay in this current location; and
- Boss Builders understands that the City has offered the west 20' of Lot 5, Block 61, Original Town of Cloquet to the neighbors on the west.

CITY OF CLOQUET, DATE

BOSS BUILDERS, DATE

CLOQUET/SCANLON HOUSING STUDY

Housing Demand Analysis
January 15, 2014

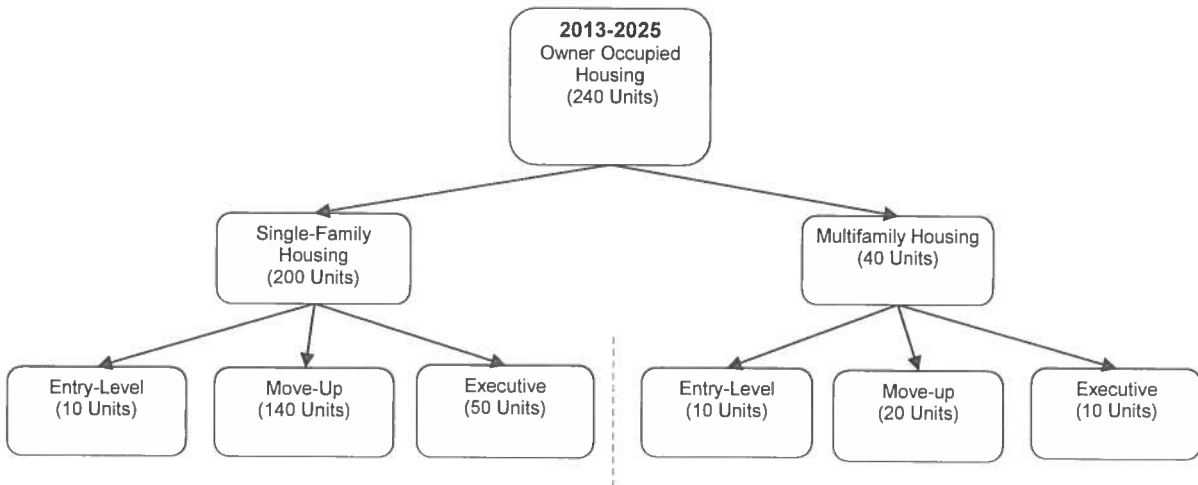
7.3 OWNER-OCCUPIED HOUSING GROWTH POTENTIAL IN CLOQUET/SCANLON: 2013-2025

Figure 19 on the following page breaks down Cloquet/Scanlon’s potential for owner-occupied household growth between 2013 and 2025. It divides the potential for both traditional single-family and multifamily housing. Within both types, the projected distribution by price is shown, utilizing the three price tiers described by area Realtors earlier in this report.

As was noted earlier, we believe that Cloquet/Scanlon appears capable of adding 240 new owned housing units between 2013 and 2025. We believe that this potential will most likely be met by providing traditional, detached single-family homes (200 homes). In years past, the bulk of new owned housing built in Cloquet and Scanlon was developed as traditional single-family homes. Given the supply of available lots and the pricing of most new construction, we believe this will continue into the future.

With that being said, though, we believe the market for owner-occupied multifamily housing (i.e., townhomes, cooperatives, and condominiums) is growing in large part due to the growing base of early retirees who want to maintain homeownership but downsize into a lower maintenance product type. Despite these subtle changes to the market, we still believe that detached single-family homes will continue to dominate the owner-occupied market.

Figure 19: Cloquet/Scanlon Forecasted Owner-Occupied Housing Need 2013-2025



In addition to dividing the growth potential between single-family and multifamily homes, the flow chart shows the need for developing homes at a variety of price points: Entry-Level, Move-Up/Mid-Level, and Executive. We evaluated recent developments in the community based on these pricing levels as the combination of pricing and housing type communicates likely buyer profiles for the community.

Buyer Profiles for the various price categories can be summarized as follows:

Single-family:

CLOQUET/SCANLON HOUSING STUDY

Housing Demand Analysis
January 15, 2014

- Entry-level: young families with or without children, young couples, single professionals; head of household generally 25-35 years old
- Move-up: families with children, head of household generally 35-55 years old
- Executive: higher-income families with children, empty-nesters; head of household age varies, (income-driven category; peak earning 45-60 years old)

Multifamily:

- Entry-level: empty-nesters, retirees, divorcees, young couples without children, single professionals; head of household age varies (generally 25-35, or 55 and older)
- Move-Up/Mid-level: empty-nesters, retirees, higher-income single professionals; head of household generally 45 and older
- Executive: higher-income retirees and empty-nesters; head of household generally 55 and older

Understanding the types of buyers likely to consider various housing types aids the community in understanding likely ripple effects on local institutions, schools and health care providers that accompany various types of new development. We discuss these effects and make other recommendations in the *Conclusions and Recommendations* section that follows in this report.

The buyer profiles also assist in forecasting Cloquet/Scanlon's overall growth potential, as demographic shifts in aging, income and average household size serve as signposts for identifying emerging markets in the community. For example, the most significant demographic impact on the community will be the aging of resident baby boom households and the in-migration of young families drawn to jobs in Cloquet and the perceived quality of the schools.

7.3.1 Single-family Housing Growth Potential

We believe that over 80% of Cloquet/Scanlon's owner housing growth potential lies in traditional single-family homes (200 units). Within this figure, we estimate that move-up homes priced between \$175,000 and \$300,000 (in 2013 dollars) will account for 70% (140 units) of the projected growth. Executive homes (\$300,000+) will comprise about 25% of the projected growth (50 units), while entry-level homes (<\$175,000) will account for only 5% of growth (10 units), since the cost of land and new construction makes most entry-level single-family homes infeasible.

7.3.2 Multifamily Housing Growth Potential

We estimate that Cloquet/Scanlon has the potential to also absorb 40 new owner-occupied multifamily homes. Within this figure, we estimate that move-up or mid-level homes priced between \$150,000 and \$250,000 (in 2013 dollars) will account for 50% (20 units) of the projected growth. Entry-level townhomes (<\$150,000) and executive townhomes and condominiums (>\$250,000) will comprise the remainder of new multifamily growth.

CLOQUET / SCANLON HOUSING TASK FORCE RECOMMENDATIONS TO IMPLEMENT CLOQUET / SCANLON HOUSING STUDY



SUMMARY OF CLOQUET / SCANLON HOUSING STUDY RECOMMENDATIONS (August 2014)

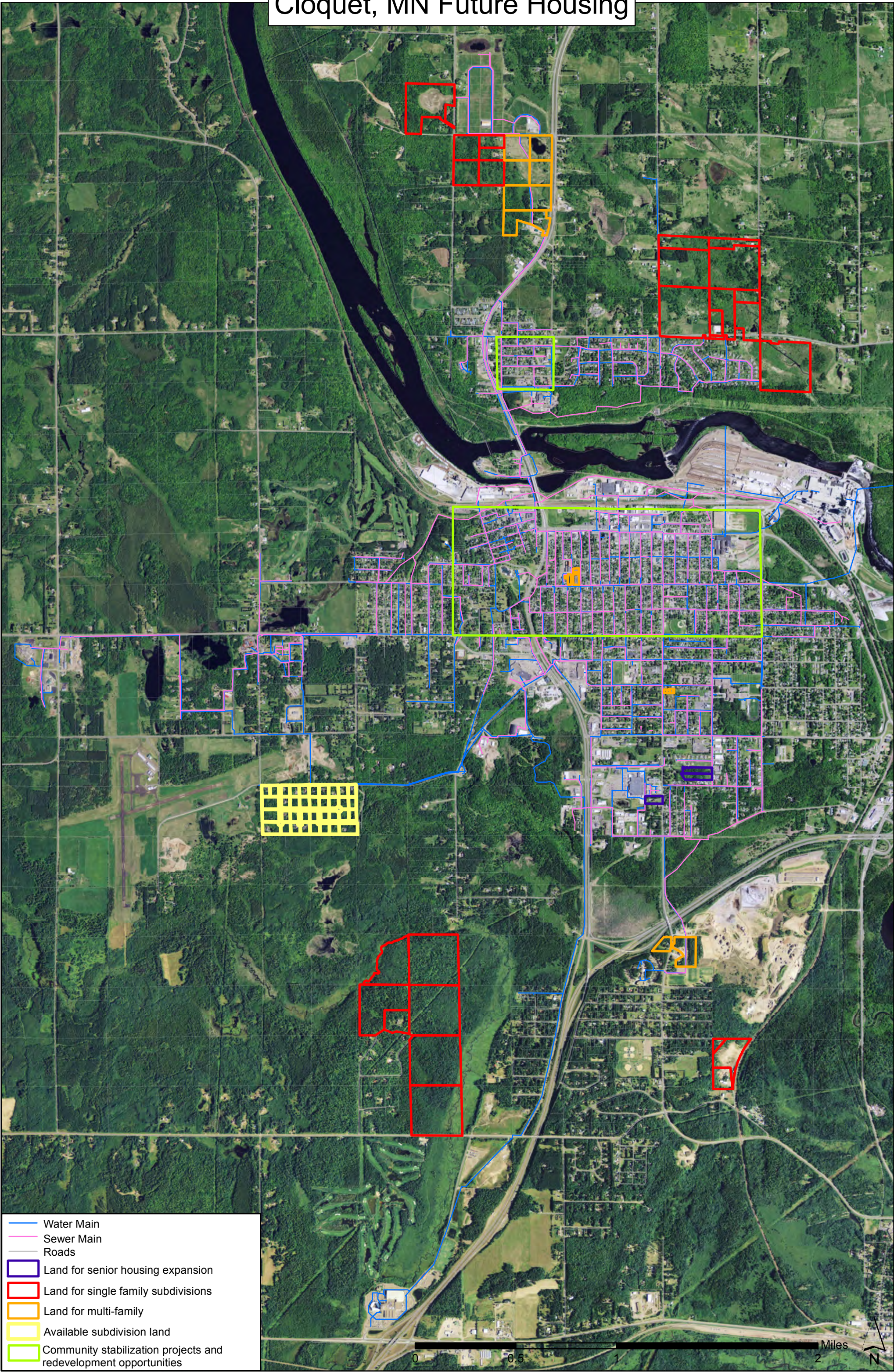
1. Work with property owners to combine small vacant lots with adjacent properties (less than 7,500 square feet).
2. Strategically extend municipal services into areas with numerous vacant lots (e.g. Antus Addition) thus creating 10,000-20,000 square foot lots for move-up housing.
3. Improve aging infrastructure targeting older neighborhoods (streets, sidewalks, lighting).
4. Encourage homeownership.
5. Encourage a diverse mix of housing styles. Cloquet/Scanlon market heavy in executive and base housing markets, create entry / affordable and middle market opportunities.
6. Focus on developing owner housing that young families can obtain at 80% of median income.
7. Consistently reinvest in Cloquet/Scanlon existing housing stock to maintain community stability.

IMPLEMENTATION ACTION PLAN (AUGUST 2014)

GOAL	ACTION STEPS	RESPONSIBLE AGENCY	MEASURED BY	DATE
1) EDUCATE COMMUNITY ABOUT HOUSING PROGRAMS	Hold Housing Summit to Inform Home Owners and Rental Owners of Rehabilitation Programs offered by Regional CAP and CHDO agencies (Lakes & Pines, One Roof, and CMHP). Inform Developers about Housing Programs available via city - county tools, programs offered by MHFA, GMF, and USDA. Increase marketing outreach from CMHP and One Roof for Homeownership classes within the community.	Participating Agencies City of Cloquet non-utility bill based mailing that is direct to non-homesteaded props; newspaper, social media rental registry etc. City of Scanlon Cloquet HRA use mailing & newsletter to reach rental owners	Summit Meeting held (one day summit with different topics throughout the day for different groups)	Q2 2015
2) IMPROVE THE AVAILABILITY, DIVERSITY, AND EFFECTIVENESS OF HOUSING SERVICE DELIVERY WITHIN CARLTON COUNTY	Discuss and act to change multiple agency coverage for Carlton County as it relates to administration of housing programs by CAP and CHDO agencies, to align with transportation, planning, and economic boundaries. In 2005 the US Census added Carlton Co. into the Duluth-Superior Metropolitan Statistical Area. Consider collaboration of partners in the conversation Legislators, Aitkin County, MHFA, DHS, MnCAP etc.	Carlton County/Cloquet Lakes & Pine, CMHP MnCAP, DHS	Change or improve service delivery of program opportunities (gaps also exist related to homelessness and the lack of a shelter)	ongoing
3) INFORM REGIONAL STATE AND LOCAL DEVELOPERS ABOUT HOUSING NEEDS FROM STUDY	Develop a succinct marketing document that clearly states Cloquet and Scanlon's housing message.	City of Cloquet City of Scanlon	Send materials, schedule conference calls etc.	Q1 2015
4) INFORM POLITICIANS ABOUT HOUSING NEEDS FROM STUDY	Inform Legislators about local housing needs. Cities meet with County Commissioners to review needs from study and task force recommendations.	City of Cloquet City of Scanlon	Send materials, schedule conference calls etc.	Q4 2014
5) SUPPORT AFFORDABLE HOUSING DEVELOPMENT PROJECTS OF 60-80% OR LESS OF MEDIAN INCOME	Work with EDA, Developers, & One Roof Community Housing on community / neighborhood stabilization revitalization projects in central core of each city such as land trust home development & other affordable housing projects (Oak St to 22nd St; Prospect north to the River; original street grid of Sunnyside; original core Scanlon).	City of Cloquet City of Scanlon Cloquet HRA	Project concepts moving forward to EDA, Planning Commission and Council and Cloquet HRA	ongoing
6) BUILD AFFORDABLE HOUSING AT 20-60% OF MEDIAN INCOME THAT IS AVAILABLE FOR HRA HOUSING VOUCHERS AND/OR SENIOR HOUSING	Cloquet HRA expand onsite Section 8 Housing Development or partner with agencies such as One Roof to construct additional affordable housing - need for both seniors and younger separated buildings. Work with Developers or Agencies to construct new senior housing downtown which is income and rent restricted (Larson Commons has 2 year waiting list).	Cloquet HRA One Roof Habitat for Humanity Cloquet EDA Scanlon County EDA	Project concepts moving forward.	ongoing
7) INVESTIGATE AND UNDERSTAND THE CLOQUET HRA CHARTER OUTLINING POWERS AND ACTIVITIES	Possibly broaden HRA activities in the community related to affordable housing, bonding for projects etc.	City of Cloquet Cloquet HRA Cloquet EDA	Project concepts moving forward	Q1 2015
8) INCREASE THE DIVERSITY OF HOUSING OPTIONS	Examine new diverse housing mix options such as cooperative housing for seniors improve housing retention through diversity in options, identify examples of successful developments of this type to use in discussions with developers.	Developers ARDC City of Cloquet City of Scanlon	Discuss and consider a wide range of housing types for all incomes	ongoing

GOAL	ACTION STEPS	RESPONSIBLE AGENCY	MEASURED BY	DATE
9) SUPPORT HOUSING STABILIZATION AND REINVESTMENT PROJECTS IN EXISTING NEIGHBORHOODS ALONG WITH REDEVELOPMENT PROJECTS TO REMOVE BLIGHT AND DETERIORATED HOMES	Target areas for housing stabilization and reinvestment in existing housing stock in the original core of Cloquet and Scanlon. In Cloquet specifically that means: Oak St to 22nd St; and Prospect Ave north to the river and the original streetgrid of Sunnyside. Areas for potential housing redevelopment include: the Cloquet Middle School Site. Each city will create a map of blighted blocks needing redevelopment. Each city should apply for SCDP for owner occupied, commercial, and multifamily improvements. Each city should examine enhancements to city code with tools such as vacant building registry for both residential and commercial properties; property maintenance code or blight ordinance.	City of Cloquet City of Scanlon Legislators Cloquet HRA County EDA	Diverse projects moving forward in cities for stabilization activities. Map distressed areas to address. Apply for SCDP.	Q2 2015 ongoing
10) SUPPORT NEW SINGLE FAMILY SUBDIVISION PROJECTS ESPECIALLY THOSE THAT WILL CONNECT WITH PUBLIC UTILITIES	Antus Addition Area, north of North Rd; Along Freeman Rd; Along N Hwy 33; South Oak St; Otter Creek Subdivision Expansion; Eastern Edge of Erickson Acres; Scanlon Expansion areas: 22nd St. south and then east along Tall Pine Lane- "move-up housing needed."	City of Cloquet City of Scanlon	New subdivision plans proposed. Connection between this goal and study to be included in 2015 CIP by engineering need to be explored by Cloquet.	ongoing
11) TARGET OLDER NEIGHBORHOODS FOR PUBLIC INFRASTRUCTURE INVESTMENT TO IMPROVE STREET, SIDEWALK, AND LIGHTING CONDITIONS	Work with the City Engineer to incorporate into CIP targeting Central City Core and West End areas.	City of Cloquet City of Scanlon	Annually CIP engineering projects continuously list original city neighborhood projects for street improvements.	ongoing
12) SUPPORT PROJECTS THAT IMPROVE AND EXPAND DOWNTOWN LOFT APARTMENTS ABOVE COMMERCIAL PROPERTIES	Ensure zoning continues to allow for Mixed Use High Density Downtown.	City of Cloquet City of Scanlon	Improvement projects and plans being proposed. Cat-7 program feature.	ongoing
13) EXTEND INFRASTRUCTURE TO SUPPORT HOUSING	Cloquet Expansion areas: Utilize Landfill Host Fee to Extend utilities into the Antus Addition Area to ensure adequate land supply available for housing development; Find other funds to extend north of North Rd; Along Freeman Rd; Along N Hwy 33; South Oak St; Eastern Edge of Erickson Acres Scanlon Expansion areas: 22nd St south and then east along Tall Pine Lane.	City of Cloquet City of Scanlon	Proactive plans in CIP to extend utilities for housing growth. Connection between this goal and study to be included in 2015 CIP by engineering need to be explored by Cloquet.	ongoing
14) WORK WITH THE CHAMBER TO HOST A LUNCHEON WITH BUSINESS OWNERS TO INFORM THEM ON HOUSING ISSUES AND INITIATIVES	Work with Chamber to see if topic could fit luncheon session.	City of Cloquet City of Scanlon	Luncheon held	ongoing
15) LOT COMBINATIONS IN THE CENTRAL CORE OF THE CITY	Identify parcels that are smaller than 7,500 sf and work with adjacent property owners on lot combinations to create more marketable lots allowing expansion space on existing properties.	City of Cloquet City of Scanlon	Use the parcel map created by Stantec, City Planner will craft a letter to be mailed to adjacent parcels.	ongoing
16) DEVELOP A HOUSING INVENTORY MAP OF CLOQUET AND SCANLON	Identify and map undeveloped land available for housing and determine the appropriate housing type. Identify blighted properties needing redevelopment. Identify and map potential lot combinations. Map existing and potential mixed use commercial and housing properties.	City of Cloquet City of Scanlon ARDC	Map created	Q1 2015
17) IMPROVE QUALITY OF RENTAL HOUSING STOCK	Pass rental registry. Pass a Rental Housing Ordinance with licensing and inspections. Apply for SCDP to enhance rental properties. Hold housing summit on rental improvement programs.	City of Cloquet City of Scanlon	Approval by Council Approval by Council Completed application Hold Housing Summit	Q4 2014 Q4 2017 Q1 2015 Q2 2015
18) SUPPORT NEW MULTI-FAMILY DEVELOPMENT PROJECTS	Areas for potential multifamily development include Hwy 33 N area, 14th Street Apartment expansion, other infill sites central core of the City.	City of Cloquet City of Scanlon	Improvement projects and plans proposed	ongoing

Cloquet, MN Future Housing



- Water Main
- Sewer Main
- Roads
- Land for senior housing expansion
- Land for single family subdivisions
- Land for multi-family
- Available subdivision land
- Community stabilization projects and redevelopment opportunities



DEPARTMENT OF PUBLIC WORKS

1307 Cloquet Avenue; Cloquet, MN 55720
Phone: (218) 879-6758 Fax: (218) 879-6555
Street - Water - Sewer – Engineering - Park
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: City Council
From: Caleb Peterson, Public Works Director
Reviewed By: Aaron Reeves, City Administrator
Date: April 17, 2018

ITEM DESCRIPTION: Skate Park Bid

Proposed Action

Staff recommends the City Council move to adopt **RESOLUTION 18-29A, REJECTING BID FOR SKATE PARK IMPROVEMENTS.**

If the Council wishes to move forward with the proposed improvements, the Park Commission recommends the City Council move to adopt **RESOLUTION 18-29B, AWARDED BID FOR SKATE PARK IMPROVEMENTS.**

Background/Overview

Advocated by a group of local youth for over many years, the Athletic Park skate park was supported by the Park Commission and City Council and ultimately included in the 2017 budget and CIP. In June 2016, Council entered into an agreement with Stantec for conceptual design. A second contract covering preparation of construction documents and construction administration was executed in December.

Authorization to solicit bids for the proposed improvements was first granted by the Council on July 5, 2017. Bids were advertised received and opened on August 3, 2017. Unfortunately, only one bid was received which was \$100,000 over the engineers estimate and project budget. At that time, it was decided to rebid the project in spring of 2018 with a more favorable construction schedule and some clarifications relating the City's recently adopted Project Labor Agreement (PLA).

Authorization to solicit bids a second time was granted by the Council on February 20, 2018. Bids were advertised beginning February 22nd and were received and opened on March 22nd. One bid was received as follows:

<u>Bidder</u>	<u>Amount</u>
Boldt Company	\$ 420,300.00
Engineer's Estimate	\$ 307,000.00

If the current bids are rejected, another option would be to consider alternatives to a concrete park such as prefabricated modular ramps. This option is not preferred by the user group however it may serve as an interim solution and compromise.

At the request of the Park Commission staff reached out to Boldt in an attempt to locate potential cost saving measures. Unfortunately, the project is considered specialty work and the designer is not local so our ability to take items out of the contract would be limited in order provide a clear path of responsibility and sufficient quality control measures. Any changes would need to be agreed to by Boldt in advance of contract execution. At this time, no feedback has been received. Staff would be willing to delay contract award to continue discussion with the Contractor and Designer, however Boldt has not expressed willingness to delay award. Per the contract documents, the City only has 30 days to consider award before the Contractor can withdraw their bid without penalty.

Two potential skatepark contractors have reached out to City since bid solicitation to express they are unwilling to submit a bid under the current PLA requirement. It is unknown if this has directly impacted the variation between the estimate and bid results.

Policy Objectives

Park Master Plan Policy 1.3 – Improvements to parks shall follow a process that engages park users, stakeholders, and neighbors to ensure changes are aligned with community needs and interests.

Park Master Plan Policy 2.5 – All park resources shall be maintained in a way that ensures they are safe and attractive.

Financial/Budget/Grant Considerations

The 2017 budget included \$350,000 in sales tax funding for the proposed improvement. Engineering services for the project total \$36,500, the security system is estimated at \$3,100 and the engineer's estimate for construction was \$307,000 for an estimated total cost of \$346,600. To date the user group has raised approximately \$16,000 in additional donations and grants to supplement the project budget.

Advisory Committee/Commission Action

The Park Commission voted 5-1 to recommend award of a contract to Boldt Company in the amount of \$420,300.

Supporting Documentation Attached

- Resolution 18-29A
- Resolution 18-29B

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 18-29A

A RESOLUTION REJECTING BID FOR SKATE PARK IMPROVEMENTS

WHEREAS, The City has included funding for construction of skate park at Athletic Park as part of the 2017 Budget and CIP; and

WHEREAS, A public input process was undertaken in order to best determine the scope of said improvements; and

WHEREAS, The City Council has awarded a contract to Stantec to complete design plans and specifications for proposed improvements; and

WHEREAS, The City of Cloquet advertised and received the following bids for the project:

<u>Bidder</u>	<u>Bid Amount</u>
Boldt Company	\$ 420,300.00

AND WHEREAS, The apparent low bid from Boldt Company was substantially higher than the engineer's estimate and designated budget for the project.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the bid from Boldt Company in the amount of \$420,300.00 is hereby rejected.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 17TH DAY OF APRIL 2018.

Dave Hallback, Mayor

ATTEST:

Aaron Reeves, City Administrator

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 18-29B

A RESOLUTION AWARDING BID FOR SKATE PARK IMPROVEMENTS

WHEREAS, The City has included funding for construction of skate park at Athletic Park as part of the 2017 Budget and CIP; and

WHEREAS, A public input process was undertaken in order to best determine the scope of said improvements; and

WHEREAS, The City Council has awarded a contract to Stantec to complete design plans and specifications for proposed improvements; and

WHEREAS, The City of Cloquet advertised and received the following bids for the project:

<u>Bidder</u>	<u>Bid Amount</u>
Boldt Company	\$ 420,300.00

AND WHEREAS, The apparent low bid from Boldt Company was found to meet the minimum bid requirements; and

WHEREAS, The City wishes to proceed with the proposed improvements.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the bid from Boldt Company in the amount of \$420,300.00 is hereby accepted.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 17TH DAY OF APRIL 2018.

Dave Hallback, Mayor

ATTEST:

Aaron Reeves, City Administrator