



## CITY OF CLOQUET

**City Council Agenda  
Tuesday, October 19, 2021  
6:00 p.m.  
City Hall Council Chambers**

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
  - a. Approval of October 19, 2021, Council Agenda
4. **Approval of Council Minutes**
  - a. Work Session and Regular Council Minutes from the October 5, 2021
5. **Public Comments**

*Please give your name, address, and your concern or comments. Visitors may share their concerns with the City Council on any issue of public business. Each person will have 3 minutes to speak. The Mayor reserves the right to limit an individual or successive individual's presentation if they become redundant, repetitive, irrelevant, or overly argumentative. All comments will be taken under advisement by the City Council. No action will be taken at this time.*
6. **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. 21-57, Authorizing the Payment of Bills
  - b. Resolution No. 21-58, Approving the Site Plan Extension for HTG Architects/Northwoods Credit Union
7. **Public Hearings**

None.



**CITY OF CLOQUET  
City Council Agenda  
Tuesday, October 19, 2021  
6:00 p.m.  
City Hall Council Chambers**

**8. Presentations**

a. Cloquet Police Department Promotions

Nate Cook  
Kristina Sather  
Zack Sandstrom  
Dave O'Connor  
Adam Reed  
Derek Randall

**9. Council Business**

- a. Public Works Position Appointment – P. Hughes
- b. Public Works Truck Purchases
- c. John Deere 2025 Mower/Tractor Purchase
- d. Resolution No. 21-59, Authorizing the Preparation and Execution of a Purchase Agreement By and Between the City of Cloquet, MN and Upper Lakes Foods
- e. PLA Discussion

**10. Council Comments, Announcements, and Updates**

**11. Adjournment**

Cloquet Council Chambers  
5:00 P.M. October 5, 2021

**Work Session**

Duluth Building and Trades Local 1091 representatives Dan Olson and Andy Campbell were present, as well as Cloquet resident Lee Anderson, to provide more information and answer any questions about the PLA that Council may still have. City Administrator Peterson stated this meeting is for discussion purposes and that no decisions will be made or motions passed during this meeting.

**Regular Meeting**

Roll Call

Councilors Present: Carlson, Lamb, Swanson, Kolodge, Jaakola, Mayor Maki

Councilors Absent: Wilkinson

Pledge of Allegiance

**AGENDA**

**MOTION:** Councilor Lamb moved and Councilor Carlson seconded the motion to approve the October 5, 2021 agenda. The motion carried unanimously (6-0).

**MINUTES**

**MOTION:** Councilor Jaakola moved and Councilor Swanson seconded the motion to approve the Regular Meeting minutes of September 21, 2021 as presented. The motion carried unanimously (6-0).

**PUBLIC COMMENTS**

There were none.

**CONSENT AGENDA**

**MOTION:** Councilor Kolodge moved and Councilor Swanson seconded the motion to adopt the Consent Agenda of October 5, 2021, approving the necessary motions and resolutions. The motion carried unanimously (6-0).

- a. Resolution No. 21-52, Authorizing the Payment of Bills and Payroll
- b. Resolution No. 21-54, Approving Final Plans for State Aid Project No. 009-603-040 On County State Aid Highway 3 (14th Street)
- c. Resolution No. 21-55, Entering Into MNDOT Agreement No. 104-7967 with the State of Minnesota
- d. 2022 Western Lake Superior Sanitary District Budget
- e. Resolution No. 21-53, Approving Exempt Permit to Conduct a Raffle Event for the Cloquet Community Memorial Hospital Foundation

**PUBLIC HEARINGS**

There were none.

**PRESENTATIONS**

- a. Police Officers Holshouser, Nordquist, Kaldor, Haglund, Magdzas, Timmons and Conley read the Oath of Office for their positions as Police Officers for the City of Cloquet.
- b. Mayor Maki read a proclamation proclaiming October as Manufacturing Month in the City of Cloquet.

### ARENA OPERATIONS AND USE AGREEMENT

**MOTION:** Councilor Carlson moved and Councilor Jaakola seconded the motion to approve the revised Arena Operations and Use Agreement between the City of Cloquet and the Cloquet Area Hockey Association. The motion carried unanimously (6-0).

### TOWARDS ZERO DEATHS GRANT

**MOTION:** Councilor Lamb moved and Councilor Kolodge seconded the motion to adopt **RESOLUTION NO. 21-56, A RESOLUTION AUTHORIZING THE CLOQUET POLICE DEPARTMENT TO ENTER INTO A GRANT AGREEMENT IN PARTNERSHIP WITH THE CARLTON COUNTY SHERIFF'S DEPARTMENT AND FOND DU LAC POLICE DEPARTMENT, TO ACT AS THE PRIMARY AGENCY IN THE ADMINISTRATION OF THE REGIONAL TOWARDS ZERO DEATHS (TZD) GRANT.** The motion carried unanimously (6-0).

**WHEREAS,** The Towards Zero Deaths (TZD) Program provides technical assistance, materials, and guidance to local groups that are committed to reducing crashes and fatalities; and

**WHEREAS,** The Cloquet Police Department has been a participating member in the TZD Program for over a decade; and

**WHEREAS,** In order to be awarded the TZD Grant, the Department of Public Safety requires a Resolution authorizing participation in the project; and

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA,** That the Cloquet Police Department be authorized to enter into a grant agreement with the Minnesota Department of Public Safety, for traffic safety enforcement projects during the period from October 1, 2021 through September 30, 2022.

**BE IT FURTHER RESOLVED,** that the Cloquet Police Department through its Chief of Police, Derek Randall, Commander David O'Connor and/or Officer Brett Reinsch, are hereby authorized to execute such agreements and amendments as necessary to implement the project on behalf of the Cloquet Police Department and to be the fiscal agent and administer the grant.

### UTILITY RATE DISCUSSION

Public Works Director Peterson gave an overview of the utility fund by reviewing a 10-year period historic and projected sewer and water operating maintenance budget. Mr. Peterson explained we are right where we need to be based on the 3-year forecast. He also noted the water tower debt will be paid in a couple of years. Mr. Peterson noted we are reaching the end of the water meter life and will need to replace meters around the city and that technology options are being researched. The rate increase for 2022 will be identical to the 2021 increase which amounts to \$3.35/month for the average household user.

### COUNCIL COMMENTS, ANNOUNCEMENTS AND UPDATES

Council discussed how to move forward with the PLA discussion and agreed there are three items that need union response before making any decisions; increasing the \$175,000 threshold, public vs private projects, and amending Section 10 by adding language allowing non-union contractors to participate in a qualifying benefit and pension package.

Councilor Swanson encouraged the community to attend the showing of "Screenagers" at the library. The documentary talks about the influence of technology on today's teens.

### ADJOURNMENT

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

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Tim Peterson, City Administrator



**ADMINISTRATIVE OFFICES**

101 14th Street Cloquet, MN 55720-1903  
Phone: 218.879.3347 Fax: 218.879.6555  
www.cloquetmn.gov

**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council *MLP*  
From: Mary Kay Hohensee-Mayer, Assistant Finance Director  
Reviewed by: Tim Peterson, City Administrator  
Date: Octoberber 19, 2021

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**ITEM DESCRIPTION:** Payment of Bills

**Proposed Action**

Staff recommends the Council move to adopt **RESOLUTION NO. 21-57, 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. 21-57**

**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	\$	98,534.16
231	Public Works Reserve		645.84
600	Water - Lake Superior Waterline		67,986.59
601	Water - In Town System		20,587.59
602	Sewer Fund		5,858.07
605	Stormwater Fund		607.83
614	Cable Television		19,070.95
	TOTAL:	\$	<u>213,291.03</u>

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET  
THIS 19TH DAY OF OCTOBER, 2021.**

ATTEST:

\_\_\_\_\_  
Roger Maki, Mayor

\_\_\_\_\_  
Tim Peterson, City Administrator

DATE: 10/14/2021  
TIME: 11:06:41  
ID: AP442000.WOW

CITY OF CLOQUET  
VENDOR SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 10/19/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
111350	LEXISNEXIS RISK DATA MNGMT INC	1,350.00	150.00
117200	AMSOIL INC.	579.83	227.01
119700	ARROWHEAD CONCRETE WORKS, INC.	21,894.75	1,392.00
121000	ARROWHEAD SPRINGS INC	832.00	122.50
121250	THE JAMAR COMPANY	3,081.80	645.84
121350	ASPEN MILLS	3,027.22	1,753.92
122958	AUTO ZONE, INC.	324.96	79.50
129800	BUREAU CRIMINAL APPREHENSION	1,545.00	390.00
134000	CARLTON COUNTY HIGHWAY DEPT	155,265.50	589.01
134800	CARLTON COUNTY TREASURER	248.15	77.50
136150	CELLEBRITE USA, CORP	0.00	4,300.00
139025	CINTAS	4,127.04	311.18
139030	CINTAS CORPORATION NO 2	8,531.75	649.10
140100	CLOQUET AUTOMOTIVE	6,127.58	875.22
142800	CLOQUET SANITARY SERVICE	16,592.80	1,950.38
142925	CLOQUET SERVICE CENTER	1,607.24	467.23
144580	COMMERCIAL REFRIGERATION	0.00	3,631.63
145500	COMPENSATION CONSULTANTS, LTD	2,508.00	192.00
147050	CONSOLIDATED TELEPHONE COMPANY	33,483.34	3,334.32
150100	D A L C O	6,679.50	271.26
152550	DECAIGNY EXCAVATING INC	3,456.00	3,168.00
156400	CITY OF DULUTH COMFORT SYSTEMS	1,407.31	169.73
157300	DULUTH READY MIX INC	0.00	635.28
162640	ENVENTIS TELECOM INC	434.22	45.95
163620	EVERETT LAW LLC	26,247.70	11,305.75
171100	FRYBERGER, BUCHANAN, SMITH &	168,980.06	14,668.10
175200	GOPHER STATE ONE CALL INC	1,563.35	145.80
175700	GRAINGER	2,419.90	19.82
178500	GUARDIAN PEST SOLUTIONS INC	472.50	47.25
180425	HARRIS COMPUTER SYSTEMS	17,036.54	450.00
192225	JOBSHQ	2,700.11	1,515.26
195700	KGM CONTRACTORS INC	0.00	1,338.60
197775	KWIK TRIP INC	3,163.21	126.99
197800	L & M FLEET SUPPLY INC.	16,754.81	1,307.94
205050	LOFFLER COMPANIES INC	443.33	94.10
209875	MCCOY CONSTRUCTION & FORESTRY	152,158.93	411.35
211400	MENARDS INC	3,799.29	148.01
211700	METRO SALES, INC.	7,622.66	249.00
212400	MICHAUD DIST INC	176.00	16.50
217300	MIRACLE RECREATION EQUIPMENT	6,875.56	275.12
219200	MN DEPT LABOR & INDUSTRY	245.00	90.00
222275	MN PEIP	613,227.22	60,821.24
227750	MTI DISTRIBUTING, INC.	5,728.49	69.35
229500	NAPA AUTO PARTS	5,451.24	579.34

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CITY OF CLOQUET  
VENDOR SUMMARY REPORT

PAGE: 2

INVOICES DUE ON/BEFORE 10/19/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
234600	NORTHERN BUSINESS PRODUCTS	4,950.51	277.19
241400	OXYGEN SERVICE COMPANY	39.89	3,040.51
242850	PARSONS ELECTRIC LLC	10,760.18	1,181.00
244300	BRENT BELICH	8,488.50	85.00
244975	PINE KNOT LLC	55,513.50	17,700.00
260300	CITY OF SCANLON	7,070.97	162.35
261800	SEH	61,513.00	8,900.00
262850	SEWING UNLIMITED	1,393.00	108.00
264820	THE SMITH COMPANY INC	16,409.90	3,636.60
270300	SWAGIT PRODUCTIONS, LLC	11,925.00	1,325.00
271325	NANCY GETCHELL	6,689.07	429.20
275075	TITAN MACHINERY	2,923.61	178.64
278600	TWIN PORT MAILING	39,415.56	246.41
279100	U S BANK EQUIPMENT FINANCE	6,487.88	129.74
280400	ULLAND BROTHERS, INC.	7,818.98	3,176.88
283700	USA BLUEBOOK	3,248.26	230.51
289015	WELLS FARGO CREDIT CARD	71,102.25	772.05
293000	ZARNOTH BRUSH WORKS, INC.	1,263.00	142.00
R0002006	3W PROPERTIES LLC	38.57	166.92
R0002104	JODI COLLELO	0.00	67.70
R0002105	KATIE KEPPELER	0.00	4,000.00
R0002106	DANIEL APPRAISAL COMPANY INC	0.00	1,800.00
R0002107	MARIA MARZOLF	0.00	36.60
TOTAL ALL VENDORS:			166,900.38



City of Cloquet  
Vendor Summary Report Reconciliation  
Invoices Due On/Before 10/19/2021

Total	166,900.38
<b>Less:</b>	
Library	(1,810.45)
Cloquet Area Fire District	<u>(40.00)</u>
Total City Bills	165,049.93
<b>Less:</b>	
Payroll benefits	(60,821.24)
<b>Plus:</b>	
Credit Card/PSN Fees	2,790.23
MN Energy Auto Pay	526.52
MN Power Auto Pay	102,363.80
MN Sales Tax	2,533.46
Verizon Auto Pay (July-August)	848.33
Total Bills	<u><u>213,291.03</u></u>

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CITY OF CLOQUET  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 10/19/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
GENERAL FUND			
00			
222275	MN PEIP	613,227.22	60,821.24
			60,821.24
32	LICENSES & PERMITS		
260300	CITY OF SCANLON	7,070.97	162.35
	LICENSES & PERMITS		162.35
41	GENERAL GOVERNMENT		
139025	CINTAS	4,127.04	109.78
139030	CINTAS CORPORATION NO 2	8,531.75	73.88
142800	CLOQUET SANITARY SERVICE	16,592.80	78.52
145500	COMPENSATION CONSULTANTS, LTD	2,508.00	192.00
147050	CONSOLIDATED TELEPHONE COMPANY	33,483.34	409.70
150100	D A L C O	6,679.50	135.63
163620	EVERETT LAW LLC	26,247.70	11,305.75
171100	FRYBERGER, BUCHANAN, SMITH &	168,980.06	14,668.10
212400	MICHAUD DIST INC	176.00	16.50
234600	NORTHERN BUSINESS PRODUCTS	4,950.51	24.71
278600	TWIN PORT MAILING	39,415.56	95.83
	GENERAL GOVERNMENT		27,110.40
42	PUBLIC SAFETY		
111350	LEXISNEXIS RISK DATA MNGMT INC	1,350.00	150.00
121350	ASPEN MILLS	3,027.22	1,753.92
129800	BUREAU CRIMINAL APPREHENSION	1,545.00	390.00
136150	CELLEBRITE USA, CORP		4,300.00
139025	CINTAS	4,127.04	91.25
139030	CINTAS CORPORATION NO 2	8,531.75	115.44
140100	CLOQUET AUTOMOTIVE	6,127.58	875.22
142800	CLOQUET SANITARY SERVICE	16,592.80	78.52
142925	CLOQUET SERVICE CENTER	1,607.24	467.23
147050	CONSOLIDATED TELEPHONE COMPANY	33,483.34	804.90
150100	D A L C O	6,679.50	135.63
192225	JOBHQ	2,700.11	822.70
197775	KWIK TRIP INC	3,163.21	126.99

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CITY OF CLOQUET  
DEPARTMENT SUMMARY REPORT

PAGE: 2

INVOICES DUE ON/BEFORE 10/19/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
GENERAL FUND			
42	PUBLIC SAFETY		
197800	L & M FLEET SUPPLY INC.	16,754.81	64.99
244300	BRENT BELICH	8,488.50	85.00
262850	SEWING UNLIMITED	1,393.00	108.00
271325	NANCY GETCHELL	6,689.07	429.20
278600	TWIN PORT MAILING	39,415.56	27.38
289015	WELLS FARGO CREDIT CARD	71,102.25	772.05
	PUBLIC SAFETY		11,598.42
43	PUBLIC WORKS		
121000	ARROWHEAD SPRINGS INC	832.00	97.00
122958	AUTO ZONE, INC.	324.96	79.50
134800	CARLTON COUNTY TREASURER	248.15	77.50
139025	CINTAS	4,127.04	55.08
139030	CINTAS CORPORATION NO 2	8,531.75	201.61
142800	CLOQUET SANITARY SERVICE	16,592.80	101.19
147050	CONSOLIDATED TELEPHONE COMPANY	33,483.34	265.64
175200	GOPHER STATE ONE CALL INC	1,563.35	72.90
175700	GRAINGER	2,419.90	19.82
192225	JOBSHQ	2,700.11	692.56
195700	KGM CONTRACTORS INC		1,338.60
197800	L & M FLEET SUPPLY INC.	16,754.81	270.85
205050	LOFFLER COMPANIES INC	443.33	18.82
209875	MCCOY CONSTRUCTION & FORESTRY	152,158.93	411.35
211700	METRO SALES, INC.	7,622.66	83.02
229500	NAPA AUTO PARTS	5,451.24	271.95
234600	NORTHERN BUSINESS PRODUCTS	4,950.51	49.41
241400	OXYGEN SERVICE COMPANY	39.89	1,520.26
264820	THE SMITH COMPANY INC	16,409.90	3,636.60
275075	TITAN MACHINERY	2,923.61	178.64
278600	TWIN PORT MAILING	39,415.56	27.38
279100	U S BANK EQUIPMENT FINANCE	6,487.88	43.25
280400	ULLAND BROTHERS, INC.	7,818.98	3,176.88
	PUBLIC WORKS		12,689.81
45	CULTURE AND RECREATION		
139030	CINTAS CORPORATION NO 2	8,531.75	73.32
142800	CLOQUET SANITARY SERVICE	16,592.80	1,624.71
144580	COMMERCIAL REFRIGERATION		3,631.63

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CITY OF CLOQUET  
DEPARTMENT SUMMARY REPORT

PAGE: 3

INVOICES DUE ON/BEFORE 10/19/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
GENERAL FUND			
45	CULTURE AND RECREATION		
147050	CONSOLIDATED TELEPHONE COMPANY	33,483.34	613.43
178500	GUARDIAN PEST SOLUTIONS INC	472.50	47.25
197800	L & M FLEET SUPPLY INC.	16,754.81	384.81
217300	MIRACLE RECREATION EQUIPMENT	6,875.56	275.12
219200	MN DEPT LABOR & INDUSTRY	245.00	20.00
227750	MTI DISTRIBUTING, INC.	5,728.49	69.35
229500	NAPA AUTO PARTS	5,451.24	286.13
234600	NORTHERN BUSINESS PRODUCTS	4,950.51	7.62
261800	SEH	61,513.00	8,900.00
293000	ZARNOTH BRUSH WORKS, INC.	1,263.00	142.00
	CULTURE AND RECREATION		16,075.37
46	COMMUNITY DEVELOPMENT		
147050	CONSOLIDATED TELEPHONE COMPANY	33,483.34	58.53
234600	NORTHERN BUSINESS PRODUCTS	4,950.51	24.71
278600	TWIN PORT MAILING	39,415.56	13.69
R0002106	DANIEL APPRAISAL COMPANY INC		1,800.00
	COMMUNITY DEVELOPMENT		1,896.93
LIBRARY FUND			
45	CULTURE AND RECREATION		
139030	CINTAS CORPORATION NO 2	8,531.75	24.00
147050	CONSOLIDATED TELEPHONE COMPANY	33,483.34	595.45
219200	MN DEPT LABOR & INDUSTRY	245.00	10.00
242850	PARSONS ELECTRIC LLC	10,760.18	1,181.00
	CULTURE AND RECREATION		1,810.45
PUBLIC WORKS RESERVE			
45	CULTURE AND RECREATION		
121250	THE JAMAR COMPANY	3,081.80	645.84
	CULTURE AND RECREATION		645.84

WATER - LAKE SUPERIOR WATERLIN

DATE: 10/14/21  
TIME: 11:43:06  
ID: AP443000.WOW

CITY OF CLOQUET  
DEPARTMENT SUMMARY REPORT

PAGE: 4

INVOICES DUE ON/BEFORE 10/19/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
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WATER - LAKE SUPERIOR WATERLIN			
50	STATION 1		
197800	L & M FLEET SUPPLY INC.	16,754.81	499.00
219200	MN DEPT LABOR & INDUSTRY	245.00	10.00
	STATION 1		509.00
51	STATION 2		
117200	AMSOIL INC.	579.83	227.01
121000	ARROWHEAD SPRINGS INC	832.00	25.50
139030	CINTAS CORPORATION NO 2	8,531.75	19.44
219200	MN DEPT LABOR & INDUSTRY	245.00	10.00
	STATION 2		281.95
52	LAKE SUPERIOR WATERLINE		
139030	CINTAS CORPORATION NO 2	8,531.75	77.24
152550	DECAIGNY EXCAVATING INC	3,456.00	3,168.00
197800	L & M FLEET SUPPLY INC.	16,754.81	22.07
	LAKE SUPERIOR WATERLINE		3,267.31
57	ADMINISTRATION		
156400	CITY OF DULUTH COMFORT SYSTEMS	1,407.31	169.73
205050	LOFFLER COMPANIES INC	443.33	18.82
	ADMINISTRATION		188.55
WATER - IN TOWN SYSTEM			
00			
R0002006	3W PROPERTIES LLC	38.57	166.92
R0002104	JODI COLLELO		67.70
R0002107	MARIA MARZOLF		36.60
			271.22
49	CLOQUET		

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CITY OF CLOQUET  
DEPARTMENT SUMMARY REPORT

PAGE: 5

INVOICES DUE ON/BEFORE 10/19/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
WATER - IN TOWN SYSTEM			
49	CLOQUET		
119700	ARROWHEAD CONCRETE WORKS, INC.	21,894.75	1,392.00
139025	CINTAS	4,127.04	33.05
139030	CINTAS CORPORATION NO 2	8,531.75	34.63
157300	DULUTH READY MIX INC		635.28
197800	L & M FLEET SUPPLY INC.	16,754.81	44.15
211400	MENARDS INC	3,799.29	148.01
229500	NAPA AUTO PARTS	5,451.24	21.26
241400	OXYGEN SERVICE COMPANY	39.89	912.15
283700	USA BLUEBOOK	3,248.26	230.51
	CLOQUET		3,451.04
54	BILLING & COLLECTION		
180425	HARRIS COMPUTER SYSTEMS	17,036.54	450.00
234600	NORTHERN BUSINESS PRODUCTS	4,950.51	71.93
278600	TWIN PORT MAILING	39,415.56	27.38
	BILLING & COLLECTION		549.31
57	ADMINISTRATION & GENERAL		
142800	CLOQUET SANITARY SERVICE	16,592.80	33.72
147050	CONSOLIDATED TELEPHONE COMPANY	33,483.34	410.18
175200	GOPHER STATE ONE CALL INC	1,563.35	43.74
205050	LOFFLER COMPANIES INC	443.33	18.82
211700	METRO SALES, INC.	7,622.66	82.99
234600	NORTHERN BUSINESS PRODUCTS	4,950.51	49.41
278600	TWIN PORT MAILING	39,415.56	27.38
279100	U S BANK EQUIPMENT FINANCE	6,487.88	43.25
	ADMINISTRATION & GENERAL		709.49
ENTERPRISE FUND - SEWER			
55	SANITARY SEWER		
139025	CINTAS	4,127.04	22.02
139030	CINTAS CORPORATION NO 2	8,531.75	29.54
197800	L & M FLEET SUPPLY INC.	16,754.81	22.07
241400	OXYGEN SERVICE COMPANY	39.89	608.10
	SANITARY SEWER		681.73

DATE: 10/14/21  
TIME: 11:43:06  
ID: AP443000.WOW

CITY OF CLOQUET  
DEPARTMENT SUMMARY REPORT

PAGE: 6

INVOICES DUE ON/BEFORE 10/19/2021

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
-----			
ENTERPRISE FUND - SEWER			
57	ADMINISTRATION & GENERAL		
142800	CLOQUET SANITARY SERVICE	16,592.80	33.72
147050	CONSOLIDATED TELEPHONE COMPANY	33,483.34	176.49
175200	GOPHER STATE ONE CALL INC	1,563.35	29.16
205050	LOFFLER COMPANIES INC	443.33	18.82
211700	METRO SALES, INC.	7,622.66	82.99
234600	NORTHERN BUSINESS PRODUCTS	4,950.51	49.40
278600	TWIN PORT MAILING	39,415.56	27.37
279100	U S BANK EQUIPMENT FINANCE	6,487.88	43.24
R0002105	KATIE KEPPELER		4,000.00
	ADMINISTRATION & GENERAL		4,461.19
STORM WATER UTILITY			
57	ADMINISTRATION & GENERAL		
205050	LOFFLER COMPANIES INC	443.33	18.82
	ADMINISTRATION & GENERAL		18.82
59	OPERATIONS		
134000	CARLTON COUNTY HIGHWAY DEPT	155,265.50	589.01
	OPERATIONS		589.01
CABLE TELEVISION			
45	CULTURE AND RECREATION		
162640	ENVENTIS TELECOM INC	434.22	45.95
244975	PINE KNOT LLC	55,513.50	17,700.00
270300	SWAGIT PRODUCTIONS, LLC	11,925.00	1,325.00
	CULTURE AND RECREATION		19,070.95
CLOQUET AREA FIRE DISTRICT			
42	PUBLIC SAFETY		
219200	MN DEPT LABOR & INDUSTRY	245.00	40.00
	PUBLIC SAFETY		40.00
	TOTAL ALL DEPARTMENTS		166,900.38



COMMUNITY DEVELOPMENT DEPARTMENT  
101 14<sup>th</sup> Street • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555  
[www.cloquetmn.gov](http://www.cloquetmn.gov)

## REQUEST FOR COUNCIL ACTION

---

To: Mayor and City Council  
From: Al Cottingham, City Planner/Zoning Administrator  
Reviewed/Approved By: Tim Peterson, City Administrator *TCP*  
Date: October 12, 2021

---

**ITEM DESCRIPTION:** Zoning Case 20-12: Site Plan Extension– HTG Architects/Northwoods Credit Union, 902 Stanley Avenue

---

### Proposed Action

Staff recommends the City Council move to adopt **RESOLUTION NO. 21-58, A RESOLUTION APPROVING THE SITE PLAN EXTENSION FOR HTG ARCHITECTS/NORTHWOODS CREDIT UNION.**

### Background/Overview

HTG Architects/Northwoods Credit Union has submitted a Site Plan Extension application a 1-year extension to the approved site plan. The site is located at 902 Stanley Avenue.

The approved Site Plan was for an 3,254 square foot addition onto the existing building with associated parking, landscaping, grading and drainage and building location. The Zoning of the property is RC – Regional Commercial District and financial institutions are a permitted use within the district. The Zoning Ordinance allows an extension of a site plan for up to 1-year if granted by the City Council.

### Financial/Budget/Grant Considerations

None.

### Advisory Committee/Commission Action

This does not require a recommendation from the Planning Commission.

### Supporting Documents Attachments

- Resolution No. 21-58
- Resolution 20-78 Approving Site Plan
- Letter Requestion Extension



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

**RESOLUTION NO. 21-58**

**A RESOLUTION APPROVING THE SITE PLAN EXTENSION IN THE RC – REGIONAL  
COMMERCIAL DISTRICT FOR HTG ARCHITECTS/NORTHWOODS CREDIT UNION**

**WHEREAS**, HTG Architects/Northwoods Credit Union is requesting a Site Plan Extension in the RC – Regional Commercial District for a 3,254 Sq. Ft. addition onto the existing Credit Union; and

**WHEREAS**, the property of the proposed Site Plan Extension is located at 902 Stanley Avenue and is legally described as follows:

Lot 2, Block 1, Wal-Mart Third Addition, Carlton County, Minnesota. And,

**WHEREAS**, the Site Plan was approved by the City Council on November 17, 2020.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, that it approves Zoning Case 20-12 for a site plan extension for HTG Architects/Northwoods Credit Union for a 3,254 square foot addition onto the existing Credit Union as approved by Resolution Number 20-78. The extension will expire on November 17, 2022.

**PASSED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 19TH DAY OF OCTOBER 2020.**

\_\_\_\_\_  
Roger Maki, Mayor

ATTEST:

\_\_\_\_\_  
Tim Peterson, City Administrator

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

**RESOLUTION NO. 20-78**

**A RESOLUTION APPROVING THE SITE PLAN IN THE RC- REGIONAL COMMERCIAL  
DISTRICT FOR HTG ARCHITECTS/NORTHWOODS CREDIT UNION**

**WHEREAS**, HTG Architects/Northwoods Credit Union is proposing a Site Plan in the RC – Regional Commercial District for a 3,254 Sq. Ft. addition onto the existing Credit Union; and

**WHEREAS**, the property of the proposed Site Plan is located at 902 Stanley Avenue and is legally described as follows:

Lot 2, Block 1, Wal-Mart Third Addition, Carlton County, Minnesota. And,

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

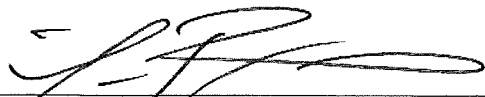
**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, that it approves Zoning Case 20-12 for a site plan for HTG Architects/Northwoods Credit Union for a 3,254 square foot addition onto the existing Credit Union subject to the following conditions:

1. Signage shall comply with the Ordinance requirements.
2. Approval from Walmart for the new access onto their property

**PASSED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 17TH DAY OF NOVEMBER 2020.**

  
Roger Maki, Mayor

ATTEST:

  
Tim Peterson, City Administrator



October 11, 2021

Al Cottingham  
City of Cloquet  
101 14<sup>th</sup> Street  
Cloquet, MN 55720

Re: Northwoods Credit Union  
Proposed Addition and Remodeling  
902 Stanley Avenue  
Cloquet, MN 55720

Dear Al,

On behalf of Northwoods Credit Union, I am requesting a 12-month extension for the City of Cloquet Resolution #20-78, for the items that were approved for the proposed addition and remodeling of the existing Northwoods Credit Union branch facility located at 902 Stanley Avenue, Cloquet, Minnesota.

Planning Commission Approvals

1. Variance for pervious and impervious percentages.
2. Variance for building setback.

City Council Approval – November 17<sup>th</sup>, 2020 – Resolution #20-78

1. Site Plan design

The reason we are requesting an extension for Resolution #20-78 is due to the impacts COVID-19 had on the Credit Union's business and overall operations. The impacts allowed the Credit Union to take a step back and analyze the best way to service their members moving forward at this branch. Over the next few months, the Credit Union will be revisiting the project to determine the best way to proceed. Also, the Credit Union is looking for approval from the Minnesota Department of Commerce, Division of Financial Institutions, approvals required by statute. COVID 19 has delayed this approval process. Please let us know if we need to submit any other documents to help aid the extension approval process.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sean Raboin', written over a faint circular stamp.

Sean Raboin  
HTG Architects

CC: Doug Wolf, Northwoods Credit Union



## DEPARTMENT OF PUBLIC WORKS

101 14<sup>th</sup> Street; Cloquet, MN 55720  
Phone: (218) 879-6758 Fax: (218) 879-6555  
Street - Water - Sewer – Engineering - Park  
[www.cloquetmn.gov](http://www.cloquetmn.gov)

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### REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Caleb Peterson, Public Works Director  
Reviewed By: Tim Peterson, City Administrator *TCP*  
Date: October 19, 2021

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**ITEM DESCRIPTION:** Public Works Position Appointment

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#### **Proposed Action**

Staff recommends the City Council move to approve the probationary appointment of Pete Hughes to the position of Street Department Supervisor.

#### **Background/Overview**

Due to a recent resignation, Public Works began seeking a Street Department Supervisor through advertising both internally and externally. Three applicants were selected to interview and through the interview process, Mr. Hughes performed well and the panel is unanimously recommending his probationary appointment to the position of Street Department Supervisor. Pete has served Public Works successfully for almost 20 years working with all our various divisions during his time with the city. He possesses an excellent mix of experience with local road maintenance, equipment operation, public relations, and leadership.

#### **Policy Objectives**

Keeping a fully staffed department is consistent with the service level directives of the City Council.

The City Council is the hiring authority for the City as determined by City Code and State law. Council must act to appoint applicants to complete the hiring process.

#### **Financial/Budget/Grant Considerations**

This position is fully funded as part of the 2021 and proposed 2022 operating budget.

#### **Advisory Committee/Commission Action**

N/A.

#### **Supporting Documents Attached**

N/A.



**DEPARTMENT OF PUBLIC WORKS**

101 14<sup>th</sup> Street; Cloquet, MN 55720  
Phone: (218) 879-6758 Fax: (218) 879-6555  
Street - Water - Sewer – Engineering - Park  
www.cloquetmn.gov

**REQUEST FOR COUNCIL ACTION**

To: Mayor and City Council  
From: Caleb Peterson, Public Works Director  
Reviewed by: Tim Peterson, City Administrator *TLP*  
Date: October 19, 2021

**ITEM DESCRIPTION:** Public Works Truck Purchases

**Proposed Action**

Staff recommends the City Council move to authorize the purchase of one Ford F250 from Midway Ford in the amount of \$32,574.26; one RAM 5500 from Dodge of Burnsville in the amount of \$29,972.00; and one FSS Series contractor truck body from Townmaster in the amount of \$21,175.00.

**Background/Overview**

As part of the approved 2021 Capital Improvement Program (CIP) and annual budget, one 1-ton pickup (Unit 211) with a dump box is scheduled for replacement along with a three-quarter ton pickup (Unit 701). Existing Unit 701 will be handed down to the street department to replace the 14-year-old Unit 220. This truck will be used daily by staff for street maintenance operations, it is equipped with a lift gate which is useful when hauling small engine tools that lifting would typically be required to place in the truck. Unit 211 will be 18 years old at replacement and is part of the general maintenance fleet. The new truck is proposed to be put into service in the street department and be used for hauling concrete and excavation material. The existing truck will be traded upon replacement. *Note: the value listed below includes trade value for unit 211.*

Under the Cooperative Purchase Agreement with the State of Minnesota, local governments can purchase this equipment directly off a previously awarded state contract. This process can provide greatly discounted prices and eliminates the need for the City to advertise bids. As a matter of policy, prices are also requested from local dealers to see if they can match or come close to the state contract price. In this case, our only in-town dealer declined to submit a bid.

Quotes received were as follows:

Dealer	Ford ¾ Ton Lift Gate
Midway Ford (State Bid)	\$32,574.26
Wood City Motors	No Quote Received

The lift gate for this truck will be purchased through a third party and installed by city staff and purchased at a later date. Preliminary quotes have not exceeded \$4,000, keeping us below the adopted budget.

The Ram 5500 pricing is based on the truck only (minus trade value). The dump box is included in the budget will be purchased and installed separately. Staff is recommending the dump box be purchased from Towmaster in the state bid amount of \$21,175.00. For a total of \$51,147.00.

Quotes received were as follows:

<b>Dealer</b>	<b>Dodge Ram 5500 (Truck Only Minus Trade)</b>
Dodge of Burnsville	\$29,972



Pictured above: Truck with FSS series  
Towmaster Dump box

**Policy Objectives**

To replace necessary equipment in accordance with the approved Capital Improvement Plan.

**Financial/Budget/Grant Considerations**

The 2021 budget includes \$40,000 for the purchase of unit 701 from the Public Works Reserve. The total purchase price of both truck and lift gate is \$32,574.26. Approximately \$7,500 under budget.

The 2021 budget included \$65,000 for unit 211 purchase from the Public Works Reserve (\$30,000), Water (\$17,500), and Sewer (\$17,500) Funds. The total purchase price of truck including contractor box is \$51,147.00. Approximately \$14,000 under budget.

**Advisory Committee/Commission Action**

N/A

**Supporting Documentation Attached**

None.

**REQUEST FOR COUNCIL ACTION**

To: Mayor and City Council  
 From: Caleb Peterson, Public Works Director  
 Reviewed by: Tim Peterson, City Administrator *TCP*  
 Date: October 19, 2021

**ITEM DESCRIPTION:** John Deere 2025 Mower/Tractor Purchase

**Proposed Action**

Staff recommends the City Council move to authorize the order of a 2021 John Deere 2025R Mower/Tractor from Duluth Lawn and Sport in the total amount of \$31,221.00.

**Background/Overview**

As part of the 2021 Capital Improvement Program (CIP), the Water Department’s lawn mower is scheduled to be replaced at a budgeted cost of \$46,000. The existing lawnmower (Unit 306) is 23 years old and is used to mow the wells, water tower and sanitary lifts stations.

Low usage of this unit has contributed to its longevity. Through discussion, staff feels a multi-use piece of equipment is a better use of city dollars. The new tractor can continue to be used for mowing but also utilized for snow removal at City Hall and hauling field maintenance materials at city parks. Staff is proposing the purchase of a John Deere 2025R including required attachments (mower deck, cab, blower, and loader bucket).

Under the Cooperative Purchase Agreement with the State of Minnesota, local governments can purchase this equipment directly off a previously awarded state contract. Per standard practice, pricing from local dealers were also solicited with the following bids received:

<b>Dealer</b>	<b>2025R Mower/Tractor</b>
Duluth Lawn and Sport	\$31,221.00
John Deere (State Bid)	\$31,473.92



To Mayor and Council  
John Deere Purchase  
October 19, 2021  
Page 2

**Policy Objectives**

To replace necessary equipment in accordance with the approved Capital Improvement Plan.

**Financial Impacts/Budget/Grant Considerations**

The 2021 budget includes \$46,000 for the purchase of unit 306 from the Water Fund. The net purchase price for this piece of equipment will be \$15,000 under budget.

**Supporting Documentation Attached**

N/A.





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

## REQUEST FOR COUNCIL ACTION

---

To: Mayor and City Council  
From: Holly Hansen, Community Development Director  
Reviewed By: Tim Peterson, City Administrator *TLP*  
Date: October 19, 2021

---

ITEM DESCRIPTION: Resolution Authorizing Preparation and Execution of a Purchase Agreement By and Between the City of Cloquet, MN and Upper Lakes Foods

---

### Proposed Action

The Council is asked to review and approve **RESOLUTION NO. 21-59, A RESOLUTION AUTHORIZING THE PREPARATION AND EXECUTION OF A PURCHASE AGREEMENT BY AND BETWEEN THE CITY OF CLOQUET, MINNESOTA AND UPPER LAKES FOODS.**

### Background/Overview

The pandemic greatly impacted Upper Lakes Foods (ULF) with reduced restaurant food orders and school closures. To remain viable, ULF launched an over-the-road transportation company which delivers goods across the U.S. with continued plans to grow. As such, ULF is greatly in need of additional truck/trailer parking. With vacant City property to their immediate west, the President of ULF has outreached to the City requesting consideration to purchase unused City property, see attached letter form ULF President Sue Ryan.

ULF would like to purchase a portion of City property located to the west of their current site under City of Cloquet ownership. The parcel is zoned Heavy Industry and is roughly 4.3 acres in size. City staff has examined the request and recommend that 1.17 acres of land is not needed by the City and could be sold to ULF. This area would allow the City to retain ownership of a drainage pond and the City would allow the use of an informal access driveway over the City's parcel that has no platted public right-of-way but the City has allowed to be used by trucks in the area. With this recommended footprint of property to subdivide, it would allow ULF to grade a maximum of 0.91 acres of land, keeping impacted land grading under one acre which is important for City Engineering otherwise additional permits are required. Staff has hired a surveyor to mark the proposed boundary under consideration to sell which the Council is welcome to go onsite and examine. The property appraisal is attached.

If the Council authorizes the preparation and execution of a purchase agreement with ULF, staff recommends the City of Cloquet sell the land "as is" and prepare a deed for this newly surveyed piece of property in preparation for sale. Additional procedural requirements would be:

1. Preparation of a Site Plan by ULF for the City Planner and City Engineer to administratively review and approve to ensure that the parking area/grading area stays within zoning parking

setbacks required under the Zoning Ordinance and to ensure that trucking access circulation is retained internally within already owned ULF property and utilizes the two easterly access points established on ULF property and does not create a third access point onto an unplatted informal access driveway. Note in the attached letter from ULF, they would grade the property, install fencing and add electrical hook-ups.

2. Action by the Planning Commission at their November 9<sup>th</sup> meeting to sell City property for uses consistent with the Comprehensive Plan; and
3. Schedule a property closing for sale to ULF in an “as is” condition from the City.

#### **Financial/Budget/Grant Considerations**

The appraisal report identified a value of \$20,000 for this property due to its limited usability. If the City of Cloquet is willing to approve this sale to ULF they have agreed to pay for the cost of the survey (\$2,000), appraisal report (\$1,800), and legal costs to draft paperwork to sell the property, if sold at no purchase price to them by the Council, this would be a cost neutral transaction in an effort to support their business growth needs. If the Council agrees to provide the land, this transaction does not represent a business subsidy to ULF as the value of the land is less than \$25,000.00.

#### **Advisory Committee Action**

If the City Council agrees to sell, the Planning Commission will be asked to approve the sale at their November 9<sup>th</sup> meeting to ensure that the sale of City property is consistent with the Comprehensive Plan.

#### **Supporting Documentation Attached**

- Resolution No. 21-59
- Property photo and map
- Letter of Request from ULF
- Appraisal report

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

**RESOLUTION NO. 21-59**

**A RESOLUTION AUTHORIZING THE PREPARATION AND EXECUTION  
OF A PURCHASE AGREEMENT BY AND BETWEEN THE CITY OF CLOQUET,  
MINNESOTA AND UPPER LAKES FOODS**

A. **WHEREAS**, Upper Lakes Foods (the "Developer") has requested the City of Cloquet, Minnesota (the "City") to sell certain real estate, legally described in Exhibit A, defined hereafter (the "Property"), and to assist with business expansion needs for Upper Lakes Foods on the Property by the Developer (the "Project").

B. **WHEREAS**, the Developer and the City have determined to enter into a Purchase Agreement providing for the sale of the Property to the Developer.

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLOQUET AS FOLLOWS:**

1. The City Council hereby approves the sale for \$1 to Upper Lakes Foods in exchange for covering the costs of the transaction (survey, appraisal, deed preparation and land sale), and the Mayor and Administrator of the City are hereby authorized and directed to prepare and execute the Purchase Agreement on behalf of the City.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 19<sup>TH</sup>  
DAY OF OCTOBER 2021.**

\_\_\_\_\_  
Roger Maki, Mayor

Attest:

\_\_\_\_\_  
Tim Peterson, City Administrator

STATE OF MINNESOTA  
COUNTY OF CARLTON  
CITY OF CLOQUET

I, the undersigned, being the duly qualified and acting Administrator of the City of Cloquet, Minnesota, DO HEREBY CERTIFY that I have carefully compared the attached and the original minutes of a meeting of the City Council of the City held on the date therein indicated, which are on file and of record in my office, and the same is a full, true and complete transcript therefrom insofar as the same relates to Resolution No. 21-59 Authorizing the Preparation and Execution of a Purchase Agreement.

WITNESS my hand as such Administrator of the City Council of the City of Cloquet, Minnesota this 19<sup>th</sup> day of October, 2021.

\_\_\_\_\_  
City Administrator

## EXHIBIT A

That part of Outlot 28 and Outlot 29, of the recorded plat of "ORIGINAL CITY OF CLOQUET" on file and of record in the office of the Carlton County Recorder, Carlton County, Minnesota, described as follows:

(For the purposes of the following description, Point "A" and Line "X" are described as follows: commencing at the southeast corner of said Outlot 29; thence westerly, along the south line of said Outlot 29 a distance of 390.20 feet; thence northerly, at right angles, a distance of 215.00 feet; thence westerly, at right angles, a distance of 285.00 feet to said Point "A" and the point of beginning of said Line "X"; thence northerly, at right angles and along said Line "X" a distance of 70.00 feet and there said Line "X" terminating)

Commencing at the southeast corner of said Outlot 29; thence easterly, along the northerly right of way line of the N.P. Railroad, now the B.N. Railroad, a distance of 109.80 feet; thence deflecting 90 degrees 54 minutes 00 seconds to the left a distance of 120.00 feet; thence deflecting 0 degrees 54 minutes 00 seconds to the right a distance of 118.00 feet; thence westerly, at right angles, a distance of 308.00 feet; thence southerly, at right angles, a distance of 188.00 feet; thence westerly, at right angles, a distance of 190.12 feet; thence northerly, at right angles, a distance of 165.00 feet; thence westerly, at right angles, a distance of 285.00 feet to the actual point of beginning of the tract of land herein described; thence southerly, at right angles and on an assumed bearing of South 00 degrees 19 minutes 52 seconds East, a distance of 186.00 feet; thence South 89 degrees 39 minutes 55 seconds West a distance of 358.00 feet; thence North 00 degrees 20 minutes 06 seconds West a distance of 75.17 feet to the intersection with a line parallel with and 35.00 feet distant from the centerline of the Duluth and Northeastern Railroad; thence northeasterly, along last described parallel line, to said Line "X"; thence southerly, along said Line "X" to said Point "A"; thence southerly to said point of beginning.

SURVEY FOR: CITY OF CLOQUET  
 ATTN: HOLLY HANSEN  
 101 14TH STREET  
 CLOQUET, MN 55720

SURVEY OF: PART OF OUTLOT 28 AND 29,  
 "ORIGINAL PLAT OF CLOQUET"  
 LOCATED IN SECTION 14, TOWNSHIP  
 49, RANGE 17, CARLTON COUNTY,  
 MINNESOTA.

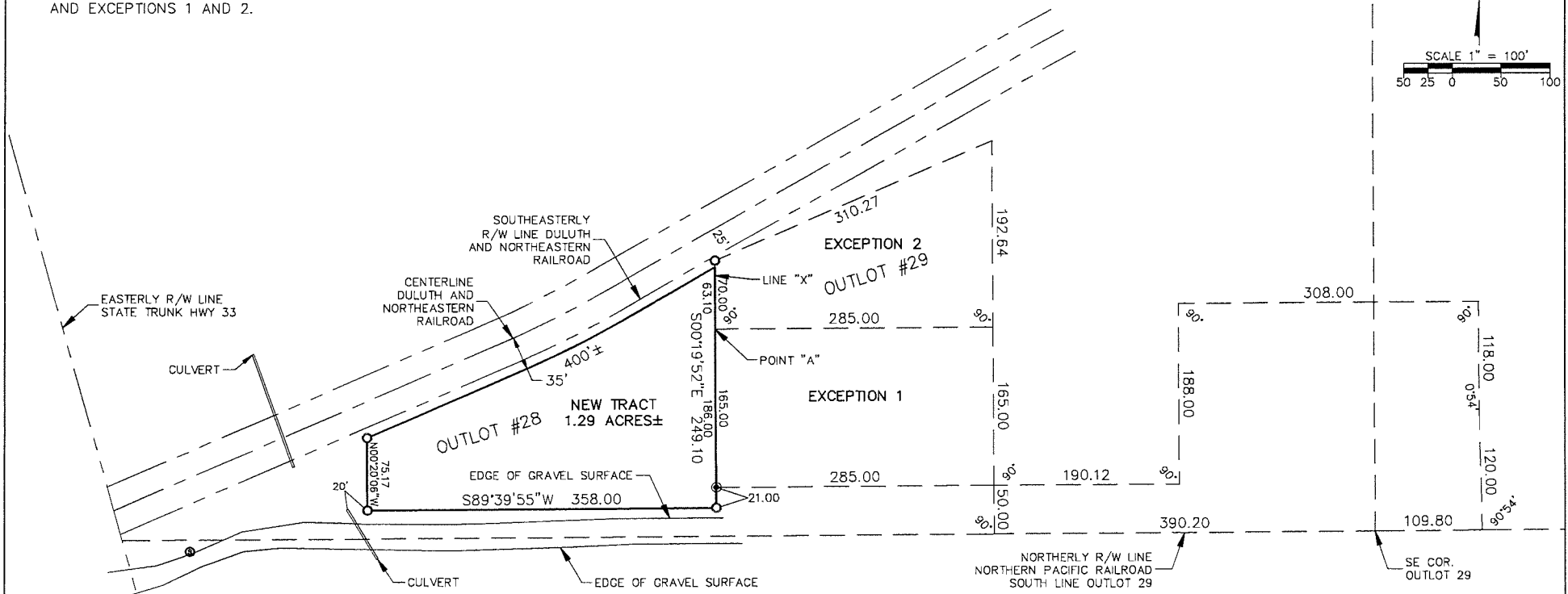
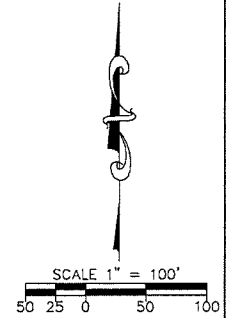
SURVEYOR'S NOTE: THERE IS A 0.02 FOOT GAP BETWEEN EXCEPTION 1 AND  
 EXCEPTION 2. POINT "A" AND LINE "X" ARE USED IN OUR NEW TRACT LEGAL  
 DESCRIPTION TO NOT LEAVE ANY GAPS OR OVERLAPS BETWEEN THE NEW TRACT  
 AND EXCEPTIONS 1 AND 2.

- ⊙ DENOTES FOUND IRON MONUMENT
- ⊙ DENOTES 1/2" IRON REBAR MONUMENT  
SET AND CAPPED "ANDERSON 45498"
- ⊙ DENOTES MANHOLE

**STRAIGHTLINE SURVEYING, INC.**

P.O. Box 510, 500 Foltz Blvd  
 Moose Lake, MN 55767  
 E-MAIL: banderson@straightlinesurveying.com

Telephone: (218)-485-4811  
 Fax: (218)-485-4811



I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

*Benjamin H. Anderson*  
 Benjamin H. Anderson

45498  
 License No.

10-13-2021  
 Date

2021-267  
 Job No.

NONE  
 Book No.



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

PROPERTY PHOTOS



EXISTING PARCEL BOUNDARIES, PROPOSED SALE PROPERTY









City of Cloquet  
Attn: Holly Hansen  
101 - 14<sup>th</sup> Street  
Cloquet, MN 55720

August 25, 2021

Dear Ms. Hansen,

We are writing you concerning the acquisition of just under 1 acre of land due west of current property at 801 Industry Ave., Cloquet, MN 55720. In early 2020 Upper Lakes Foods lost roughly 50% of our sales when COVID restrictions forced restaurants and schools to close for a time. In order to remain in business, we were forced to pivot quickly to alternative business models, either to reduce overall losses or increase other revenue streams.

One such pivot included formalizing an over-the-road (OTR) transportation company. As restaurants and schools were forced to close, we were able to deploy drivers into our newly created OTR model to deliver various goods across the United States, including supporting local grocery locations like Super One Foods and Aldi. Over the course of the remaining year of 2020 we were able to take additional steps to purchase equipment, hire additional employees, and invest more fully into an OTR model.

We continue to operate our three foodservice distributions in Northfield, MN; Janesville, WI; and Cloquet, MN. In addition, we are now running OTR services out of each facility as well with plans to grow over the course of 2022. With that growth and our commitment to being a part of this great community, we'd like to acquire the vacant land just west of our property. Our plan would be to improve the land by flattening and adding gravel, adding electrical hook-ups for our OTR trailers, and fencing the property.

We appreciate the partnership and support from the City of Cloquet and look forward to discussing further.

Sincerely,

Susan R Ryan  
President  
Upper Lakes Foods, Inc.

**Appraisal Report of Real Property**

**Unimproved Industrial Land**



**Located At**

1.17 Acres of Land located West of North 8<sup>th</sup> Street, North of Avenue B, East of Highway 33  
and South of the Saint Louis River  
City of Cloquet, Minnesota  
Part of Parcel: 06-315-0630

**Prepared For**

Community Development Department  
101 14<sup>th</sup> Street  
Cloquet, Minnesota 55720

**Current Ownership**

City of Cloquet

**Market Value As Of**

September 29, 2021

**Date of Report**

October 2, 2021

**By**

Seth J. Daniel  
Daniel Appraisal Company, Inc.  
sethjoindaniel@yahoo.com  
1627 North 34th Street, Suite 4  
Superior, Wisconsin 54880  
Office: (715) 718-2822  
Cell: (218) 390-5952

October 2, 2021

Holly Hansen  
EDFP/AICP Community Development Director  
Community Development Department  
101 14<sup>th</sup> Street  
Cloquet, Minnesota 55720

Re: Vacant Industrial Land Westerly of  
Upper Lakes Foods  
Part of Parcel: 06-315-0630  
Cloquet, Minnesota 55720

Dear Ms. Hansen:

Following your request for a real estate appraisal report of the above referenced property, I have inspected the vacant land and considered available market information, and the findings are summarized herein.

This is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP) 2020-2021 edition. The appraisal presents summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses are contained in the appraiser's work file.

The intended user of the appraisal report is Ms. Holly Hansen EDFP/AICP Community Development Director – city of Cloquet, as well as city administration and their assignees to determine market value. No other party is to be construed as an intended user. The value estimate contained herein is predicated on a marketing and exposure period of 24 months or less. There are no extraordinary assumptions or hypothetical conditions for this opinion of market value.

Following a review of the available information documented in the attached report, the market value of the fee simple interest in real property, as of September 29, 2021, is estimated at:

"AS IS" MARKET VALUE  
TWENTY THOUSAND DOLLARS  
(\$20,000)

Respectfully submitted,



Seth J. Daniel  
Certified General Real Property Appraiser  
Minnesota License #20385315  
License Expiration: 08/31/2022

## Certification

The undersigned does hereby certify that:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased, impartial, professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. 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 the appraisal.
6. 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 of the Appraisal Institute.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. As of the date of this report, Seth J. Daniel has completed the Standards and Ethics Educational Requirements for Practicing Affiliates of the Appraisal Institute.
10. The property was inspected by Seth J. Daniel. Please see scope of work for inspection date.
11. Persons providing significant professional assistance in the preparation of the report are identified in the Scope of the Appraisal section of this report. No one else provided appraisal services other than Seth J. Daniel in the preparation of this report.
12. The appraiser is competent to complete the appraisal assignment. The appraiser has valued multiple vacant lands in the city of Cloquet and familiar with their appraisal methods. Specific appraisal assignments are not mentioned due to client confidentiality.
13. There are no pending lawsuits or regulatory actions against Daniel Appraisal Company, Inc. or the appraiser.

14. I have performed no other 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.

Date 10/02/2021



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Seth J. Daniel  
Certified General Real Property Appraiser  
Minnesota License #20385315  
License Expiration: 08/31/2022

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## Summary of Salient Facts and Conclusions

Location	1.17 Acres of Land located West of North 8 <sup>th</sup> Street, North of Avenue B, East of Highway 33 and South of the Saint Louis River, City of Cloquet, Carlton County, Minnesota
Report Type	Appraisal Report (USPAP 2-2(a) 2020-2021)
Report Date	September 31, 2021
Effective Date	October 2, 2021
Rights Appraised	Fee Simple
Type of Value	Market Value
Client	Community Development Department – City of Cloquet
Intended User	Community Development Department – City of Cloquet
Current Owner	Community Development Department – City of Cloquet
Assessor's Parcel Number	Part of 06-315-0630
Sale History	No sales within the last 36 months
Land Size	±50,965 sq. ft. or ±1.17 acres
Effective Size	±39,640 sq. ft. or ±0.91 acres
Zoning	"HI" – Heavy Industry District
Utilities	Limited
Access	No / questionable legal access
Wetlands	No
Floodplain	No
Land use	Vacant
Highest and Best Use	Improve land for future surface use such as staging, laydown area, equipment storage, truck storage, etc.
Marketing Time	24 months or less
Exposure Time	24 months or less
Value Indicators	
Sales Approach	\$20,000
Cost Approach	Not applicable
Income Approach	Not developed
Final Estimate of Market Value	<b>\$20,000</b>

**Identity of Property**

The subject is an undeveloped heavy industrial zoned land tract located south of the St. Louis River and Cloquet terminal railroad, east of Highway 33 and Broadway Street, north of BNSF railroad corridor and Avenue B and west of Upper Lakes Foods, in the city of Cloquet, Carlton County, Minnesota. City of Cloquet engineering technicians have estimated the parcel to contain 1.17 acres in size and the maximum area useable with zoning setback for parking is 0.91 acres. Parking lot setback are 25 feet front yard; 5 feet side yard; and 5 feet rear yard. The site is bordered to the south by an unplatted gravel roadway used by areas businesses.

A title examination confirming surface fee simple interest ownership and legal description applicable to the subject is beyond the scope of this assignment. It is assumed the legal description as defined herein by the city of Cloquet is inclusive of any easement of record, which may become evident upon completion of a title review and resulting opinion.

**Relevant Dates and Report Type**

Effective Date of the Appraisal:	September 29, 2021
Date of the Report:	October 2, 2021
Date of Inspection:	September 29, 2021

**Client**

Holly Hansen  
EDFP/AICP Community Development Director  
Community Development Department  
101 14th Street  
Cloquet, Minnesota 55720

**Intended Use**

The appraisal was prepared to assist the client and intended users with a market value estimate given the subject's "as is" condition for a potential sale transaction subject to the stated scope of work, limiting conditions, hypothetical conditions, extraordinary assumptions and the definition of market value.

**Intended User(s)**

The Intended Users of this appraisal report are Ms. Holly Hansen, EDFP/AICP Community Development Department – City of Cloquet along with city administration and their assignees. No additional Intended Users are identified by the appraiser.

**Premise of the Appraisal**

The premise of this appraisal valuation is "as is" on the date of value.



## Special Appraisal Instructions

There were no special appraisal instructions for this assignment.

## Property Rights Valued

The subject property is valued based upon fee simple interest. Fee simple interest is defined as:

*Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>1</sup>*

## Scope of Services

The scope of the appraisal encompasses the necessary research and analysis to prepare a report in accordance with the intended uses. In preparing this appraisal, the appraiser:

- \* Inspected the subject site and took photographs as of September 29, 2021. No one else other than Seth J. Daniel provided valuation services in the preparation of this report.
- \* Gathered and analyzed data from the region, county, city and neighborhood; various internet websites; Lake Superior Area Realtors, Duluth News Tribune, NorthlandConnection.com, local real estate commercial brokers, real estate professionals, and a physical inspection of the neighborhood and surrounding area.
- \* Assembled and evaluated subject property information obtained from city of Cloquet, Carlton County GIS, and FEMA flood maps.

All appropriate valuation methods were considered, analyzed if applicable, and reconciled.

Regarding the sales approach to value, the appraiser compiled market data from a variety of sources but not limited to: Lake Superior Area Realtors, Minnesota eCRVs, Northlandconnection.com, county assessment records, RediComps and appraisal files.

The cost approach is not applicable for vacant land valuation.

The income approach was not developed as typically commercial and industrial land in the city of Cloquet is not leased.

The analysis of the subject's value was thorough and complete; however, this appraisal is by no means an exhaustive market study of the subject property. There were no obvious adverse environmental hazards known or observed during the inspection. The appraiser does not guarantee that the property is free of defect or environmental problems.

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<sup>1</sup> The Dictionary of Real Estate Appraisal, 6th ed., (Chicago: Appraisal Institute, 2015) P. 90.

### Tax and Assessment Data

Parcel 06-315-0630 is owned by the city of Cloquet. The parcel is tax exempt and has an estimated land value of \$38,200.

Subject property is part of parcel 06-315-0630.

### Hypothetical Conditions

A hypothetical condition is-

*"A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."<sup>2</sup>*

There are no hypothetical conditions for the market value estimate provided herein.

### Extraordinary Assumptions

An extraordinary assumption is-

*"An assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis, which, if found false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis."*

- \*It is required to properly develop credible opinions and conclusions;*
- \*The appraiser has a reasonable basis for the extraordinary assumption;*
- \*Use of the extraordinary assumption results in a credible analysis; and*
- \*The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions."<sup>3</sup>*

There are no extraordinary assumptions for the market value estimate provided herein.

### Current Ownership

City of Cloquet

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<sup>2</sup>*Ibid*, P.4

<sup>3</sup> *Uniform Standards of Professional Appraisal Practice* (Washington, D.C.: The Appraisal Foundation, effective 2020-2021) P. 4.

### **Subject Property Offering, Options, Listings, and Contract Information**

Upper Lakes Foods, an adjacent property owner, has inquired with the city to purchase the property. There are no current offers to purchase known. The subject site has not been actively listed for sale. There are no expired listings, per multiple listing service.

### **Sales History of the Subject Property**

The subject property has not transferred ownership within the last 36 months.

### **Legal Description**

This is real property located in the City of Cloquet, Carlton County, Minnesota, referred to herein as the "Property", and legally described as follows:

An easterly portion of vacant land, yet to be surveyed, legally described, or subdivided from within this parcel:

Outlot 28 in Government Lots 6 & 7 Except Highway & Except Railroad subject to easement & except that part of Outlots 28 & 29 commencing at the Southeast corner of Outlot 29 thence East along North right-of-way line of BNRR 109.8 feet thence deflect 90 degrees 54 minutes left 120 feet thence deflect 0 degrees 54 minutes right 118 feet thence deflect 90 degree left 308 feet thence deflect 90 degree left 188 feet to North right-of-way line of Industry Avenue thence deflect 90 degree right along North right-of-way line 190.12 feet to actual point of beginning thence deflect 90 degrees right 165 feet thence deflect 90 degrees 00 minutes 00 seconds left 285 feet thence deflect 90 degrees left 165 feet thence deflect 90 degrees left 285 feet to point of beginning & except that portion of the following lying within Outlot 28 commencing at the Southeast corner of Outlot 29 thence Westerly 390.20 feet thence deflect 90 degrees 00 minutes Northerly 215 feet to point of beginning thence deflect 90 degrees 00 minutes Westerly 285 feet thence deflect 90 degrees 00 minutes Northerly 70 feet thence deflect 66 degrees 43 minutes Northeasterly 310.27 feet thence Southerly 192.64 feet to point of beginning. City of Cloquet Outlots, Carlton County, Minnesota.; (PIN 06-315-0630).

## Definition of Market Value

This is a market value appraisal. The definition of market value used in this appraisal is found in The Dictionary of Real Estate Appraisal, 6th Edition, page 142:

*The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*

- \* Buyer and seller are typically motivated;*
- \* Both parties are well informed or well advised, and acting in what they consider their best interests;*
- \* A reasonable time is allowed for exposure in the open market;*
- \* Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- \* The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

## Zoning Description

Zoning is a means for a municipality to maintain a systematic order for compatible land uses for neighborhoods within its boundaries. Areas are divided into residential and commercial uses. The goal of the zoning law is to maintain the integrity of each area, permitting uses in each area as defined by law.

The subject property is zoned "HI" – Heavy Industry District.

**Subd. 1 Intent.** It is the intent of the HI Heavy Industry District to create industrial areas to accommodate a wide variety of industrial establishments which may operate to their maximum advantage without adversely affecting other nearby similar or dissimilar uses and activities.

**Subd. 2 Permitted Uses.** The following uses are permitted as regulated herein, without special application requirements or conditions attached:

- A. General. Any industrial use which is not specifically prohibited herein or any industrial use not listed as a conditional use herein below may be permitted.
- B. Brew Pub, Brewery Taproom, Cocktail Room and Micro-Distillery.

**Subd. 3 Prohibited Uses.** No building, structure or land shall be used and no building or structure shall be erected, altered or enlarged which is arranged, intended or designed for any of the following uses:

- A. Residential. Dwellings, dwelling units and residences of any kind, including hotels, motels, rooming houses and tourist homes.

- B. Institutional. Schools, orphanages, child care centers, homes for the aged and similar institutions for human care.
- C. Municipal Solid Waste (MSW) Landfills, waste incinerators, hazardous or infectious waste facilities.
- D. Industrial Solid Waste Landfill
- E. Construction and Demolition (C&D) Landfills. F. There shall be no expansions to existing landfills of any type within the City

**Subd. 4 Conditional Uses.** The following uses are permitted only subject to the issuance of a Conditional Use Permit as stipulated in Section 17.2.06. Additional uses itemized in that Section may situate in the HI Heavy Industry District in the same manner as if they were listed hereunder:

- A. Wrecking and Salvage Yards. Junk yards, including automobile wrecking and industrial metal and waste salvage, but not including refuse of garbage disposal, if located at least two hundred (200) feet from any Residence District; provided all operations are conducted within an area enclosed with a solid wall or uniform tight board fence, including gates, at least eight (8) feet in height and such enclosure shall be property maintained.
- B. Crematory. If located not less than two hundred (200) feet from a Residence District.
- C. Railroad Stub Yard and Freight Station. If located not less than two hundred (200) feet from any Residence District.
- D. Other Uses. The following uses may only be authorized as a conditional use by the City Council if located at least four hundred (400) feet from any Residence District, and if the location of such use has been recommended by the Planning Commission after receiving reports from the Acting Fire Chief, and the State Pollution Control Agency.
  - (1) Acid manufacture.
  - (2) Cement, lime, gypsum or plaster of paris manufacture.
  - (3) 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 conditional uses in this district.

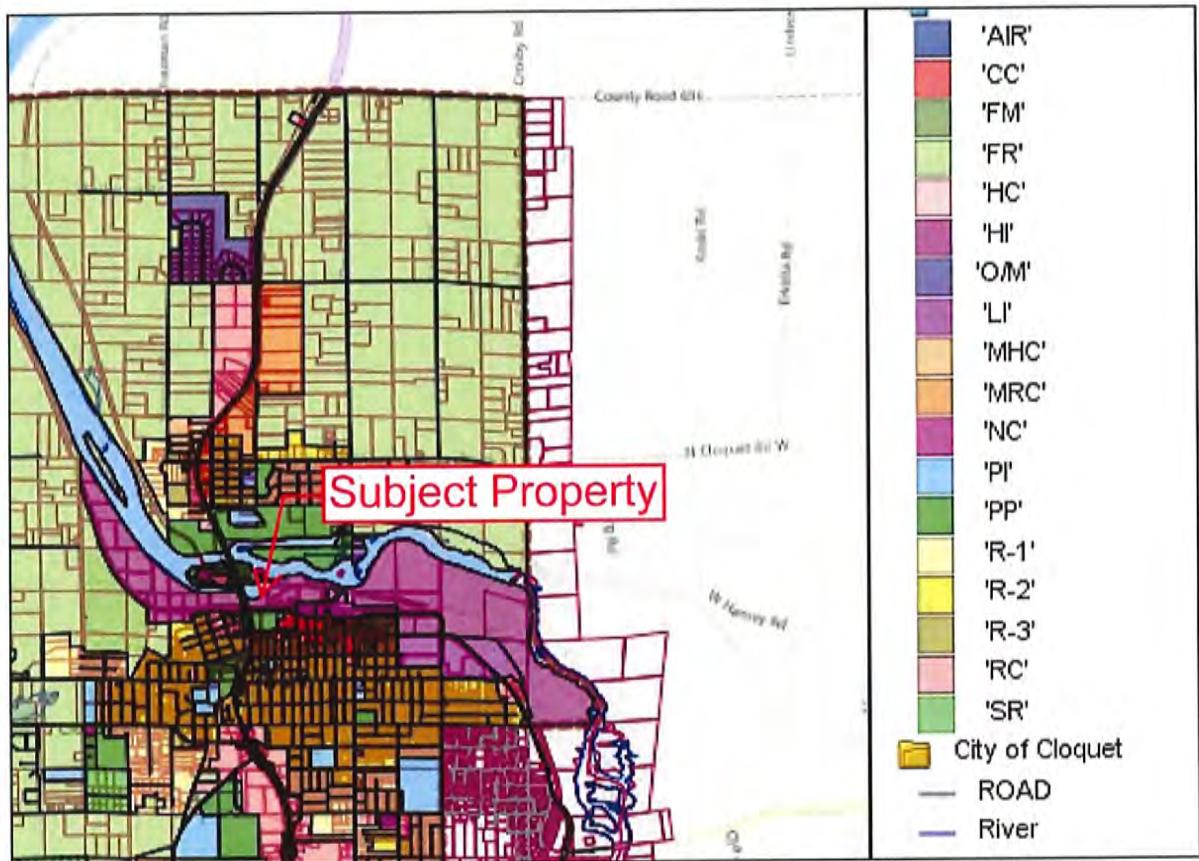
**Subd. 5 Accessory Uses.** The following uses are permitted only when auxiliary to a principal use permitted above; they may not exist as principal uses in their own stead:

- 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. 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

The subject property would allow an array of industrial/commercial uses.

Comments about the zoning compliance of the subject property are intended by the appraiser to be in general terms. A detailed analysis about every aspect of this subject property's improvements and site characteristics with respect to current zoning and building code is beyond the scope of this assignment and was not performed.

**Zoning Map**



Source: City of Cloquet

## Area Information and Market Analysis

The subject is located in the city of Cloquet, Carlton County, Minnesota, approximately 20 miles southwest of the city of Duluth. It is part of the Duluth-Superior MSA.

*The Duluth Metropolitan Statistical Area (MSA) is comprised of St. Louis, Carlton, and Lake Counties in Minnesota and Douglas County in Wisconsin. Located on the western edge of Lake Superior, the region's major industries include aviation, back office, wood and paper products, mining, higher education, shipping/transportation, health care, metal fabrication, and tourism. The international "Twin Ports" of Duluth, Minn., and Superior, Wis., form the hub of regional economic and cultural activity, but there are numerous outlying communities in the MSA, each with unique strengths, resources, and opportunities for development. As a whole, the region's population is growing steadily, and has enjoyed significant economic diversification in recent decades.*

*The official population of the MSA is 289,247. As of 2020, Northland Connection's ESRI projections show there are 201,060 residents within a 30-mile radius of downtown Duluth, an area that comprises all of the cities of Duluth, Superior, Cloquet, Hermantown, Rice Lake, Proctor, and Two Harbors, plus a number of suburban or exurban townships.*

Source: Northlandconnection.com

In 2019, the median household income for Carlton County was \$63,098, a 20.92% increase compared to \$76,300 in 2021, though statewide it was \$93,100.

### 2020-2021 Employment by Occupations in Duluth, MN-WI MSA

Duluth area employment (number in thousands)	Jul. 2021	Change from Jul. 2020 to Jul. 2021	
		Number	Percent
Total nonfarm	131.8	9.5	7.8
Mining, logging, and construction	9.8	1.0	11.4
Manufacturing	8.3	0.6	7.8
Trade, transportation, and utilities	23.5	0.3	1.3
Information	1.1	0.1	10.0
Financial activities	5.3	0.0	0.0
Professional and business services	7.6	0.2	2.7
Education and health services	31.2	1.6	5.4
Leisure and hospitality	14.9	2.5	20.2
Other services	5.7	0.3	5.6
Government	24.4	2.9	13.5

Source: U.S. BLS, Current Employment Statistics.

**Employment Trends - Unemployment (Not Seasonally Adjusted)**

	August 2021	August 2020	August 2019	August 2018
United States	5.3%	8.5%	3.8%	3.9%
Wisconsin	4.0%	5.38%	3.4%	3.0%
Minnesota	3.4%	6.3%	3.0%	2.7%
St. Louis County	3.7%	7.9%	3.7%	3.3%
Douglas County	4.4%	8.3%	4.2%	3.7%
<b>Carlton County</b>	<b>3.4%</b>	<b>7.8%</b>	<b>3.9%</b>	<b>3.2%</b>
City of Duluth	3.4%	7.9%	3.1%	3.0%
City of Superior	4.8%	8.5%	4.6%	3.8%
<b>City of Cloquet</b>	<b>3.6%</b>	<b>9.7%</b>	<b>4.1%</b>	<b>3.8%</b>
Duluth MN-WI MSA	3.8%	8.0%	3.8%	3.3%

Source: Minnesota Department of Employment and Economic Development & State of Wisconsin Department of Workforce Development

**Major Employers in the Duluth-Superior MSA**

Company	City	County	Function	Employees
Essentia Health	Duluth	St. Louis	Health Care and Social Assistance	6,513
St. Luke's	Duluth	St. Louis	Health Care and Social Assistance	2,241
Miner's Inc.	Hermantown	St. Louis	Retail Trade	1,990
St. Louis County	Duluth	St. Louis	Public Administration	1,881
Duluth Public Schools	Duluth	St. Louis	Educational Services	1,450
Minnesota Taconite (US Steel)	Mountain Iron	St. Louis	Mining	1,390
ALLETE	Duluth	St. Louis	Utilities	1,314
Duluth Air National Guard Base	Duluth	St. Louis	Public Administration	1,068
Cirrus Aircraft	Duluth	St. Louis	Manufacturing	1,000
United Healthcare	Duluth	St. Louis	Finance & Insurance	999
University of Minnesota Duluth	Duluth	St. Louis	Educational Services	953
Superior School District	Superior	Douglas	Educational Services	860
City of Duluth	Duluth	St. Louis	Educational Services	850
US Government	Duluth	St. Louis	Public Administration	850
<b>Fond du Lac Reservation</b>	<b>Cloquet</b>	<b>Carlton</b>	<b>Public Administration</b>	<b>840</b>
Fairview Range Medical Center	Hibbing	St. Louis	Health Care and Social Assistance	803
Hibbing Taconite	Hibbing	St. Louis	Mining	732
Integrity Health Network	Duluth	St. Louis	Health Care and Social Assistance	700
<b>Sappi Fine Paper North America</b>	<b>Cloquet</b>	<b>Carlton</b>	<b>Manufacturing</b>	<b>700</b>
<b>Black Bear Casino Resort &amp; Golf Course</b>	<b>Carlton</b>	<b>Carlton</b>	<b>Arts, Entertainment, and Recreation</b>	<b>671</b>
Grand Rapids Public Schools	Grand Rapids	Itasca	Educational Services	650
Halvor Lines	Superior	Douglas	Transportation and Warehousing	650
AccessNorth	Hibbing	St. Louis	Health Care and Social Assistance	590
Packaging Corp. of America	International Falls	Koochiching	Manufacturing	580
Grand Itasca Clinic & Hospital	Grand Rapids	Itasca	Health Care and Social Assistance	575
<b>Cloquet Public Schools</b>	<b>Cloquet</b>	<b>Carlton</b>	<b>Educational Services</b>	<b>550</b>
College of St. Scholastica	Duluth	St. Louis	Educational Services	550
ZMC Hotels	Duluth	St. Louis	Accommodation and Food Services	540
Fortune Bay Resort Casino	Tower	St. Louis	Arts, Entertainment, and Recreation	533
Northshore Mining	Babbitt/Silver Bay	St. Louis/Lake	Mining	529
United Taconite	Eveleth	St. Louis	Mining	515
CN	Proctor	St. Louis	Transportation and Warehousing	467
Hibbing Public Schools	Hibbing	St. Louis	Educational Services	465
<b>Fond du Lac Tribal &amp; Community College</b>	<b>Cloquet</b>	<b>Carlton</b>	<b>Educational Services</b>	<b>450</b>

Source: <https://www.northlandconnection.com/site-selection/top-employers/>



**City of Cloquet**

City of Cloquet is a city in Carlton County, Minnesota, United States, located at the junction of Interstate 35 and Minnesota State Highway 33. It is located along the St. Louis River. The city has easy access to I-35 and State Highways 33 and 210. The population was 12,568 at the 2020 census. Three settlements were incorporate and the village of Cloquet was formed in 1884. It became a city with mayor and city council in 1904. According to the United States Census Bureau, the city has a total area of 35.97 square miles, of which 35.20 square miles is land and 0.77 square miles is water.

**Northland Population Change by County**

County	2010 Census	2020 Census	% Change
Aitkin	16,202	15,697	-3.1%
Carlton	35,386	36,207	2.3%
Cook	5,176	5,600	8.2%
Itasca	45,058	45,014	-0.1%
Koochiching	13,311	12,062	-9.4%
Lake	10,866	10,905	0.4%
St. Louis	200,226	200,231	0.0%
Douglas (WI)	44,159	44,295	0.3%
<b>Northland Total</b>	<b>370,384</b>	<b>370,011</b>	<b>-0.1%</b>

**Northland Population Change by City**

City	2010 Census	2020 Census	% Change
Cloquet	12,124	12,568	3.7%
Duluth	86,265	86,697	0.5%
Grand Marais	1,351	1,357	0.4%
Grand Rapids	10,869	11,126	2.4%
Hermantown	9,414	10,221	8.6%
Hibbing	16,361	16,214	-0.9%
International Falls	6,424	5,802	-9.7%
Superior	27,244	26,751	-1.8%
Two Harbors	3,745	3,529	-5.8%
Virginia	8,712	8,421	-3.3%

*Source: Northland Connection Q3, Advisory Committee Meeting, September 8, 2021*

Population in Carlton County grew 2.3% over a ten-year period from 2010 to 2020, while Aitkin County lost population and St. Louis County stayed the same.

**Residential Property Values by City (YTD 2021 vs. 2021)**

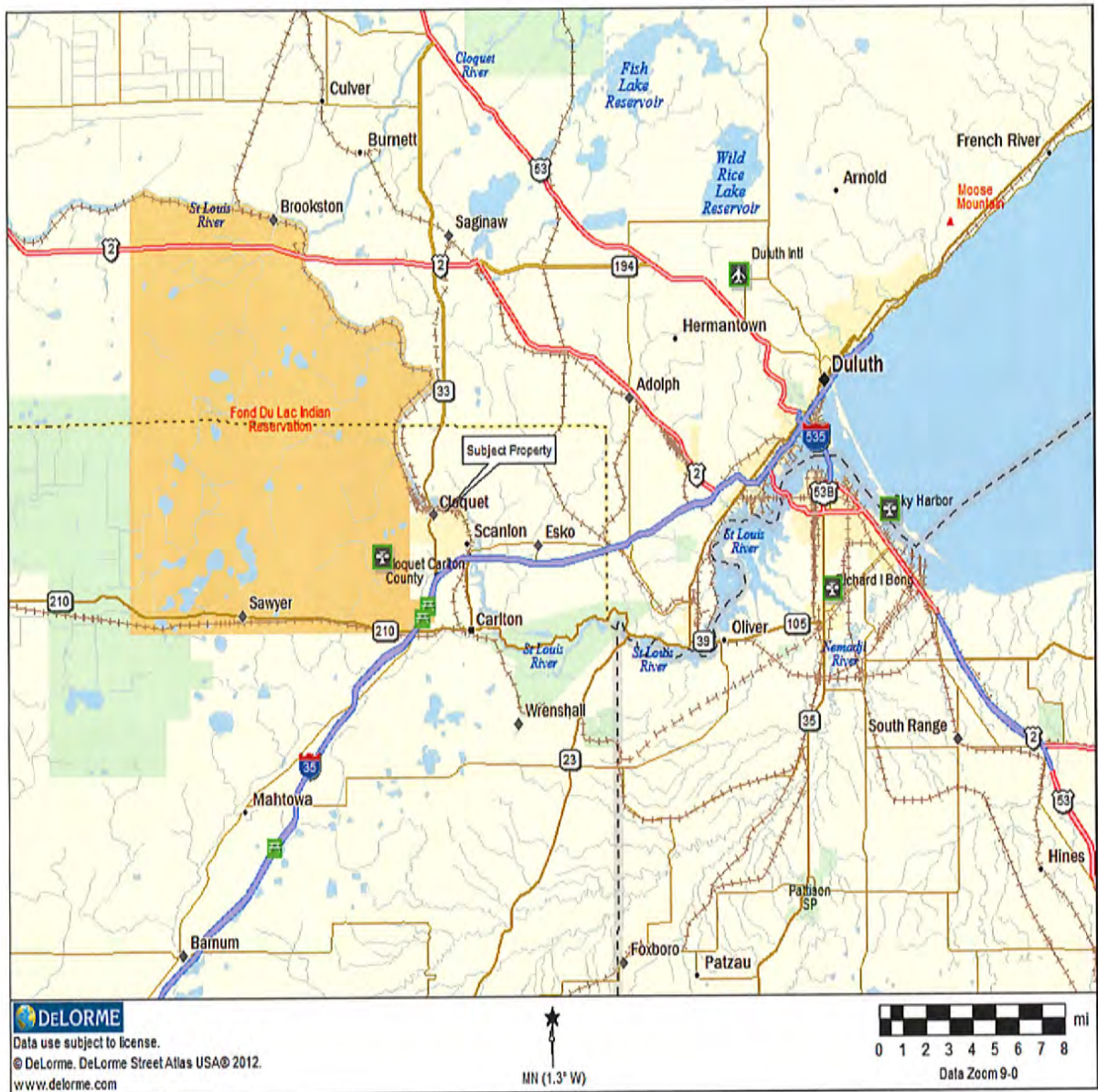
City	New Listings	% Change	Closed Sales	% Change	Median Sales Price	% Change	Homes for Sale	% Change
Cloquet	213	-9.0%	145	2.1%	\$201,000	12.1%	41	-32.8%
Duluth	1,122	-2.0%	831	6.9%	\$237,500	12.0%	255	-3.4%
Grand Marais	48	-27.3%	38	11.8%	\$307,500	55.7%	27	-44.9%
Grand Rapids	21	-53.8%	4	-42.9%	\$236,250	15.2%	4	0.0%
Hermantown	101	-12.9%	65	-22.6%	\$387,000	8.8%	16	-52.9%
Hibbing	181	16.8%	135	9.8%	\$127,000	19.8%	59	5.4%
Superior	254	-10.9%	170	-25.4%	\$161,250	11.2%	79	17.9%
Two Harbors	118	1.7%	81	9.5%	\$185,000	10.1%	70	-34.0%
Virginia	134	-10.1%	106	15.2%	\$110,751	15.4%	47	-6.0%

Source: Northland Connection Q3, Advisory Committee Meeting, September 8, 2021

The median sale price in the city of Cloquet changed 12.1% from YTD 2020 to 2021. All cities surveyed increased in median sale price. New listing within the same time period decreased for cities except for Hibbing and Two Harbors.

The city of Cloquet's single-family median sale price increased over the last eight years. The local brokers are referring to the current residential situation as a "sellers" market. Average residential marketing time is 0-2 months. Population growth and housing stock are fairly stable. Conversations with real estate brokers, commercial assessors and real estate investors indicate the commercial/industrial market is stable to increasing. There are few available industrial properties on the market that meet modern day users such as clear heights, updated offices and efficient land-to-building ratios.

**Area Map**



## Site Description

The subject property is part of Parcel: 06-315-0630 and consists of ±1.17 acres or ±50,965 square feet. Effective site size is ±0.91 acres or ±39,640 square feet considering setbacks.

The subject land is located east of Highway 33, north of the BNSF rail corridor, south of the St. Louis River and Cloquet terminal railroad track, and west of Upper Lakes Foods distribution center.

There is an unplatted gravel road that runs east and west; however, because the gravel road is unplatted, legal access (ingress and egress) is questionable except for the contiguous property owner to the east.

Offsite, but proximate to the subject, is a stormwater retention pond, underground fiberoptic cable and natural gas pipeline valve.

Municipal utilities are located to the east of the subject at Upper Lakes Foods distribution center. There is a sanitary sewer line running north of the subject site along the Cloquet terminal railroad track. The subject land is mostly level or slightly undulating; there is an overhead electric powerline the bisects the northeast corner of the property.

The subject can support diverse commercial/industrial use based on zoning and surrounding environs. But due to the lack of utilities, legal ingress/egress, along with assumed unstable substrate characteristics typical of this location, e.g., wood fill, development of the site is restricted.

Dimensions:	324' x 242' x 363' x 74'
Parcel size:	±1.17 acres or ±50,965 sq. ft.
Effective site size:	±0.91 acres or ±39,640 sq. ft.
Access:	Assumed there is no legal access from unplatted road
Street frontage:	324'
Shape:	Irregular
Functional utility:	Limited due to unstable substrate
Visibility:	Low / typical for industrial
Landscaping:	Typical / none
Drainage:	Assumed adequate / retention pond nearby
Adequacy of utilities:	Electric / minimal
Topography:	Mostly level
Sidewalks:	None
Street lights and curb/gutter:	None
Traffic volume:	Mostly trucks / minimal
Excess land:	No
Surplus land:	No
Floodplain:	No
Zoning district:	"HI" – Heavy Industry District

No obvious adverse external factors were observed. Unless otherwise stated, typical drainage, utility and right of way easements do not adversely impact value. However, the discovery of many site related issues often requires special expertise or data sources not customary or available in the performance of an appraisal. A fundamental site analysis such as this is beyond the scope of this assignment. The appraiser is not an expert in the identification of hazardous substance or detrimental environmental conditions.

**Parcel Map**

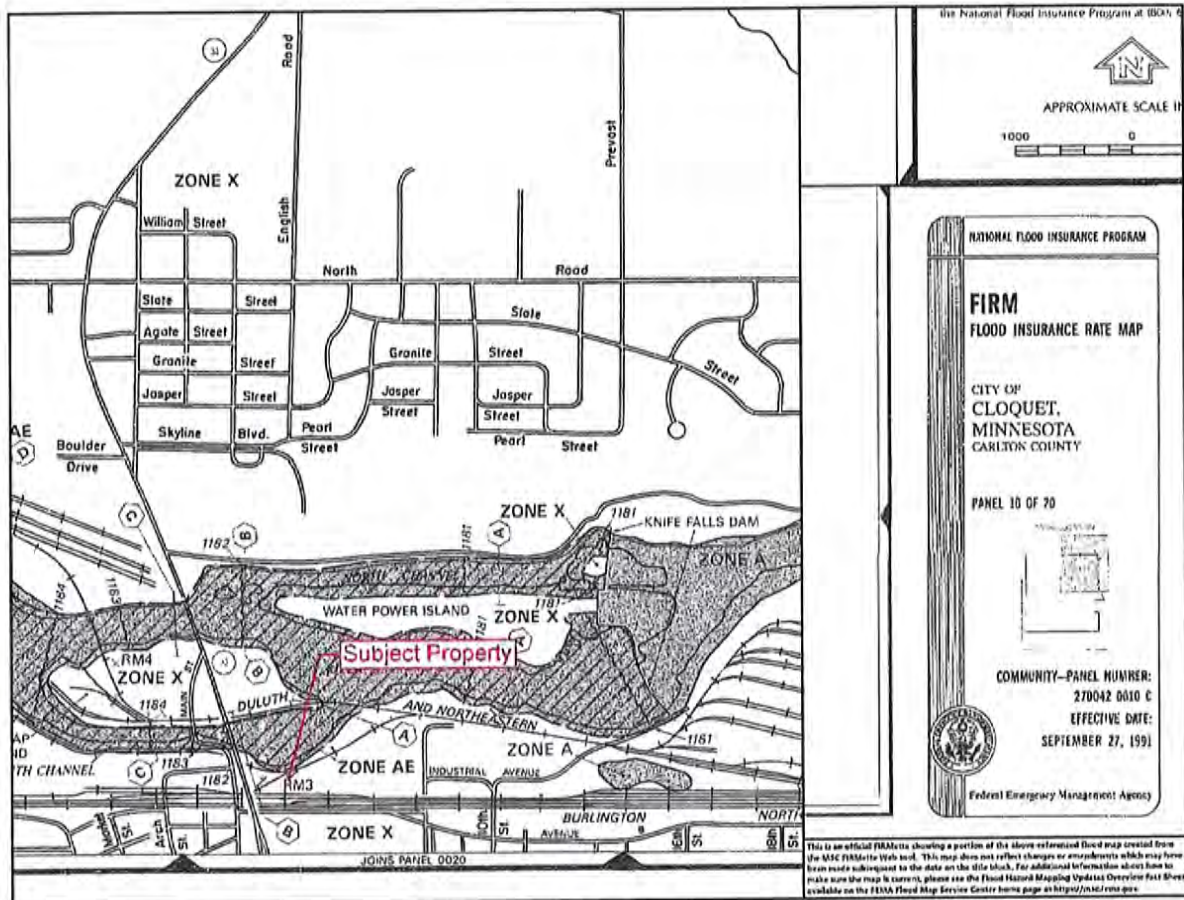


Source: City of Cloquet

**Aerial View Looking South**



**Flood Map**



Source: [www.FEMA.gov](http://www.FEMA.gov)

The subject site is not located in a FEMA flood designated area. The subject site is located in Zone X.

Zone X is described by FEMA as, "areas determined to be outside the 0.2% annual chance floodplain"

Community Panel Number: 270042 0010 C  
 Effective Date: September 27, 1991

As required, the appraiser examined the available flood map. However, these maps are vague and lack sufficient detail to perform an accurate flood hazard determination.

Aerial View Looking North



Subject Site Characteristics



Subject Site Characteristics



Subject Site Characteristics





Subject Site Characteristics



Unplatted Street Scene



## Highest and Best Use

The term "Highest and Best Use," as used in this report, is defined as follows:

- 1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.*
- 2. The use of an asset that maximized its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.*
- 3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future.<sup>4</sup>*

The Highest and Best Use analysis in this appraisal is not intended to be an exhaustive analysis of every possible use for the subject property.

The subject property is zoned HI – Heavy Industry District, which permits a diversity of use opportunity. Its immediate location is within an industrial supply sector near rail and primary transportation corridors. From a legal and zoning perspective, use consistent with neighborhood environs is permissible (industrial, warehousing, manufacturing, laydown and staging area, storage yard, self-storage, etc.).

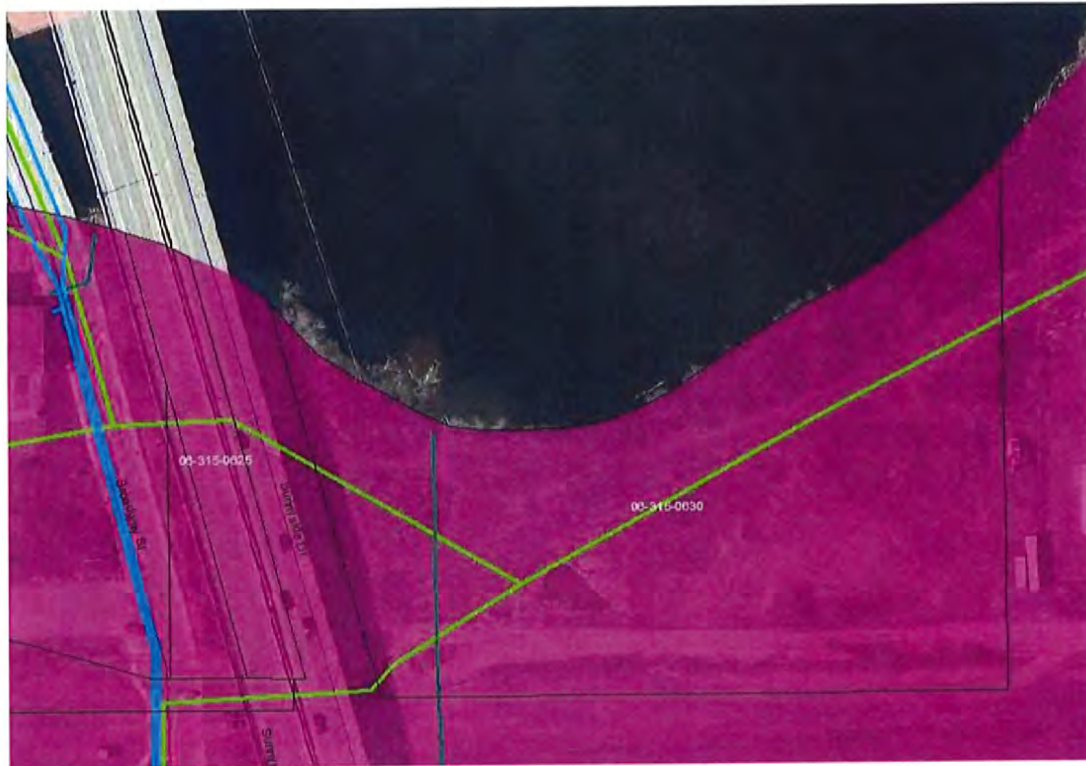
The subject's physical possibility may be limited to surface use as known soils nearby have been influenced by wood fill decades prior. The site is adequate in size and fronts an unplatted street used by local businesses. Ingress and egress is questionable as the street is unplatted; though, the land can be accessed from the contiguous land owner to the east. The configuration is irregular and topography is slightly undulating.

Similar parcels have been limited to surface use, e.g., parking, product/equipment storage and to support of the landowner's nearby industrial operations/distribution. Accordingly, the subject's physicality limits use opportunity affecting financial feasibility and maximum productivity. The property has limited utilities available. There is no water, sewer and natural gas along the unplatted street.

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<sup>4</sup> The Dictionary of Real Estate Appraisal, 6<sup>th</sup> ed., (Chicago: Appraisal Institute, 2015) P. 109.

City of Cloquet Utilities Map



The subject's most probable use opportunity is limited to that of surface use of the land for product or truck storage, laydown area, and/or staging. A captured buyer or contiguous landowner, is the most likely buyer for this property due to questionable/uncertain legal access.

## Estimated Marketing Time/Exposure Time

Marketing time is based upon a prospective basis and is a function of price, time and use. It is not an isolated estimate of time alone. Exposure time is the estimated length of time that a property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

### Marketing Time-

*An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.<sup>5</sup>*

### Exposure Time-

1. *The time a property remains on the market.*
2. *[The] estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.<sup>6</sup>*

Industrial and commercial vacant land can have a longer marketing period than improved industrial or commercial properties in the city. In the city of Cloquet, some vacant commercial and industrial parcels have been on the market for over five years; mostly due to above market list prices.

Based on subject's site size, location, and market conditions, the estimated marketing time is 24 months or less and exposure time is also 24 months or less.

The marketing/exposure time reflects the current economic climate and terms and conditions of real estate financing. The marketing/exposure time estimate assumes the property is actively and professionally marketed.

## The Appraisal Process

In the valuation procedure, the cost approach considers replacement cost of the improvements less applicable depreciation plus land value. The subject is of undeveloped land; therefore, this technique is not applicable.

In the local market, land of this type/location is upon occasion leased on an intermittent, temporary, or daily basis or mix thereof for surface storage of mechanical equipment, product or employee vehicles. The subject property has not been leased. The subject site, due to the lack of leased industrial sites of similar nature, cannot be considered an income producing or investment grade property. Industrial sites are dominated by the owner-user and the income approach was not developed.

When valued, most often considered for undeveloped commercial and/or industrial land, is a value based on its rate of exchange in the open marketplace. Accordingly, a sales comparison approach is considered most appropriate for this analysis. Sales applicable for undeveloped commercial and industrial land within the city and greater Cloquet market were researched and analyzed.

<sup>5</sup> The Dictionary of Real Estate Appraisal, 6<sup>th</sup> ed., (Chicago: Appraisal Institute, 2015) P. 140.

<sup>6</sup> Ibid, P. 83

## Sales Comparison Approach

The sales comparison approach accounts for vacant land in the city of Cloquet and surrounding areas that are competitive to the subject in size, use, utility, access, and zoning. The price a typical purchaser pays is usually the result of an extensive shopping process which available alternatives are compared. The property purchased normally represents the best available balance between the buyer's specifications and the purchase price. The sales comparison approach, like the cost approach, is based upon the principle of substitution. The principle holds that a prudent purchaser would pay no more to acquire a property than it would cost to acquire a comparable substitute property. The benefits to the sales comparison approach is that it accounts for buyer's reactions in the marketplace. The following are market observations, considered primary market data, selected for further analysis.

### Comparable Sale #1

Address:	XXXX Tall Pine Lane, Cloquet, Minnesota
Parcel ID:	06-615-0100
Buyer:	Pru Properties
Seller:	Carolene Grace Lund
Sale Price:	\$150,000
Date of Sale:	11/2020
Type of Deed:	Trustee Deed
Site Size:	±59,677 sq. ft. or ±1.37 acres
Price per Sq. Ft.:	\$2.51
Data Source:	MN eCRV #1188576 and Carlton County GIS
Comments:	Commercial vacant land located in a secondary location behind Taco Bell. The property is location on Tall Pine Lane adjacent to an apartment complex.



**Comparable Sale #2**

Address: XXXX Stanley Avenue, Cloquet, Minnesota  
Parcel ID: 06-667-0140  
Buyer: Gerrard Development, LLC  
Seller: Thomas Kimmes  
Sale Price: \$60,000  
Date of Sale: 12/2017  
Type of Deed: Contract for Deed  
Site Size: ±56,192 sq. ft. or ±1.29 acres  
Price per Sq. Ft.: \$1.07  
Data Source: MN eCRV #764893 and Carlton County GIS  
Comments: Commercial land located near Wal-mart zoned Regional Highway Commercial. The property sold for \$60,000 as of 12/2017 but was listed for \$495,000 and later reduced to \$95,000 with 1,395 days on the market. Site size is 2.00 acres but effective site area is 1.29 acres. The property sold Contract for Deed with a short-term 2-year balloon and 15% down.



**Comparable Sale #3**

Address: 911 Stanley Avenue, Cloquet, Minnesota  
Parcel ID: 06-667-0100  
Buyer: ZBGJ, LLC  
Seller: Don E. Perkkio and Christine M. Perkkio  
Sale Price: \$45,000  
Date of Sale: 03/2018  
Type of Deed: Contract for Deed  
Site Size: ±20,000 sq. ft. or ±0.46 acres  
Price per Sq. Ft.: \$2.25  
Data Source: MN eCRV #785780 and Carlton County GIS  
Comments: Commercial land located near Wal-mart zoned Regional Highway Commercial. The property sold for \$45,000 as of 03/2018 but was listed for \$119,800 and later reduced to \$89,000 with 308 days on the market. The property sold Contract for Deed with a balloon payment as of 07/15/2021.



**Comparable Sale #4**

Address: 202 Chestnut Avenue, Carlton, Minnesota  
Parcel ID: 15-010-1140  
Buyer: Boyd S. Smith  
Seller: Randy A. Parker and Debra A. Parker  
Sale Price: \$22,000  
Date of Sale: 10/2017  
Type of Deed: Warranty Deed  
Site Size: ±10,000 sq. ft. or ±0.23 acres  
Price per Sq. Ft.: \$2.20  
Data Source: MN eCRV #731536 and Carlton County GIS  
Comments: Commercial land in downtown Carlton across from the VFW on Chestnut Street. The property was listed for \$49,900 and later reduced to \$32,000 and sold for \$22,000 as of 10/2017. It was on the market 164 days.





**Comparable Sale #5**

Address: 1676 Highway 210, Twin Lakes, Minnesota  
Parcel ID: 81-030-2210  
Buyer: Pru Properties, LLC  
Seller: Bull Properties, LLC  
Expired List Price: \$115,000  
Date of Sale: 08/2020  
Type of Deed: Warranty Deed  
Site Size: ±128,502 sq. ft. or ±2.95 acres  
Price per Sq. Ft.: \$.89  
Data Source: MN eCRV #1142825 and Carlton County GIS  
Comments: Commercial property located between a mini-storage facility and contractor's shop. Municipal sewer, gas and electric at the road and neighboring properties require private well water.



**Comparable Sale #6**

Address: 2600 Tall Pine Lane, Scanlon, Minnesota  
Parcel ID: 23-020-0120  
Buyer: Jeffrey Thompson & Ryan Lind  
Seller: Houston Ventures  
Expired List Price: \$20,000  
Date of Sale: 08/2020  
Type of Deed: Warranty Deed  
Site Size: ±71,003 sq. ft. or ±1.63 acres  
Price per Sq. Ft.: \$.28  
Data Source: MN eCRV #1086563 and Carlton County GIS  
Comments: Commercial/industrial property located in Scanlon in Birch Knoll Industrial Park along Interstate Highway 35. After the sale the buyers constructed a shop.



**Expired Listing #7**

Address: XXX North 8<sup>th</sup> Street, Cloquet, Minnesota  
Parcel ID: 06-315-0710 and 06-275-0600  
Buyer: Not applicable  
Seller: Best Oil  
Expired List Price: \$145,000  
Date of Sale: Parcel did not sell via an arm's-length transaction  
Type of Deed: N/A  
Site Size: ±54,450 sq. ft. or ±1.25 acres  
Price per Sq. Ft.: \$2.66  
Data Source: Expired Listings and Carlton County GIS  
Comments: Industrial land located near the subject property at the corner of Avenue B and North 8<sup>th</sup> Street. The property had surface gravel and a billboard sign. There is known environmental contamination and use potential is limited to surface parking, equipment storage, etc. without cleanup. The site substrate was found to be of unregulated fill, primarily wood waste with contamination from historical urban fill (diesel range organics, coal slag wood waste/sawdust). The property was on the market for over 1,825 days without a drop in asking price until the listing expired as of 01/2021.



**Comparable Sale #8**

Address: XX Highway 45, Scanlon, Minnesota  
Parcel ID: 23-260-0660  
Buyer: Convenience Store Investments  
Seller: Cloquet Motors, LLC  
Sale Price: \$50,000  
Date of Sale: 03/2014  
Type of Deed: Warranty Deed  
Site Size: ±305,791 sq. ft. or ±7.02 acres  
Price per Sq. Ft.: \$.16  
Data Source: MN eCRV #1086563 and Carlton County GIS  
Comments: Backlands purchased by Kwik Trip for assemblage. This parcel has lowlands and encompasses an I-35 off ramp. The property was purchased by a captured buyer as it had limited use opportunity to the commercial market in general.



**Market Data Location Map**



**Market Observation Summary**

#	Parcel	Address	Sale Date	Price	Sq. Ft.	\$/PSF
1	06-615-0100	XX Tall Pine Lane, Cloquet	11/2020	\$150,000	59,677	\$2.51
2	06-667-0140	XX Stanley Ave., Cloquet	12/2017	\$60,000	56,192	\$1.07
3	06-667-0100	911 Stanley Ave., Cloquet	03/2018	\$45,000	20,000	\$2.25
4	15-010-1140	202 Chestnut Ave., Carlton	10/2017	\$22,000	10,000	\$2.20
5	81-030-2210	1676 Highway 210, Twin Lakes	08/2020	\$115,000	128,502	\$0.89
6	23-020-0120	2600 Tall Pine Lane, Scanlon	08/2020	\$20,000	71,003	\$0.28
7	06-315-0710+	XX North 8th Street, Cloquet	Expired Listing	\$145,000	54,450	\$2.66
8	23-260-0660	XX Highway 45, Scanlon	03/2014	\$50,000	305,791	\$0.16

The valuation of undeveloped commercial and industrial land requires determination of the most appropriate unit of comparison. It is determined for the eight observations consider, the rate or price per square foot is most appropriate. In the appraisal process, it is often necessary to adjust market data to reflect those factors which differ from a subject property. In a homogeneous market where there is reasonable consistency between market data and the subject, such differences are usually abstracted from the market through "paired sale" analysis or other sources inclusive of various economic indicators. Conversely, in situations where there is a commonality of purpose or use but factors of location, size, shape, physicality, etc. differ, often undeveloped commercial and industrial land is valued on its rate of exchange in the open market. Accordingly, a sales comparison approach, also called a market data approach, is considered most appropriate to value the subject land.

Market data applicable to undeveloped commercial and industrial land within the greater Cloquet market has been researched and analyzed. After research was conducted, it is revealed that few transactions within this segment, secondary industrial land sales, have occurred. Research resulted in less than 15 observations over an extended time period. Initial observations were focused toward those which provided a perspective of a broad range in value paid for undeveloped commercial land due to the lack of undeveloped industrial land transactions. The most applicable transactions and market observations are reported in the grid above.

Of the seven closed transactions, a broad range in price paid is \$.16 to \$2.51 psf. From an absolute perspective, considering the purchase price as a whole, the price paid is \$20,000 to \$150,000. Observation #7 is an expired listing.

Sale 1 is vacant land located behind Taco Bell fast-food restaurant on Tall Pine Lane, one block east of Highway 33, the primary commercial corridor within the city of Cloquet. This transaction is far superior to the subject with regards to location, access, development potential, neighboring development (apartments and commercial) along with utilities. Based on this sale, the subject has a value much less than \$150,000 or \$2.51 psf.

Sale 2 is located along Stanley Avenue and 14<sup>th</sup> Street near Walmart. The site is highly irregular in shape but has a superior locational influence. Overall, this sale is superior regarding use opportunity, access, utilities and environs. Based on this comparable, the subject's land is less than \$60,000 or \$1.07 psf.

Sale 3 is also located along Stanley Avenue across the street from Walmart. It is a small site that sold for \$45,000. From an absolute perspective, \$45,000 better represents what a buyer would pay for land than its sale price per square foot. After the transaction, a small commercial building was constructed. The property is superior to the subject in exposure, access, utilities, substrate and potential uses.

Sale 4 is located in downtown Carlton. It represents what a buyer would pay for an infill lot, which relates to \$2.20 psf offering 10,000 square feet. Because of its small size, the comparable had limited use opportunity like the subject. The comparable sold for \$22,000 and more inline with a market value of the subject property than Comparables 1, 2 and 3.

Sale 5 is located between the city of Carlton and Interstate Highway 35 in a commercial area of warehouses, shops and mini-storage. The price paid for the 2.95-acre tract of land was \$115,000. The property does not have access to municipal water. The subject's market value based on this sale is less than \$115,000 or \$.89 per square foot due to the comparable's larger size, potential uses, access and utilities

Sale 6 is located in the city of Scanlon's industrial park. The sale price and price per square foot paid is at the lower-end of the value spectrum. The subject's market value would also be at the lower-end of the value range due to substrate, potential uses, ingress/egress, utilities, and tract size. The subject's market value is estimated to be similar to \$20,000.

Listing 7 was added to the grid for analysis. It is an industrial site located near the subject property. It is suggested that it has similar substrate characteristics as the subject property along with surface use potential. The property was listed on the open market for over five years at \$145,000, which highly suggests the listing was overpriced or the lack of potential buyers or both. This market observation represents what the subject land is not worth.

Sale 8 was added to the grid as it was a purchase from a captured buyer. The land was considered backland and was needed for assemblage. The subject's land has limited potential buyers similar to Sale 8 because of access and site characteristics. Looking at the sale from an absolute basis, the subject's value is less than \$50,000 but greater than \$.16 psf due to its larger size.

The subject land is located two blocks south of Cloquet Avenue, a primary business thoroughfare for Cloquet's Central Business District (CBD). Its immediate neighborhood is within a northwesterly sector where land use is predominately supportive of commercial/industrial and supply/distribution. However, there are also neighborhood parks proximate to the subject such as the Veteran's Park, Spafford Campground and Dunlap Island Park.

Conclusion

The land is accessible via an unplatted gravel road but this does not mean that it has legal access. Proximate to the subject is a stormwater retention pond, underground fiberoptic cable and natural gas pipeline valve. Municipal utilities are located to the east at Upper Lakes Foods distribution center. There is a sanitary sewer line running along the Cloquet terminal railroad to the north of the subject. The land is mostly level or slightly undulating; there is an overhead electric powerline the bisects the northeast corner of the property. The subject can support diverse commercial/industrial use based on zoning but its substrate soil characteristics are expected to be of wood product such as sawdust and bark based on historic information from surrounding lands.

Taking into considering current market characteristics, the subject's location, soil conditions, access, and utilities available, a most probable price expectation should be below that observed for most commercial/industrial land transactions. The property has limited utility to the commercial/industrial market as a whole but some utility to an adjacent landowner.

- The subject land is less than \$150,000 or \$2.51 psf based on Sale #1
- The subject land is less than \$145,000 or \$2.66 psf based on Expired Listing #7
- The subject land is less than \$60,000 or \$1.07 psf based on Sale #2
- The subject land is less than \$45,000 or \$2.25 psf based on Sale #3
- The subject land is similar to \$22,000 based on an absolute value of Sale #4
- The subject land is similar to \$20,000 based on an absolute value of Sale #6
- The subject land value is greater than \$.16 psf based on the large size of Sale #8

Accordingly, the market value expectation is estimated at \$20,000 to \$45,000 and deemed appropriate. Applying these factors results in the following price per square foot.

$$\text{\$20,000} / 50,965 \text{ sq. ft.} = \text{\$.39}$$

$$\text{\$45,000} / 50,965 \text{ sq. ft.} = \text{\$.88}$$

After necessary consideration of factors which influence value particularly the subject's location and impaired site/development opportunity, no legal access, and limited utilities, a value at the lower-end of the range or \$.40 psf is appropriate and within market observations.

$$\text{\$.40} \times 50,965 \text{ sq. ft.} = \text{\$20,386 rounded to } \text{\$20,000.}$$

**Value via the Sales Approach**  
**\\$20,000**



## Reconciliation

Reconciliation is the final step in the appraisal process in which the significance and/or applicability of the approaches to value are weighted. The final value outcome is based upon the appropriateness, accuracy, and quality of facts contained in the appraisal process.

Sales Comparison Approach	\$20,000
Cost Approach	Not applicable
Income Approach	Not developed

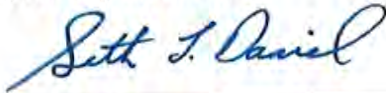
The sales comparison approach was considered appropriate. The quantity of evidence provided by each comparable was adequate. Comparables were selected based on their location, zoning classification, access, availability of utilities, topography (wetlands), and site size, etc. Adjustments were made to each comparable in order to arrive at an indicated value per square foot.

The cost approach is not applicable for vacant land valuation.

The income approach was not developed as commercial/industrial land in the subject neighborhood is not typically leased. The lack of ground leases and market derived capitalization rates weakens the income approach to value; therefore, not developed.

**TWENTY THOUSAND DOLLARS**  
**(\$20,000)**

Respectfully submitted,



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Seth J. Daniel  
Certified General Real Property Appraiser  
Minnesota License #20385315  
License Expiration: 8/31/2022

## Assumptions and Limiting Conditions

1. This Appraisal Report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (2020-2021). As such, it contains discussion 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 the 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 illustrated 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 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 appraiser assumes 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.
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 appraiser is not required to give testimony or appear in court by reason of this appraisal with reference to the property appraised, unless notices and proper arrangements have been previously made thereof.
20. 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.

**Addenda**

Engagement Letter

Appraiser Qualifications

## Engagement Letter



COMMUNITY DEVELOPMENT DEPARTMENT  
10114<sup>th</sup> ST • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555

August 30, 2021

RAMSLAND AND VIGEN  
c/o John Vigen  
Alwoh Building  
302 W Superior St# 410  
Duluth, MN 55802  
(218) 727-8583;  
[jmvigen@ramslandvigen.com](mailto:jmvigen@ramslandvigen.com)

**RE: Request an Appraisal of City of Cloquet Land**

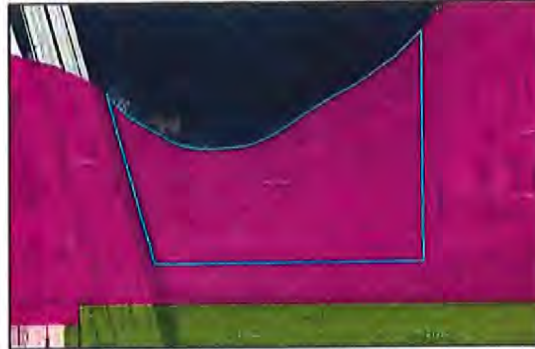
Dear Mr. Vigen,

The City has received an inquiry to sell a portion of a parcel under City ownership to support the adjacent business's need for expanded truck and trailer parking (Upper Lakes Foods - ULF, has requested we consider this sale). The zoning of the property is Heavy Industry and the use for expanded business fleet parking would retain this same zoning. The property would be sold "as is." If the City were to approve this sale, ULF would add gravel, fencing, and expand electrical to this tract of land (see their attached letter of request).

**City Administrator Tim Peterson has requested I obtain an appraisal of this property.** Our engineering techs estimate the parcel under request is 1.17 acres in size, the maximum area usable with zoning setbacks for parking is 0.91 acres in size, please see attached diagram. Parking lot setbacks are 25' front yard, 5' side yard, and 5' rear yard. This yellow area would be the maximum area allowable to fill with gravel or pave by ULF for parking lot use to support trucks and trailers (0.91 acres in size) and being under 1 acre in size there is no requirement for State or City permits for grading/filling. The City would require an Administrative Site Plan review by City Planner and City Engineer to ensure: 1) The parking area fill/grading size is identified and stays within parking setbacks required by the Zoning Ordinance; and 2) Truck/trailer access circulation is retained internally within already owned ULF property and utilizes the two easterly access points established on ULF property and does not create a third access point onto unplatted roadway.

This is real property located in the City of Cloquet, Carlton County, Minnesota, referred to herein as the "Property", and legally described as follows:

**An easterly portion of vacant land, yet to be surveyed, legally described, or subdivided from within this parcel:**



PIN 06-315-0630, Vacant land owned by the City of Cloquet and dissected by the BNSF RR, south of which the WLS&D sanitary sewer line runs. Within this property is unplatted roadway used by area businesses. The City created a stormwater pond on this property for drainage.



COMMUNITY DEVELOPMENT DEPARTMENT  
10114<sup>th</sup> ST• Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555

Outlot 28 in Government Lots 6 & 7 Except Highway & Except Railroad subject to easement & except that part of Outlots 28 & 29 commencing at the Southeast corner of Outlot 29 thence east along North right-of-way line of BNRR 109.8 feet thence deflect 90 degrees 54 minutes left 120 feet thence deflect 0 degrees 54 minutes right 118 feet thence deflect 90 degree left 308 feet thence deflect 90 degree left 188 feet to North right-of-way line of Industry Avenue thence deflect 90 degree right along North right-of-way line 190.12 feet to actual point of beginning thence deflect 90 degrees right 165 feet thence deflect 90 degrees 00 minutes 00 seconds left 285 feet thence deflect 90 degrees left 165 feet thence deflect 90 degrees left 285 feet to point of beginning & except that portion of the following lying within Outlot 28 commencing at the Southeast corner of Outlot 29 thence Westerly 390.20 feet thence deflect 90 degrees 00 minutes Northerly 215 feet to point of beginning thence deflect 90 degrees 00 minutes Westerly 285 feet thence deflect 90 degrees 00 minutes Northerly 70 feet thence deflect 66 degrees 43 minutes Northeasterly 310.27 feet thence Southerly 192.64 feet to point of beginning. City of Cloquet Outlots, Carlton County, Minnesota.; (PIN 06-315-0630).

Please let me or City Planner Al Cottingham (879-2507 x3; [acottingham@cloquetmn.gov](mailto:acottingham@cloquetmn.gov)) know if you have any questions related to appraising this property.

Sincerely,

Holly Hansen, EDFP/AICP Community Development Director  
218-879-2507 x4; [hhansen@cloquetmn.gov](mailto:hhansen@cloquetmn.gov)

*ATTACHMENTS: Dimensional Diagram of Property under consideration for sale to adjacent Upper Lakes Food for expanded gravel parking area; ULF Request for City Property to support Cloquet business operations*

STATE OF MINNESOTA



SETH JOHN DANIEL  
2152 ADIRONDACK STREET  
DULUTH, MN 55811

Department of Commerce

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that  
**SETH JOHN DANIEL**

2152 ADIRONDACK STREET  
DULUTH, MN 55811

has complied with the laws of the State of Minnesota and is hereby licensed to transact the business of  
**Resident Appraiser : Certified General**

**License Number: 20385315**

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2022.

IN TESTIMONY WHEREOF, I have hereunto set my hand this August 27, 2020.

A handwritten signature in black ink that reads "Steve Kelley".

COMMISSIONER OF COMMERCE

Minnesota Department of Commerce

Licensing Division

85 7th Place East, Suite 500

St. Paul, MN 55101-3165

Telephone: (651) 539-1599

Email: [licensing.commerce@state.mn.us](mailto:licensing.commerce@state.mn.us)

Website: [commerce.state.mn.us](http://commerce.state.mn.us)

**Notes:**

- **Individual Licensees Only - Continuing Education:** 15 hours is required in the first renewal period, which includes a 7 hour USPAP course. 30 hours is required for each subsequent renewal period, which includes a 7 hour USPAP course.
- **Appraisers:** You must hold a Licensed Residential, Certified Residential, or Certified General qualification in order to perform appraisals for federally-related transactions. Trainees do not qualify. For further details, please visit our website at [commerce.state.mn.us](http://commerce.state.mn.us).

**Seth J. Daniel - Daniel Appraisal Company, Inc.**

**Home Address**  
3793 Bush Drive  
Hermantown, MN 55810

**Work Address**  
1627 N. 34th Street, Suite 4  
Superior, Wisconsin 54880  
seth johndaniel@yahoo.com

**Phone Numbers**  
Work (715) 718-2822  
Cell (218) 390-5952

Practicing Affiliate, Appraisal Institute

Minnesota Certified General and Certified Residential Real Property Appraiser #20385315

Wisconsin Certified General Appraiser and Licensed Appraiser #1482-010

<b>Education</b>
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**University of Minnesota Duluth (UMD)**  
**Bachelor of Business Administration - May 1999**  
**Double Major: Organizational Management & Human Resource Management / Cum Laude Graduate**

Eminent Domain and Condemnation, August, 2021, Appraisal Institute  
Intermediate Income Approach Case Studies for Commercial Appraisers, August 2020, McKissock, Inc.  
Income Approach Case Studies for Commercial Appraisers, August 2020, McKissock, Inc.  
Commercial Land Valuation, August 2020, McKissock, Inc.  
Land and Sale Valuation, August 2020, McKissock, Inc.  
Business Practices and Ethics, July 2020, Appraisal Institute  
National USPAP Update Course, June 2020, Appraisal Institute  
Appraising Small Apartment Properties, August 2018, McKissock, Inc.  
Appraisal of Owner-Occupied Commercial Properties, July 2018, McKissock, Inc.  
Evaluations, Desktops and Other Limited Scope Appraisals, July 2018, McKissock, Inc.  
National USPAP Update Course, June 2018, McKissock, Inc.  
Appraisal of Self-Storage Facilities, July 2018, McKissock, Inc.  
Advanced Market Analysis and Highest and Best Use, October 2016, Appraisal Institute  
National USPAP Update Course, April 2016, Appraisal Institute  
Advanced Concepts and Case Studies, July 2015, Appraisal Institute  
Advanced Income Capitalization, September 2014, Appraisal Institute  
General Appraiser Sales Comparison Approach, August 2014, McKissock, Inc.  
7-Hour National USPAP Update Course, April 2014, Appraisal Institute  
General Appraiser Report Writing and Case Studies, October 2013, Appraisal Institute  
Ad Valorem Tax Consultation, August 2012, McKissock, Inc.  
National USPAP Update Course, August 2012, McKissock, Inc.  
Appraising & Analyzing Retail Shopping Centers, November 2011, McKissock, Inc.  
Appraising & Analyzing Industrial & Flex Buildings, November 2011, McKissock, Inc.  
Understanding the Interagency Appraisal & Evaluation Guidelines, February 2011, Appraisal Institute  
Appraising & Analyzing Office Buildings for Mortgage Underwriting, October 2010, McKissock, Inc.



**Education, continued**

National USPAP Update Course, July 2010, McKissock, Inc.  
Contemporary Appraisal Issues with SBA, February 2010, Appraisal Institute  
Subdivision Valuation, February 2010, Appraisal Institute  
Feasibility, Market Value, Investment Timing: Option Value, November 2009, Appraisal Institute  
Forecasting Revenue, November 2009, Appraisal Institute  
Rates and Ratios: Making sense of GIMs, OARs, and DCF, October 2009, Appraisal Institute  
Business Practices and Ethics, June 2009, Appraisal Institute  
Analyzing Operating Expenses, August 2008, Appraisal Institute  
Analyzing Distressed Real Estate, August 2008, Appraisal Institute  
Marshall & Swift Commercial Cost Training, July 2008, Appraisal Institute  
National USPAP Update Course, June 2008, Kaplan Professional Schools  
Appraising Convenience Stores, April 2008, Appraisal Institute  
Apartment Appraisals, November 2006, Appraisal Institute  
HP12C Financial Calculator, August 2006, Appraisal Institute  
National USPAP Update Course, May 2006, Prosource Educational Service, Inc.  
Small Hotel/Motel Valuation, April 2006, Appraisal Institute  
Income Capitalization, November 2005, McKissock, Inc.  
Appraisal Investment and Financial Analysis, October 2005, Prosource Educational Service, Inc.  
National USPAP Update Course, July 2004, Prosource Educational Service, Inc.  
FHA Appraisals, June 2004, Prosource Educational Service, Inc.  
Intro to Construction Principles, February 2003, Prosource Educational Service, Inc.  
Intro to Appraisal Principles, February 2003, Prosource Educational Service, Inc.  
Intro to Appraisal Principles II, March 2003, Prosource Educational Service, Inc.  
Intro to Appraisal Practices, March 2003, Prosource Educational Service, Inc.  
Intro to Appraisal Practices II, April 2003, Prosource Educational Service, Inc.  
National USPAP Course, April 2003, Prosource Educational Service, Inc.  
Factory Built Housing, October 2003, McKissock, Inc.  
Real Estate Appraisal I, February 2002, Chippewa Valley Technical College  
Real Estate Appraisal II, March 2002, Chippewa Valley Technical College  
National USPAP, April 2002, Chippewa Valley Technical College

**Professional Experience**

Appraiser -	Daniel Appraisal Company, Inc., 2008-Current, Duluth, MN and Superior, WI Finstad Appraisals, 2002-2008, Duluth, MN and Superior, WI Property Value Appraisal, LLC, 2001-2002, Eau Claire, WI
Marketing Analyst -	Lorman Education Services, 2000-2001, Eau Claire, WI
District Manager -	Automatic Data Processing (ADP), 1999-2000, Bloomington, MN