



**CITY OF CLOQUET**  
**City Council Agenda**  
**Tuesday, May 16, 2017**  
**7:00 p.m.**  
**City Hall Council Chambers**

CITY COUNCIL WORK SESSION

5:30	Crematories in Residential Districts
6:00	Free Standing Signage
6:15	ATVs on City Streets
6:45	Future Work Session Agenda Items

1. **Roll Call.**
2. **Pledge of Allegiance.**
3. **Approval of Agenda.**
  - a. Approval of May 16, 2017 Council Agenda
4. **Approval of Council Minutes.**
  - a. Work Session minutes from the May 2, 2017 meeting
  - b. Regular Council minutes from the May 2, 2017 meeting
5. **Consent Agenda.**

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

  - a. Resolution No. 17-49 Authorizing the Payment of Bills and Payroll
  - b. Renewal of 2017-2018 Liquor and Related Business Licenses
  - c. Approval of New Liquor License for 2017-2018 – Hospitality Partners (NE BBQ and Smokehouse)
  - d. Outdoor Public Fireworks Display Permit – Pyrotechnics
6. **Public Hearings.**
  - a. Now is the time and place for the Public Hearing on the proposed assessments for the 2016 Improvement of Carl Street
    - Resolution No. 17-51, Resolution Adopting Assessments for the Improvement of Carl Street From South Highway 33 Frontage Road to Walter Avenue
7. **Presentations.**
  - a. Police Officer Oath of Office (Ryan Lunda)



**CITY OF CLOQUET**  
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**Tuesday, May 16, 2017**  
**7:00 p.m.**  
**City Hall Council Chambers**

**8. Council Business.**

- a. Summer Seasonal Appointments
- b. Resolution No. 17-37, Resolution of Support for the Housing Tax Credit Application by Roers Investments to the State of Minnesota for the Adaptive Reuse of the Cloquet Middle School Building at 509 Carlton Avenue into Workforce Housing
- c. Ordinance No. 466A, An Ordinance to Amend Chapter 17 of the Municipal Code Pertaining to Special Events
- d. Resolution No. 17-52, Resolution Approving the Vacation of East/West Alley Lying West of Main Street, North of St. Louis Avenue
- e. Planning Commission Vacancy
- f. Summer Take Home Vehicle for Engineering Technician
- g. Disposal of Public Works Surplus Equipment
- h. Change Order for 2016 Veterans Park Improvements
- i. Change Order for 2017 Sewer Lining Project
- j. Lake Superior Waterline Pump #6 Rebuild
- k. Reservation Road Right-of-Way Transfer Agreement

**9. Public Comments.**

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

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

**11. Closed Meeting**

- a. The City Council may adjourn into a closed meeting as permitted under M.S. 13D.05, Subd. 2 (a)(2) for the purpose of discussing internal affairs data relating to allegations of law enforcement personnel misconduct.

**12. Adjournment.**




**Community Development Department**

1307 Cloquet Avenue • Cloquet MN 55720

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

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To: Mayor and City Council  
From: Al Cottingham, City Planner/Zoning Administrator  
Reviewed/Approved By: James Barclay, Interim City Administrator  
Date: May 10, 2017



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**ITEM DESCRIPTION:** Crematories

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The Planning Commission has been discussing amending the Zoning Ordinance pertaining to crematories. They are wrestling with whether to allow them in conjunction with a funeral home that is allowed in a residential district. They are looking for some input and thoughts from the City Council on this issue prior to scheduling a public hearing on this topic. They are discussing the incineration process only, not a liquid process.

Attached for your information, is general information on the cremation equipment and the environment.

In researching other communities, I have found that the City of Duluth has two crematories, one at Park Hill Cemetery in east Duluth approximately 350 feet from a residential neighborhood, and the other at 4100 Grand Avenue in west Duluth with residential homes across the street.

Grand Rapids has one in their commercial/downtown area with residential homes as close as 150 feet. They treat them as an accessory use to the funeral home.

Northfield currently has two crematories, one in a residential neighborhood and one in a commercial district. They also treat them as an accessory use to the funeral home.

The Minnesota Department of Health is the regulatory agency that licenses crematories.



## Human Cremators and the Environment

Under normal operating conditions, modern crematories operate efficiently, inconspicuously, and without smoke or odor. Unless specifically identified, the crematory is not noticeable to an outside observer. In addition, crematories do not discharge wastewaters or use any water in the cremation process.

Human remains are mostly made of organic compounds such as hydrogen and water. Cremation (chemically known as *oxidation*) is ideal for disposing of human remains, as organic compounds can be completely transformed into carbon dioxide and water. Only 2% to 8% of human remains are inorganic and comprised of sodium and potassium (bones). At the end of the cremation cycle, only a few sterile bone fragments remain.

Modern cremators have a 99.99% combustion efficiency, emitting extremely low levels of carbon monoxide. Cremation caskets, if used, are designed to be cremated without causing Hazardous Air Pollutants as defined by the EPA under the Clean Air Act. Our modern cremators fully comply with all stringent Federal, State and local environmental requirements.

### How can a cremator burn without emitting smoke or odors?

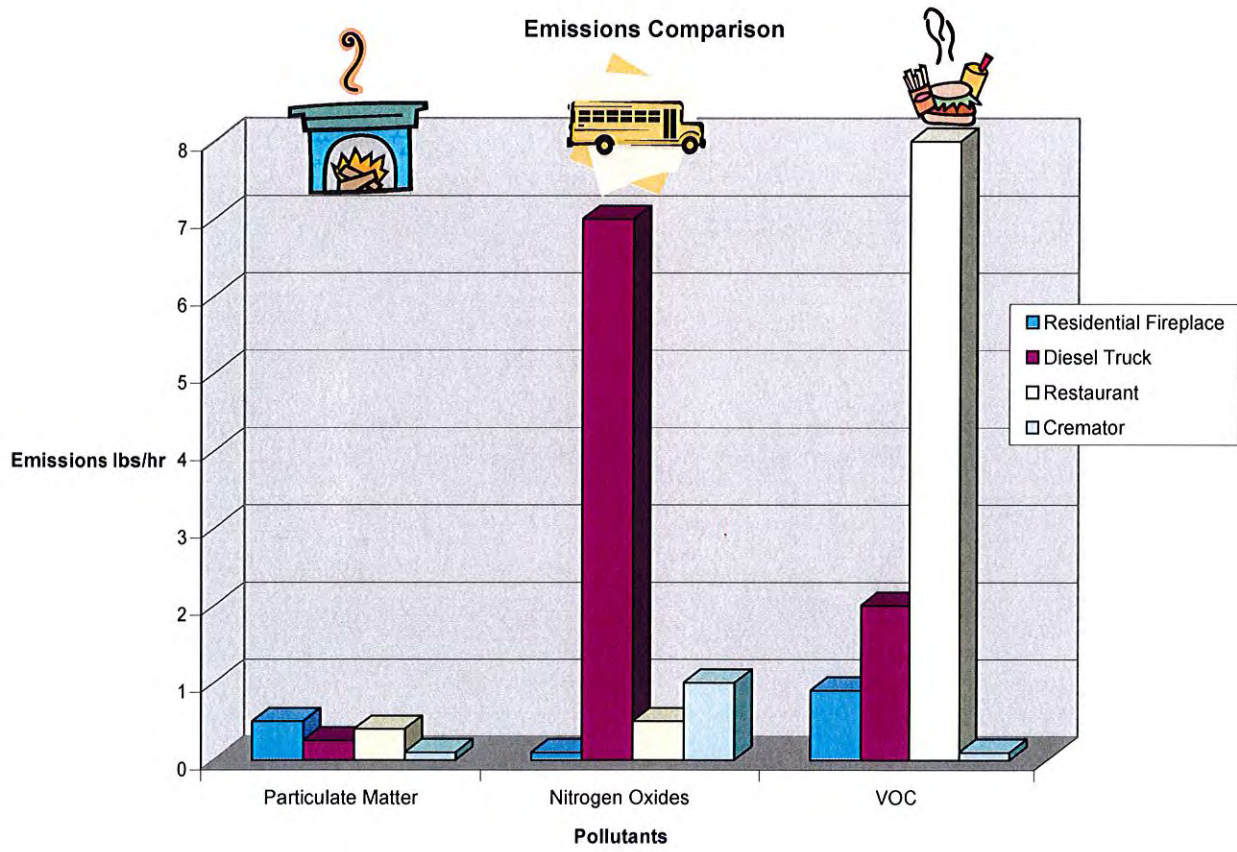
**Complete combustion** is achieved in a special chamber called *After-Burner Chamber*, also known as Secondary Chamber. The smoke created in the combustion process is retained in this chamber for almost two seconds, and re-burned at high temperatures (1,600-1,800 degrees Fahrenheit), and thus fully converted to clear CO<sub>2</sub> gas and water vapor.

Additionally, an Opacity Sensor is located at the base of the stack to insure the clarity of the exhaust gases by controlling the cremation cycle. If the exhaust gases were to reach the maximum locally allowed opacity, the PLC (Programmable Logic Control) automatically shuts down the primary burner and adjusts combustion air supply to slow the combustion rate and prevent visible emissions from exiting the stack.

The cremation process is fully automated and PLC based. Operating temperatures and air flows are constantly monitored for maximum efficiency. Temperature Recorder Charts also provide auditable data to insure the cremator operates within the environmental mandated limits.



### Emissions Comparison





**Community Development Department**

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

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To: Mayor and City Council  
From: Al Cottingham, City Planner/Zoning Administrator  
Reviewed/Approved By: James Barclay, Interim City Administrator  
Date: May 10, 2017

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**ITEM DESCRIPTION:** Freestanding Signs

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The Planning Commission at its May 9, 2017 meeting, discussed a variance application to allow a pylon sign on property that does not have frontage on Highway 33. I explained that the Ordinance was set up this way to help eliminate visual blight above 10 feet on property that did not have frontage on Highway 33. I noted that not all businesses wish to have a pylon sign, stating they are not easily seen by motorists with them up in the air.

The Commission is looking for some input from the City Council on thoughts allowing pylon signs at any location on the property the owner wishes to have one placed. The Ordinance only allows for one freestanding sign per site, so they need to decide what option they want.



**ADMINISTRATIVE OFFICES**

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

**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: James Barclay, Interim City Administrator  
Date: May 10, 2017

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**ITEM DESCRIPTION:** Future Work Session Agenda Planning

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**Proposed Action**

The City Council is asked to provide input for the upcoming City Council work session meeting agenda.

**Background/Overview**

The City Council typically meets in a work session format prior to each regular City Council meeting to discuss items not otherwise on the regular meeting. To ensure that the City Council is provided opportunity to give input regarding future work session agenda items, staff is suggesting the Council be given an opportunity at each meeting.

Approximately 5 minutes will be set aside as part of each work session to discuss the next work session meeting. For this purpose, attached the Council will find the tentative agenda and proposed discussion items for the upcoming work session meeting.

**Policy Objectives**

Does the City Council agree with the agendas as proposed?

**Financial/Budget/Grant Considerations**

None

**Advisory Committee/Commission Action**

None

**Supporting Documentation Attached**

- Upcoming agenda item list

**2017**  
**Tentative Upcoming Council**  
**Work Session Agenda Items**

**June 6**

ADM/HR....City Administrator Interviews

**June 20**

**July 5**

ADM/HR.....Personnel Policies/Handbook

ADM/FIN....Preliminary Budget/CIP

**July 18**

FIN.....Audit Results Presentation



**Cloquet City Council Work Session**  
Tuesday, May 2, 2017

- Present:** A. Bailey, D. Bjerkness, K. Kolodge, S. Langely, R. Maki, J. Rock, Mayor Hallback
- Absent:** None
- Staff:** J. Barclay, N. Klassen, H. Hansen, A. Cottingham, C. Peterson
- Other:** B. Helwig, J. Peterson, Pine Journal; P. Keenan, Roers; K. Scarbrough, ISD 94; Craig Olson, Duluth Building and Construction Trades Council; S. Peterson, Boldt Construction

**Roers Investments Presentation**

Paul Keenan from Roers Investments presented their proposal for the Adaptive Reuse of the Cloquet Middle School and to discuss and answer questions regarding the project.

- The proposed project is to renovate the east and west wings into 57 apartments, versus the 50 proposed by Sherman Associates in 2016. Other items included in the proposal are 115 onsite parking stalls, removal of the pool, and the addition of commercial office space below the gym.
- Total project investment is \$12 million. Roers Investments is in the process of securing the commitment from the Cloquet HRA for 7 project based vouchers for the building.
- A public open house was held at the middle school on May 1st.
- No formal application is being made to the City for public financing tools. Roers Investments is only seeking the required resolution of support from the City to apply to the state for primary financing opportunities (housing tax credits).
- A traffic comparison between the middle school and the proposed project showed 639 individuals daily between Monday and Friday for the middle school versus 200 individuals year round with varying schedules for the multifamily housing.
- EDA will be asked to review the project at their May 3<sup>rd</sup> meeting and make a recommendation to the City Council to provide support.

**Project Labor Agreement Discussion**

- Discussion of the Project Labor Agreement ordinance going before Council tonight. Mr. Barclay discussed the changes that were made after the initial draft was sent out noting that the major change is the requirement of PLAs on city owned projects that exceed \$175,000.
- It was questioned whether or not it will affect projects approved at tonight's regular meeting. Ms. Hansen commented the passing of the ordinance could affect projects in place that the EDA is working on such as the Patio Homes project, Trails Edge expansion, the 14<sup>th</sup> street phase 3 apartments, and the Evergreen Knoll expansion.
- Mr. Helwig clarified that privately funded projects will not fall under the Project Labor Agreement requirement.
- Discussion of TIF projects. Ms. Hansen explained Cloquet's 4 loan funds and the potential negative affect of the Project Labor Agreement.
- Mr. Helwig stated the city can require Project Labor Agreements as long as it's for economic reasons, not just regulation.

- Mr. Olson stated the key in using a Project Labor Agreement is local contractors working the trades will be hired. If the city finds that using the Project Labor Agreement is not working, it can be changed.
- Mr. Olson also clarified the fact that a public Project Labor Agreement does not require a union contractor.
- Changes made to the actual Project Labor Agreement include the addition of Helmets to Hardhats and grievance resolution.
- Mr. Barclay requested clarification from Mr. Olson regarding whether or not the contractors who win bids have to hire needed subcontractors from referrals from the union house. Mr. Olson answered they **do not**. Also questioned was the purpose of a Labor Harmony Plan. Mr. Olson explained it is a plan for interaction between non-union subcontractors and union contractors.
- Contractors are responsible for administrating the Project Labor Agreements. The Project Labor Agreements are in the bid spec documents so contractors are aware of it.
- Mr. Olson commented that the union is willing to assist the city with reaching out to displaced Jarden workers to enter the trades. They are willing to put together a job fair with the hopes of filling the demand in construction for the coming year.
- Mr. Bjerkness commented there is not much information available on the negative side of Project Labor Agreements.

There being no further business, the meeting adjourned at 6:55 p.m.

Respectfully submitted,

James Barclay  
Interim City Administrator

Regular Meeting

 **DRAFT**

Roll Call

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

Councilors Absent: None

Pledge of Allegiance

### AGENDA

**MOTION:** Councilor Langley moved and Councilor Rock seconded the motion to approve the May 2, 2017 agenda. The motion carried unanimously (7-0).

### MINUTES

**MOTION:** Councilor Bailey moved and Councilor Maki seconded the motion to approve the minutes of the Work Session and Regular Meeting of April 18, 2017. The motion carried unanimously (7-0).

### CONSENT AGENDA

**MOTION:** Councilor Bjerkness moved and Councilor Kolodge seconded the motion to adopt the consent agenda of May 2, 2017 approving the necessary motions and resolutions. The motion carried unanimously (7-0).

- a. Resolution No. 17-44, Authorizing the Payment of Bills
- b. Approval of Transient Merchant License – Carlton County Farmers Market

### PUBLIC HEARING

- a. The proposed Establishment of Development District No. 4 and the Adoption of the Tax Increment Financing Plan Therefor; and the Proposed Establishment of Tax Increment Financing District No. 4-1 Therein and the Adoption of the Tax Increment Financing Plan Therefor.

### PRESENTATIONS

There were none.

### PROJECT LABOR AGREEMENT ORDINANCE

**MOTION:** Councilor Bailey moved and Councilor Rock seconded the motion to adopt **ORDINANCE NO. 465A, AN ORDINANCE REQUIRING PROJECT LABOR AGREEMENTS ON WORK PERFORMED UNDER ANY AND ALL CONSTRUCTION CONTRACTS WITH THE CITY OF CLOQUET, MINNESOTA.** The motion carried unanimously (7-0).

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

**Section 1. City Code Amendment.** That the Cloquet City Code, be amended by adding a new Section 9.2 to Chapter 9, to read as follows:

#### **Section 9.2: Project Labor Agreements**

**9.2.01. Policy.** The city, as a purchaser of construction services, has a compelling interest in ensuring that the city construction contracts proceed in a timely, cost-effective manner with the highest degree of quality and with minimal delays and disruptions. City contracts should be performed with the highest degree of safety for workers and the public, and in a manner, that provides meaningful training and employment opportunities for residents. Throughout the state and country, public and private construction owners regularly utilize and require project labor agreements for billions of dollars' worth of construction each year. Project labor agreements that establish uniform terms and conditions of employment for the contractors and other parties working on a project have been shown to provide an effective mechanism for construction management because they allow project owners to:

- (1) Predict their labor costs and requirements, and, therefore, more accurately estimate actual total project costs;
- (2) Promote cost-efficient, timely and safe construction project delivery, by providing access to a reliable supply of properly trained and skilled construction craft personnel for all aspects of the project;
- (3) Assure greater productivity and workmanship quality from construction craft personnel, thereby yielding high quality, cost-efficient projects, while also reducing maintenance and repair costs over the life of the project;
- (4) Integrate work schedules and standardize work rules for the project to provide a well-coordinated, efficiently functioning construction worksite that will minimize delays, promote quality, and maintain project safety; and
- (5) Assure that construction will proceed without interruption from staffing shortages, high employee turnover, safety incidents, and labor disputes by providing reliable project staffing, contractual guarantees against work stoppages and mutually binding procedures for resolving disputes;

**9.2.02. Project Labor Agreement Required.** A project labor agreement, in substantially the form adopted by resolution of the council from time to time and kept by the city clerk as a public document, shall be required to be used on each city construction project, as Project is defined below, with a total project cost of \$175,000 or more. Any project labor agreement entered into by the city shall be made binding on all contractors and subcontractors working on the project. The city shall implement the project labor agreement by requiring adherence to the agreement in the bid specifications in all relevant bid documents. No contractor shall be required to be or become a party to a collective bargaining agreement on any other construction project in order to qualify to work under a project labor agreement implemented for a particular city project.

**Project Defined.** For purposes of this Section, "Project" shall mean work performed under Contract with the City or work performed where the City provides any financial assistance or payment (including but not limited to Contract payments, grants, loans, loan guaranties, tax increment financing, tax abatements, tax payments, lease payments, loan payments, contract for deed payments or revenue for bonds) for the erection, destruction, demolition, painting, remodeling or repairing of any building, highway, sidewalk, bridge, water or gas line, sewer and sewage treatment facility or other similar work.

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

**COUNTRY CLUB TOWNHOMES, LLC – APPROVING PUD, PRELIMINARY PLAT AND FINAL PLAT**

**MOTION:** Councilor Bjerkness moved and Councilor Rock seconded the motion to adopt **RESOLUTION NO. 17-38, A RESOLUTION APPROVING A PLANNED UNIT DEVELOPMENT SITE PLAN IN THE R2-ONE AND TWO FAMILY RESIDENCE DISTRICT FOR COUNTRY CLUB TOWNHOMES FOR COUNTRY CLUB PATIO HOMES.** The motion carried unanimously (7-0).

**WHEREAS,** Country Club Townhomes, LLC is proposing a Planned Unit Development in the R2 – One and Two Family Residence District; and

**WHEREAS,** As required by ordinance, notification was advertised in the Pine Journal and property owners within 350 feet have been notified. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on April 11, 2017 at which time Zoning Case / Development Review No. 17-02 was heard and discussed; and

**WHEREAS,** the property of the proposed Planned Unit Development is located northeast of Reservation Road and Carlton Avenue West and is legally described as follows:

Lots 3, 4, 5, 6 and 7, Block 1, Golf Course 1<sup>st</sup> Addition, City of Cloquet, Carlton County, Minnesota, according to the recorded plat thereof, and that portion of Lot 8, Block 1 of said plat lying westerly of the following described line:  
Commencing at the northeast corner of said Lot 8; thence North 77 degrees 51



minutes 41 seconds West, 28.23 feet along the north line of said Lot 8 to the point of beginning of the line being described; thence South 04 degrees 52 minutes 07 seconds West, 188.79 feet to the south line of said Lot 8, and there terminating. and;

**WHEREAS**, the Planning Commission reviewed the staff report and recommends approval of a Planned Unit Development in the R2 – One and Two Family Residence District.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, that it approves Zoning Case 17-02 for a Planned Unit Development in the R2 – One and Two Family Residence District subject to the following conditions:

1. Compliance with the Engineer's Memo Dated April 4, 2017
2. The location and size of the storage building must match the preliminary plat. The location must be setback a minimum of 25 feet from Reservation Road.
3. The Homeowners Association documents need to stipulate the storage building will only be used by the occupants of lots 1 through 12.
4. The wetland mitigation must be approved and appropriate documents filed prior to the recording of the final plat or the plat will need to be revised. No site work can begin that will impact the wetlands prior to any approval.
5. Address signage must be placed at the entrance to Carlton Avenue West and Reservation Road.

**MOTION:** Councilor Bjerkness moved and Councilor Rock seconded the motion to adopt **RESOLUTION NO. 17-39, A RESOLUTION APPROVING A PRELIMINARY PLAT IN THE R2-ONE AND TWO FAMILY RESIDENCE DISTRICT FOR COUNTRY CLUB TOWNHOMS FOR COUNTRY CLUB PATIO HOMES.** The motion carried unanimously (7-0).

**WHEREAS**, Country Club Townhomes, LLC is proposing a Preliminary Plat in the R2 – One and Two Family Residence District; and

**WHEREAS**, As required by ordinance, notification was advertised in the Pine Journal and property owners within 350 feet have been notified. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on April 11, 2017 at which time Zoning Case / Development Review No. 17-02 was heard and discussed; and

**WHEREAS**, the property of the proposed Preliminary Plat is located northeast of Carlton Avenue West and Reservation Road and is legally described as follows:

Lots 3, 4, 5, 6 and 7, Block 1, Golf Course 1<sup>st</sup> Addition, City of Cloquet, Carlton County, Minnesota, according to the recorded plat thereof, and that portion of Lot 8, Block 1 of said plat lying westerly of the following described line:  
Commencing at the northeast corner of said Lot 8; thence North 77 degrees 51 minutes 41 seconds West, 28.23 feet along the north line of said Lot 8 to the point of beginning of the line being described; thence South 04 degrees 52 minutes 07 seconds West, 188.79 feet to the south line of said Lot 8, and there terminating. and;

**WHEREAS**, the Planning Commission reviewed the staff report and recommends approval of a Preliminary Plat for 13 lots and 1 outlot in the R2 – One and Two Family Residence District.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, that it approves Zoning Case 17-02 for a Preliminary Plat in the R2 – One and Two Family Residence District subject to the following conditions:

1. Compliance with the Engineer's Memo Dated April 4, 2017
2. The location and size of the storage building must match the planned unit development. The location must be setback a minimum of 25 feet from Reservation Road.
3. Outlot B must be labeled as a Lot.
4. The wetland mitigation must be approved and appropriate documents filed prior to the recording of the final plat or the plat will need to be revised. No site work can begin that will impact the wetlands prior to any approval.
5. The required easements, inspection and maintenance agreements, inspection and maintenance plan, financial guarantee and other items as required for the stormwater BMPs must be submitted before a building permit is issued.
6. The HOA documents must be filed and recorded with the final plat.

**MOTION:** Councilor Bjerkness moved and Councilor Rock seconded the motion to adopt **RESOLUTION NO. 17-40, A RESOLUTION APPROVING A FINAL PLAT IN THE R2-ONE AND TWO FAMILY RESIDENCE DISTRICT FOR COUNTRY CLUB TOWNHOMES FOR COUNTRY CLUB PATIO HOMES.** The motion carried unanimously (7-0).

**WHEREAS,** Country Club Townhomes, LLC is proposing a Final Plat in the R2-One and Two Family Residence District; and

**WHEREAS,** the property of the proposed Final Plat is located northeast of Carlton Avenue West and Reservation Road and is legally described as follows:

Lots 3, 4, 5, 6 and 7, Block 1, Golf Course 1<sup>st</sup> Addition, City of Cloquet, Carlton County, Minnesota, according to the recorded plat thereof, and that portion of Lot 8, Block 1 of said plat lying westerly of the following described line:  
Commencing at the northeast corner of said Lot 8; thence North 77 degrees 51 minutes 41 seconds West, 28.23 feet along the north line of said Lot 8 to the point of beginning of the line being described; thence South 04 degrees 52 minutes 07 seconds West, 188.79 feet to the south line of said Lot 8, and there terminating.  
and;

**WHEREAS,** the Planning Commission reviewed the staff report and recommends approval of a Final Plat for 13 lots and 1 outlot in the R2 – One and Two Family Residence District.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA,** that it approves Zoning Case 17-02 for a Final Plat in the R2 – One and Two Family Residence District subject to the following conditions:

1. Compliance with the Engineer's Memo Dated April 4, 2017
2. The location and size of the storage building must match the planned unit development. The location must be setback a minimum of 25 feet from Reservation Road.
3. Outlot B must be labeled as a Lot.
4. The wetland mitigation must be approved and appropriate documents filed prior to the recording of the final plat or the plat will need to be revised. No site work can begin that will impact the wetlands prior to any approval.
5. The required easements, inspection and maintenance agreements, inspection and maintenance plan, financial guarantee and other items as required for the stormwater BMPs must be submitted before a building permit is issued.
6. The HOA documents must be filed and recorded with the final plat.

**COUNTRY CLUB PATIO HOMES – REQUEST FOR HOUSING TIF, EXECUTION OF THE DEVELOPMENT AGREEMENT AND INTERFUND LOAN RELATED TO START UP COSTS**

**MOTION:** Councilor Kolodge moved and Councilor Bailey seconded the motion to adopt **RESOLUTION NO. 17-41, RESOLUTION RECOMMENDING THE ESTABLISHMENT OF DEVELOPMENT DISTRICT NO. 4 AND ADOPTING A DEVELOPMENT PROGRAM THEREFOR; AND THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 4-1 THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFORE.** The motion carried unanimously (7-0).

**BE IT RESOLVED** by the City Council (the "Council") of the City of Cloquet, Minnesota (the "City"), as follows:

Section 1. Recitals.

1.01. It has been proposed by the City that the City establish Development District No. 4 (the "Project Area") and adopt a Development Program therefor (the "Development Program") and establish Tax Increment Financing District No.4-1 (the "District") therein and adopt a Tax Increment Financing Plan (the "TIF Plan") therefor (the Development Program and the TIF Plan are referred to collectively herein as the "Program and Plan"); all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.133 and Sections 469.174 to 469.1794, all inclusive, as amended, (the "Act") all as reflected in the Program and Plan, and presented for the Council's consideration.

1.02. The City has investigated the facts relating to the Program and Plan and has caused the Program and Plan to be prepared.

1.03. The City has performed all actions required by law to be performed prior to the establishment of the District and the adoption and approval of the proposed Program and Plan, including, but not limited to, notification of Carlton County and Independent School District No. 94 having taxing jurisdiction over the property to be included in the District, a review of and written comment on the Program and Plan by the City Planning Commission, approval of the Program and Plan by the City on April 5, 2017, and the holding of a public hearing upon published notice as required by law.

1.04. Certain written reports (the "Reports") relating to the Program and Plan and to the activities contemplated therein have heretofore been prepared by staff and consultants and submitted to the Council and/or made a part of the City files and proceedings on the Program and Plan. The Reports include data, information and/or substantiation constituting or relating to the basis for the other findings and determinations made in this resolution. The Council hereby confirms, ratifies and adopts the Reports, which are hereby incorporated into and made as fully a part of this resolution to the same extent as if set forth in full herein.

Section 2. Findings for the Adoption and Approval of the Development Program.

2.01. The Council approves the Development Program, and specifically finds that: (a) the land within the Project Area would not be available for redevelopment without the financial aid to be sought under this Development Program; (b) the Development Program will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project Area by private enterprise; and (c) that the Development Program conforms to the general plan for the development of the City as a whole.

Section 3. Findings for the Establishment of Tax Increment Financing District No.4-1.

3.01. The Council hereby finds that Tax Increment Financing District No.4-1 is in the public interest and is a "housing district" under Minnesota Statutes, Section 469.174, Subd. 11 of the Act.

3.02. The Council further finds that the proposed development would not occur solely through private investment within the reasonably foreseeable future, that the Program and Plan conform to the general plan for the development or redevelopment of the City as a whole; and that the Program and Plan will afford maximum opportunity consistent with the sound needs of the City as a whole, for the development or redevelopment of the District by private enterprise.

3.03. The Council further finds, declares and determines that the City made the above findings stated in this Section and has set forth the reasons and supporting facts for each determination in writing, attached hereto as Exhibit A.

Section 4. Public Purpose.

4.01. The adoption of the Program and Plan conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City which is already built up, to provide housing opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose. For the reasons described in Exhibit A, the City believes these benefits directly derive from the tax increment assistance provided under the TIF Plan. A private developer will receive only the assistance needed to make this development financially feasible. As such, any private benefits received by a developer are incidental and do not outweigh the primary public benefits.

Section 5. Approval and Adoption of the Program and Plan.

5.01. The Program and Plan, as presented to the Council on this date, including without limitation the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted and shall be placed on file in the office of the City Administrator.

5.02. The staff of the City, the City's advisors and legal counsel are authorized and directed to proceed with the implementation of the Program and Plan and to negotiate, draft, prepare and present to this Council for its consideration all further plans, resolutions, documents and contracts necessary for this purpose.

5.03. The Auditor of Carlton County is requested to certify the original net tax capacity of the District, as described in the Program and Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased; and the City is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within

the District, for which building permits have been issued during the 18 months immediately preceding the adoption of this resolution.

5.04. The City Administrator is further authorized and directed to file a copy of the Program and Plan with the Commissioner of the Minnesota Department of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes 469.175, Subd. 4a.

**MOTION:** Councilor Langley moved and Councilor Bailey seconded the motion to adopt **RESOLUTION NO. 17-42, RESOLUTION AUTHORIZING THE EXECUTION OF THE DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF CLOQUET AND COUNTRY CLUB PATIO HOMES, LLC AND EXECUTION OF THE TAX INCREMENT REVENUE NOTE FOR THE PROJECT.** The motion carried unanimously (7-0).

**WHEREAS**, Country Club Patio Homes LLC (the "Developer") has requested the City of Cloquet, Minnesota (the "City") to assist with the financing of certain costs incurred in connection with the construction of approximately 12-unit owner-occupied single family homes (patio homes) in the City by the Developer (the "Project").

**WHEREAS**, the Developer and the City have determined to enter into a Development Agreement providing for the City's tax increment financing assistance for the Project (the "Development Agreement").

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Cloquet, Minnesota, as follows:

The City Council hereby approves the Development Agreement in substantially the form submitted, and the Mayor and Interim City Administrator are hereby authorized and directed to execute the Development Agreement on behalf of the City.

The approval hereby given to the Development Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by this resolution to execute the Development Agreement. The execution of the Development Agreement by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Development Agreement in accordance with the terms hereof.

**MOTION:** Councilor Bjerkness moved and Councilor Bailey seconded the motion to adopt **RESOLUTION NO. 17-43, RESOLUTION AUTHORIZING AN INTERFUND LOAN TO ADVANCE CERTAIN COSTS IN CONNECTION WITH TIF DISTRICT NO. 4-1.** The motion carried unanimously (7-0).

**BE IT RESOLVED** by the City Council (the "Council") of the City of Cloquet, Minnesota (the "City"), as follows:

Section 1. Background.

1.01. The City has heretofore approved the establishment of Tax Increment Financing District No.4-1 (the "TIF District") within Development District No. 4 (the "Project"), and has adopted a Tax Increment Financing Plan (the "TIF Plan") for the purpose of financing certain improvements within the Project.

1.02. The City has determined to pay for certain costs identified in the TIF Plan consisting of land/building acquisition, site improvements/preparation, public utilities, other qualifying improvements, interest and administrative costs (collectively, the "Qualified Costs"), which costs may be financed on a temporary basis from City funds available for such purposes.

1.03. Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the City's general fund or any other fund from which such advances may be legally authorized, in order to finance the Qualified Costs.

1.04. The City intends to reimburse itself for the Qualified Costs from tax increments derived from the TIF District in accordance with the terms of this resolution (which terms are referred to collectively as the "Interfund Loan").

Section 2. Terms of Interfund Loan.

2.01. The City hereby authorizes the advance of up to \$10,000 from Fund 207 or so much thereof as may be paid as Qualified Costs. The City shall reimburse itself for such advances together with interest at the rate stated below. Interest accrues on the principal amount from the date of each advance. The maximum rate of interest permitted to be



charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 are from time to time adjusted. The interest rate shall be 4% and will not fluctuate.

2.02. Principal and interest ("Payments") on the Interfund Loan shall be paid semi-annually on each August 1 and February 1 (each a "Payment Date"), commencing on the first Payment Date on which the Authority has Available Tax Increment (defined below), or on any other dates determined by the City Administrator, through the date of last receipt of tax increment from the TIF District.

2.03. Payments on this Interfund Loan are payable solely from "Available Tax Increment," which shall mean, on each Payment Date, tax increment available after other obligations have been paid, or as determined by the City Administrator, generated in the preceding six (6) months with respect to the property within the TIF District and remitted to the City by Carlton County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, all inclusive, as amended. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes or contracts secured in whole or in part with Available Tax Increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with Available Tax Increment.

2.04. The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

2.05. This Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. This Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Interfund Loan or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

2.06. The City may amend the terms of this Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

Section 3. Effective Date. This resolution is effective upon the date of its approval.

#### **2017 RIVERFRONT IMPROVEMENTS, CONTRACT AWARD**

**MOTION:** Councilor Bailey moved and Councilor Maki seconded the motion to adopt **RESOLUTION NO. 17-47, RESOLUTION AWARDED BID FOR 2017 RIVERFRONT IMPROVEMENTS.** The motion carried unanimously (7-0).

**WHEREAS,** The City has identified the completion of the proposed Riverfront Improvements as a priority of Park Master Plan and Waterfront Master Plan; and

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

**WHEREAS,** The City Council has awarded a contract to SEH to complete design plans and specifications for proposed 2017 Riverfront Improvements; and

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

<u>Bidder</u>	<u>Bid Amount</u>
Ulland Brothers, Inc.	\$ 2,886,100.00
Northland Constructors	\$ 2,945,499.84

**AND WHEREAS,** The apparent low bid from Ulland Brothers, Inc. was found to meet the minimum bid requirements.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA,** That the bid from Ulland Brothers, Inc. in the amount of \$2,886,100.00 is hereby accepted.

**BE IT FURTHER RESOLVED,** The City Engineer is hereby authorized to act as agent on behalf of the City of Cloquet.

#### DUNLAP ISLAND PLAYGROUND EQUIPMENT PURCHASE

**MOTION:** Councilor Maki moved and Councilor Kolodge seconded the motion to adopt **RESOLUTION NO. 17-46, RESOLUTION AUTHORIZING THE PURCHASE OF PLAYGROUND EQUIPMENT FROM KOMPAN** authorize the purchase of a ProWall Ice Rink System from Sport Resource Group in the amount of \$28,830.00. The motion carried unanimously (7-0).

**WHEREAS,** The City included funds in the 2017 Budget and Capital Plan for improvements to Dunlap Island; and

**WHEREAS,** The proposed improvements included a new destination playground as identified in the Riverfront Master Plan; and

**WHEREAS,** The City can save costs and comply with government purchasing regulations by utilizing government purchasing cooperatives for improvements of this type; and

**WHEREAS,** The purchase and installation of the selected equipment is available through the US Communities Government Purchasing Alliance and Minnesota Services Cooperative respectively;

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA,** That the purchase of KOMPAN playground equipment through US Communities Government Purchasing Alliance and the Installation by Midwest Playscapes under the Minnesota Services Cooperative is hereby authorized in the total amount of \$455,306.09.

**BE IT FURTHER RESOLVED,** The City Engineer is hereby authorized to act as agent on behalf of the City of Cloquet.

#### CONSTRUCTION SERVICES FOR 2017 RIVERFRONT IMPROVEMENTS

**MOTION:** Councilor Bailey moved and Councilor Maki seconded the motion to approve **RESOLUTION NO. 17-48, RESOLUTION ENTERING INTO AN AGREEMENT WITH SEH, INC. FOR CONSTRUCTION SERVICES ASSOCIATED WITH 2017 RIVERFRONT IMPROVEMENTS.** The motion carried unanimously (7-0).

**WHEREAS,** The City included funds in the 2017 Budget and Capital Plan for improvements to the Riverfront; and

**WHEREAS,** The Council previously awarded a design services agreement to SEH Inc. for preparation of bid documents associated with those improvements as identified in the Waterfront Master Plan; and

**WHEREAS,** The City has awarded a contract for construction of said improvements to Ulland Brothers, Inc. and must now consider how it wishes to handle construction administration of the project.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA,** That the City of Cloquet hereby agrees to enter into an Agreement with SEH Inc. in the amount of \$109,5000 for project construction services.

**BE IT FURTHER RESOLVED,** The City Engineer is hereby authorized to act as agent on behalf of the City of Cloquet.

#### BROADWAY AVENUE BNSF RAIL CROSSING

**MOTION:** Councilor Bjerkness moved and Councilor Maki seconded the motion to approve **RESOLUTION NO. 17-45, RESOLUTION ENTERING INTO CROSSING INSTALLATION AGREEMENT AND LICENSE FOR PEDESTRIAN WALKWAY WITH BNSF RAILWAY COMPANY.** The motion carried unanimously (7-0).

**WHEREAS**, The City included funds in the 2017 Budget and Capital Plan for improvements to the Broadway Avenue Corridor: and

**WHEREAS**, The proposed improvements would modify the existing BNSF Railway Crossing and install City owned infrastructure within BNSF right-of-way; and

**WHEREAS**, BNSF Railway Company requires an Installation Agreement and License in order to complete such improvements within their right-of-way;

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, That the City of Cloquet hereby agrees to enter into a Crossing Installation Agreement and License for Pedestrian Walkway with BNSF Railway Company.

**BE IT FURTHER RESOLVED**, The City Engineer is hereby authorized to act as agent on behalf of the City of Cloquet.

#### TEMPORARY, PART TIME CUSTODIAN POSITION

**MOTION:** Councilor Kolodge moved and Councilor Langley seconded the motion to appoint Jessica Crisel to the position of Temporary, Part-Time Custodian effective May 3, 2017. The motion carried unanimously (7-0).

#### VETERANS USE OF CITY OWNED SPACE

**MOTION:** Councilor Bailey moved and Councilor Bjerkness seconded the motion to approve the fee-free use of the Cloquet Senior Center, a City owned space, by the American Legion and other veteran organizations under the provisions of the "City of Cloquet Use of Senior Center Facility and Equipment" rules and guidelines. The motion carried unanimously (7-0).

#### PUBLIC COMMENTS

- Barb Wyman, 347 Nelson Road, addressed the Council stating she feels the public needs to know that an outside mediator was hired to investigate the complaint against S. Stracek. Until the investigation is complete, no one involved can comment. She next read the Wikipedia definition of "vote of no confidence" and stated the vote was their last resort. Ms. Wyman stated the police officers have her support, as well as the Council.
- Michael Utecht, Brookston, addressed the Council commenting that he could no longer sit idly by while there is negative reporting by J. Peterson of the Pine Journal. He also questioned why there was no mention of J. Palmer's positive job history or his qualification to be Interim Chief in the articles. Mr. Utecht stated his work brings him into contact with Cloquet Police Department so he can speak first hand and has much respect for the officers.

#### COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES

- Councilor Bailey commented on the news this week of Jarden Brands closing the Cloquet mill. He further stated that by partnering with the union, we may help keep local people employed.
- Councilor Rock requested clarification from Attorney Helwig regarding closed meetings. Mr. Helwig explained that once the investigation regarding Chief Stracek is complete, results will be made public. Until that time, information is confidential and should not be discussed. Mr. Helwig also explained that his role at a closed meeting is to give legal guidance and advice and provide legal advice only.

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

---

James Barclay, Interim City Administrator



**ADMINISTRATIVE OFFICES**

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

**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: James Barclay, Interim City Administrator  
Date: May 9, 2017

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**ITEM DESCRIPTION:** Approval of Liquor License and Related Business License Renewals

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**Proposed Action**

Staff recommends the City Council move to renew the various liquor and business licenses identified on the attached 2017-2018 license renewal list subject to submittal of all licensing requirements.

**Background/Overview**

The State of Minnesota requires that businesses licensed to sell liquor renew their various licenses each year. In Cloquet, such licenses expire on June 30<sup>th</sup> of each year. These renewals are required to be submitted to the State 30 days prior to their expiration for review and final approval.

Further, the Council is being asked to approve several other business licenses required under the Cloquet Municipal Code.

Staff has solicited renewals from each of our current license holders. Most have completed the necessary paperwork and submitted the required information. Staff has found everything in order. Those licenses that are ready to be renewed by the Council are indicated on the attached list.

**Are there any significant license change requests?**

There are no significant license changes requested with any of our renewals this year.

**Policy Objectives**

Approval of license renewals are required in Chapter 6 of Municipal Code and State law.

**Financial/Budget/Grant Considerations**

The City's fee schedule requires each license holder to pay set fees for each renewal. The total fees received by the City for alcohol licenses are required to be consistent with the level of service to administer and enforce local liquor laws.

**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- 2017-2018 License Renewal List



**RENEWALS - MAY 16, 2017 MEETING**

**2017 - 2018 Licenses**

Licensee	Trade Name	Licensed Location Address	On Sale		Off Sale		On Sale			Public Dance	Bowling Alley	Consumption & Display Permit	Amusement	Caterers
			Intox. Liquor (13)	Sunday	2 A.M. Closing	Intox. Liquor (12)	Wine	3.2% Malt Liquor	Off Sale 3.2% Malt Liquor					
ARK Enterprises LLC	Southgate Family Pizzeria	918 Hwy 33 S					4	5						
Durga Motels Inc.	Americinn Lodge & Suites	111 Big Lake Rd											1	
Apple Minnesota LLC	Applebee's Neighborhood Grill & Bar	1405 Hwy 33 S	7	7									7	
B & B Market Inc	B & B Market	506 Big Lake Rd								2				
Carmen & Mike Inc.	Carmen's Dry Dock West Bar & Restaurant	1410 West Prospect Ave	2	2									2	1
Cloquet Country Club Inc	Cloquet Country Club	400 Country Club Dr	2-Club	2-Club										
Leonard Beck	Cloquet Labor Temple	1403 Ave C									1			
Miner's Inc	Cloquet Super One Foods	707 Hwy 33 S									3	18		
Gary Stowell Enterprises Inc.	Cold One Liquor	906 Hwy 33 S					10				4			
Cloquet Bar & Lounge Inc	Cloquet Bar & Lounge	914 Cloquet Ave	3	3			3						3	
County Seat Theater of Carlton	County Seat Theater Company	2035 Hwy 33 S						3						
Holiday Stationstores Inc	Holiday Stationstore	1420 Cloquet Ave									6			
Hong Kong Restaurant of Cloquet Inc	Hong Kong Restaurant	616 Sunnyside Dr	5	5										
Kwik Trip Inc.	Kwik Trip #247	235 North Rd									4	23		
Kwik Trip Inc.	Kwik Trip #144	900 Washington Ave					5				5	27		
Lumberjack Lounge Inc	Lumberjack Lounge	1016 Cloquet Ave	6	6 Expires 10/1/17							4		6	
Murphy Oil USA Inc	Murphy USA #6961	1310 Hwy 33 S									14			
MUY Pizza Mn	Pizza Hut	701 Hwy 33 South												
Northeastern Saloon & Grille Inc.	Northeastern Saloon & Grille	115 St Louis Ave	1	1 Expires 12/5/17							7			2
Sammy's Pizza of Cloquet Inc	Sammy's Pizza of Cloquet	305 Sunnyside Dr						1	1					
Richard A Kari Inc	Sunnyside Liquor	607 Sunnyside Dr					8				17			
Rivdogg	Ave C	207 Ave C	4	4										
Super One Liquor LLC	Super One Liquor	707 Hwy 33 S Ste 1					6				13			
TA Operating LLC	Minit Mart #551	401 Broadway									24			
TA Operating LLC	Minit Mart #557	201 Doddridge Ave									25			
TA Operating LLC	Minit Mart #560	308 Sunnyside Dr									26			
VFW 3979	Hebert Kennedy Post	210 Arch St	11	11										
Wal-Mart Stores Inc	Wal-Mart Supercenter #1929	1308 Hwy 33 S									3		11	
Wal-Mart Stores Inc.	Wal-Mart Supercenter #1929 (liquor box)	1308 Hwy 33 S					9						13	
Walgreen Co.	Walgreens #15439	215 Doddridge Ave									22			



**ADMINISTRATIVE OFFICES**

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**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: James Barclay, Interim City Administrator  
Date: May 16, 2017

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**ITEM DESCRIPTION:** Approval of Hospitality Partners, Inc. On-Sale Liquor License

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**Proposed Action**

Staff recommends the City Council move to approve the On-Sale Intoxicating Liquor License for Hospitality Partners, Inc., dba NE BBQ & Smokehouse, 7-8<sup>th</sup> Street, effective June 1, 2017, subject to final approval by the State of Minnesota.

**Background/Overview**

The City has received an application from Elise Herman, 421 10<sup>th</sup> Street, Cloquet, seeking to obtain a new On-Sale Intoxicating Liquor and Sunday On-Sale Intoxicating Liquor License at 7-8<sup>th</sup> Street. Ms. Herman has entered into a Commercial Lease Agreement with the owner of the building and has been working with the city's building official while renovating the space into a restaurant.

- On-Sale Intoxicating Liquor – The applicant has submitted all of the necessary materials and a criminal background check has been completed. The applicant is seeking to license the area as identified on the attached floor plan. The sale of alcohol is limited to the floor plan area.
- Sunday On-Sale Intoxicating Liquor – The applicant is applying for a Sunday On-Sale License. Under City Code and Mn. Statute, an establishment must be licensed as a qualifying restaurant in order to be open for alcohol sales on Sunday. The applicant will operate the restaurant with a medium establishment food license.

Upon approval of the On-Sale Intoxicating Liquor License, the license will be categorized as a Restaurant On-Sale Intoxicating Liquor License. Both licenses will have an expiration date of June 30, 2018.

**Policy Objectives**

Approval of On-Sale Intoxicating Liquor Licenses are required under Chapter 6 of the City Code and Mn. Statutes 340A.404 under State law. As a Statutory City of the Third Class, the city is limited to a maximum of twelve (12) licenses. However, in 1987, the city held a special election which resulted in the authorization of one (1) additional license.

Under this same section of law, the State also provides certain exclusions from license limits. Restaurants are one of the excluded categories. In other words, a license issued as a Restaurant does not count towards the City's total of thirteen (13) licenses. As noted above, this license shall then be categorized as a Restaurant On-Sale, thus not impacting the remaining number of On-Sale licenses.

To Mayor and Council  
On-Sale Liquor License  
NE BBQ & Smokehouse  
May 16, 2017  
Page 2

**Financial Impacts**

The city's fee schedule requires each license holder to pay set fees for each license. The total fees received by the city for alcohol licenses are required to be consistent with the level of service to administer and enforce local liquor laws. The applicant has paid all fees which are required by the city.

**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- Application



Minnesota Department of Public Safety  
**Alcohol and Gambling Enforcement Division (AGED)**  
 444 Cedar Street, Suite 222, St. Paul, MN 55101-5133  
 Telephone 651-201-7507 Fax 651-297-5259 TTY 651-282-6555

**Certification of an On Sale Liquor License, 3.2% Liquor license, or Sunday Liquor License**

**Cities and Counties:** You are required by law to complete and sign this form to certify the issuance of the following liquor license types:  
 1) City issued on sale intoxicating and Sunday liquor licenses  
 2) City and County issued 3.2% on and off sale malt liquor licenses

Name of City or County Issuing Liquor License Cloquet License Period From: 6/1/17 To: 6/30/18

Circle One: New License License Transfer \_\_\_\_\_ Suspension Revocation Cancel \_\_\_\_\_  
(former licensee name) (Give dates)

License type: (circle all that apply) On Sale Intoxicating Sunday Liquor 3.2% On sale 3.2% Off Sale  
 Fee(s): On Sale License fee: \$ \_\_\_\_\_ Sunday License fee: \$ \_\_\_\_\_ 3.2% On Sale fee: \$ \_\_\_\_\_ 3.2% Off Sale fee: \$ \_\_\_\_\_

Licensee Name: Hospitality Partners, Inc DOB 7/22/ Social Security # \_\_\_\_\_  
(corporation, partnership, LLC, or Individual)

Business Trade Name WE BBQ & Smokehouse Business Address 7 8th St City Cloquet

Zip Code 55720 County Carter Business Phone \_\_\_\_\_ Home Phone \_\_\_\_\_

Home Address 421 10th St City Cloquet Licensee's MN Tax ID # 3801230

Licensee's Federal Tax ID # 30-0847360 (To apply call 651-296-6181)  
(To apply call IRS 800-829-4933)

If above named licensee is a corporation, partnership, or LLC, complete the following for each partner/officer:

Elise Frances Herman 7/22/ 421 10th St, Cloquet,  
 Partner/Officer Name (First Middle Last) DOB Social Security # Home Address MN

(Partner/Officer Name (First Middle Last) DOB Social Security # Home Address

Partner/Officer Name (First Middle Last) DOB Social Security # Home Address

Intoxicating liquor licensees must attach a certificate of Liquor Liability Insurance to this form. The insurance certificate must contain all of the following:

- 1) Show the exact licensee name (corporation, partnership, LLC, etc) and business address as shown on the license.
- 2) Cover completely the license period set by the local city or county licensing authority as shown on the license.

Circle One: (Yes No) During the past year has a summons been issued to the licensee under the Civil Liquor Liability Law?

Workers Compensation Insurance is also required by all licensees: Please complete the following:

Workers Compensation Insurance Company Name: Reliable insurance Policy # \_\_\_\_\_

I Certify that this license(s) has been approved in an official meeting by the governing body of the city or county.

City Clerk or County Auditor Signature \_\_\_\_\_ Date \_\_\_\_\_  
(title)

**On Sale Intoxicating liquor licensees must also purchase a \$20 Retailer Buyers Card. To obtain the application for the Buyers Card, please call 651-201-7504, or visit our website at [www.dps.state.mn.us](http://www.dps.state.mn.us).**



**CITY ADMINISTRATOR'S OFFICE**

1307 Cloquet Avenue, Cloquet MN 55720

Phone: 218-879-3347 Fax: 218-879-6555

www.ci.cloquet.mn.us

email: admin@ci.cloquet.mn.us

**CITY OF CLOQUET, MN  
APPLICATION FOR ON SALE INTOXICATING LIQUOR LICENSE**

Application:  New  Renewal

On Sale Intoxicating Liquor License Category:

Restaurant  Club, or congressionally chartered veterans organization  Exclusive Liquor Store  Hotel

**APPLICANT INFORMATION:**

Name: Elise Frances Hermann

First Full Middle Name Last

Applicant Current Address: 421 10th St

City, State, Zip: Cloquet, MN 55720

Home Phone Work Phone Cell Phone

elise.nebbq@gmail.com

E-Mail Address

Date of Birth: 07/22/ Place of Birth: Newark, DE

Licensee Name: Hospitality Partners, Inc.

*Business, Partnership, Corporation, LLC, Individual*

Social Security #: \_\_\_\_\_

Trade Name or DBA: NE BBQ & Smokehouse

Licensed Location Address: 7 8th St, Cloquet, MN 55720

Business Phone: 302-650-2004

**BUSINESS INFORMATION:**

Business Name: NE BBQ & Smokehouse

Address of Business: 7 8th St., Cloquet, MN 55720

Mailing Address (if different from above): \_\_\_\_\_

Phone No.:

Alternate Number:

**BUSINESS OWNERSHIP INFORMATION:**

Type of Ownership:  Sole Proprietorship  Partnership  Limited Liability Corporation (LLC)  Corporation (Inc)

If the above named licensee is a corporation, partnership, or LLC, complete the following for each partner/officer:

Elise	Frances	Hermann
Partner/Officer Name:	First Middle Last	
Home Address:	421 10th St	
City, State, Zip:	Cloquet, MN 55720	
07/22/		
Date of Birth		Social Security No.

Partner/Officer Name:	First Middle Last	
Home Address:		
City, State, Zip:		
Date of Birth		Social Security No.

Are you the owner or one of the owners of the business stated in this application?  Yes  No

If yes, how long have you been in the business at this location? We have yet to open

If you are not the business owner, please list business owner information:

Name:	(First)	(Full Middle)	(Last)
Address:			
Home Phone	Work Phone	Cell Phone	



The property at which I am requesting a license for, I  Own  Rent  Lease  Other: \_\_\_\_\_

*(If you rent or lease the premises, you must attach a copy of your fully executed rental or lease agreement)*

If you are not the property owner, please list property owner information:

Name: Nathan Radoush  
(First) (Full Middle) (Last)

Address: 1732 Dodge Ave  
Duluth, MN 55811

218-740-1701

Home Phone Work Phone Cell Phone

**Property/Business Information:**

Intoxicating liquor licenses will only be issued to establishments which are properly zoned and/or meet those zoning requirements for such location as may be required by the City.

**For Zoning Verification, contact the Cloquet Zoning Department at (218) 879-2507 prior to submitting your application to obtain a "Certificate of Zoning Compliance."**

You must indicate the exact legal description of the premises to be licensed, with a plot plan of the area showing dimensions, locations of buildings, street access, parking facilities and the locations of and distances to the nearest church building and schools.

The license application must include a complete description of the compact and contiguous area in which the licensee will conduct business, including a description of physically connected attachments to the main structure such as patios, decks, or pavilions.

If the description covers a building with more than one story or room which are used for business purposes other than those permitted to be in combination with the license, then the description must specify the floor and the space to which the license will apply.

Property Zoning District: City Center

Property Parcel ID Number: 06-275-0040

Property Complete Legal Description: Lots 1 and 2, Block 1, Nelson's Subdivision of Outlots 35, 36 and 40,  
... available upon request

Is there more than one story to building?  Yes  No

If yes, please describe:  
The building includes a second floor which includes a banquet hall.

Does business have inside access to another business establishment?  Yes  No

Will licensed area include any outdoor attachment such as a patio or deck?  Yes  No  
If yes, is area fenced in?  Yes  No

(Please describe in detail and attach drawing) \_\_\_\_\_  
\_\_\_\_\_

How many off-street parking spaces are to be provided exclusively for your customers? See deferred submittal

Days of Operation: Monday-Sunday

Hours of Operation: 11am - 1am

Give a complete description of business activities to be conducted on the premises:  
The preparation and sale of food and beverage, including occasional musical entertainment.

Will live entertainment and/or dancing be provided?  Yes  No

**2 A.M. LIQUOR LICENSE** Will applicant be applying for 2 A.M. Sales?  Yes  No

**SUNDAY SALES** Will applicant be applying for Sunday Liquor?  Yes  No

**To be completed if applying for Sunday Sales:**

**Minnesota Statute 340A.504, Subd. 3. Intoxicating liquor; Sunday sales; on-sale.**  
A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 10:00 a.m. on Sundays and 2:00 a.m. on Mondays.

For restaurant or hotel, what is the seating capacity for guests at one time? aprox. 132

*(Must meet provisions of the Uniform Fire Code for a formal occupancy rating or other similar documentation and square footage to arrive at the proper seating capacity. Please contact our Building Official at 879-2507 with any questions.)*

*(For a hotel, seating must be 30 guests at one time and must meet provisions of the Uniform Fire Code for a formal occupancy rating or other similar documentation and square footage to arrive at the proper seating capacity. Please contact our Building Official at 879-2507 with any questions.)*

Are meals regularly prepared on the premises and served at tables to the general public?  Yes  No

Square footage of total dining area: 3,200 sq ft

Principal part of the business will be food:  Yes  No

Estimated percentage of gross sales for: Food 80% Liquor 20%

If a Restaurant, please provide copy of Restaurant License from the Minnesota Department of Health.  
License Type:  Small Establishment  Medium Establishment  Large Establishment

Submit a floor plan of the dining room(s) showing dimensions and indicating the number of persons intended to be

Real estate taxes on property to be licensed are:  Paid current  Delinquent

Are there any financial claims to the City of Cloquet owed by the applicant, business owner, or property owner?

None exist.  There are financial claims owed to the City of Cloquet.

If there are current financial claims owed to the City of Cloquet, please state the responsible party, state amount(s), and type of claim:

Responsible Party	Amount	Type of claim (i.e., utilities, etc.)
-------------------	--------	---------------------------------------

**Please answer all questions truthfully and to the best of your knowledge. Providing false information may be cause for denial of your license. Please add additional information if necessary.**

1. Have you been convicted of any misdemeanor or felony violation of local ordinances related to the sale of alcoholic beverages?  Yes  No

If yes, please provide statement of all convictions (date of offense, location, charge and date of conviction.)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. Have you previously operated in this City or another City or State under a license or permit which had been denied, suspended or revoked?  Yes  No

If yes, please provide information and state reasons. (if necessary, attach list to application)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Do you currently hold a license of the same in this City, any other City, State or Country?  Yes  No

If yes, please provide business information for that license.

Business Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone No. \_\_\_\_\_

**The City of Cloquet reserves the right to request additional information to assist in the evaluation of this application.**

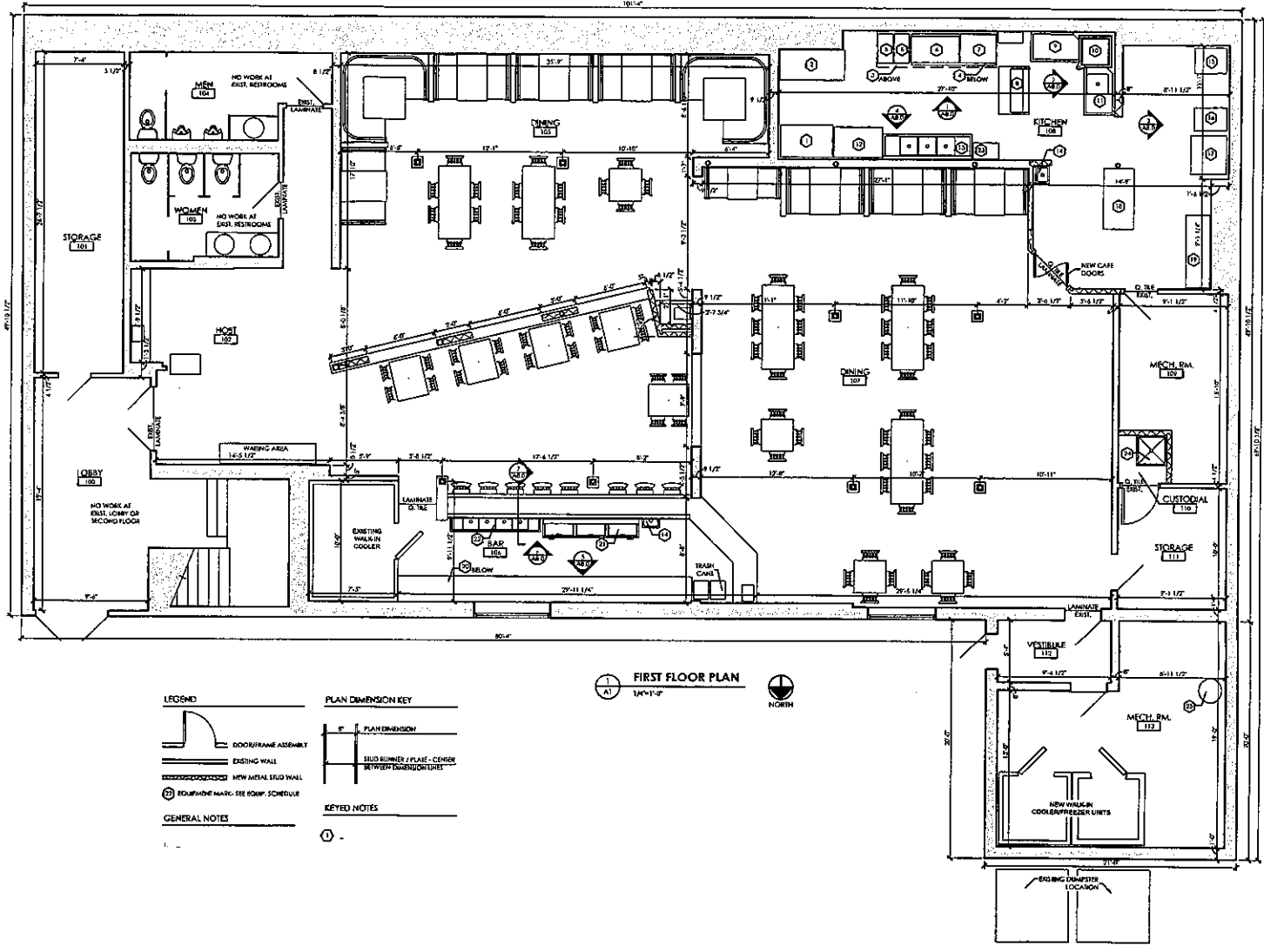
I do hereby swear that the answers in this application are true and correct to the best of my knowledge. I do authorize the City of Cloquet, its agents and employees, to obtain information and to conduct an investigation, if necessary, into the truth of the statements set forth in this application and my qualifications for this license.

Signature of Applicant: \_\_\_\_\_ Date: 04-25-2017

Elise

Frances

Hermann



- LEGEND**
- DOOR/FRAME ASSEMBLY
  - EXISTING WALL
  - NEW METAL SLID WALL
  - EDW/FRAME MARK- SEE KOMP. SCHEDULE
- GENERAL NOTES**

- PLAN DIMENSION KEY**
- PLAN DIMENSION
  - SLID RUNNER / PLATE - CENTER
  - REVERT TO EXISTING CENTER
- KEYED NOTES**
- ① -

**FIRST FLOOR PLAN**  
1/4"=1'-0"

ARCHITECT:  
**STUDIO NORTH**  
 ARCHITECTURE & DESIGN  
 5573 NORTH ESCHER ROAD  
 DULUTH, MN 55804  
 (218) 481-2844

I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION, AND THAT I AM A DULUTH LICENSED ARCHITECT UNDER THE LAWS OF THE STATE OF MINNESOTA.  
 WJD  
 ARCHITECT/REGISTRATION  
 DATE: 02/27/15 REG. NO. 47829

OWNER:  
**RADOUSH HOLDINGS, LLC**  
 1732 DODGE AVENUE  
 DULUTH, MN 55811

PROJECT:  
**NORTHEAST BARBEQUE**  
 7 DEATH STREET  
 CLOQUET, MN 55720

DATE: JUNE 10, 2015

1" = 1'  
 FULL SCALE

SHEET NO.  
**A1**

EQUIPMENT SCHEDULE			
QTY	MANUFACTURER	MODEL	DESCRIPTION
1	NEVER-AGE-AR	HR49-1	REF STAINLESS FREEZER UNIT, 57" W
2	TRUE FOOD SERVICE EQUIPMENT, INC.	F-4P	EXISTING STAINLESS REFRIGERATOR UNIT, 55" W
2	-	-	10" WIDE STAINLESS STEEL GREASE HOOD WITH APRON SYSTEM, BOTTOM OF HOOD 2'-0" A.F.F.
1	NEVER-AGE-AR	WTRC38-1	HOOD TOP EXHAUST/EXTRACTOR COOK STOVE MODEL SERIES
1	DEAN	ERFG	SUPER RADIANT GAS DEEP FRYER
1	VEIC-47	VEIC45M	RESTAURANT SERIES GAS GRIDDLE, 48"
1	SINP	434RCAF	RADIANT STYLE GAS CHAR-BROILER, 36"
1	TRUE FOOD SERVICE EQUIPMENT, INC.	TSU-46-13	48" SANDWICH PREP TABLE
1	PANTRYWARES	MEW-C24-46	48" LEFT SIDE STAINLESS STEEL CLEAN DSN FARM
1	AMERICAN DSH SERVICE	ARC-3D-2	CORNER DSH/MACHINE, CHEMICAL SAMBLING
1	PANTRYWARES	MEW-301-46	48" FRONT 2ND STAINLESS STEEL SOLED DSN TABLE WITH 8" DSN WALL MOUNTED PRE-SHRED PANTRY
1	PANTRYWARES	MEW-304B-4	48" X 30" HEAVY-DUTY STAINLESS STEEL WORK TABLE
1	-	-	EXISTING STAINLESS 3-COMPARTMENT SINK WITH DRAIN/CHAINS, 18" FAUCET
1	RECOVCT	600G17P 16-17-3P	REF STAINLESS STEEL WASH-HANDING SINK WITH SCS SHELUS AND GROSSCHECK FAUCET
1	SOUTHERN PRIDE	SC-200 SA-STD	ELECTRIC SANDWICH OVEN
1	AUTO-SHAW	1200TH-1	LOW TEMPERATURE COOK & HOLD OVEN
1	BLOGGETT	SHO-100-E	PAN-TO-TO ELECTRIC CONVECTION OVEN
1	PANTRYWARES	MEW-304B-4	48" X 30" HEAVY-DUTY STAINLESS STEEL WORK TABLE
1	-	-	EXISTING 22" X 24" STAINLESS STEEL WORK TABLE
1	TRUE FOOD SERVICE EQUIPMENT, INC.	EDM-F-1D	GLASS DOOR MESH HANDHELD COOLER
1	TRUE FOOD SERVICE EQUIPMENT, INC.	TD-6-36	SOLO SIDE VAD DEEP WELL HORIZONTAL ROTATE COOLER
1	-	-	EXISTING STAINLESS 1-COMPARTMENT SINK WITH DRAIN/CHAINS, 18" FAUCET
1	WATU	WD-20	FDX COFFRED GREASE TRAP, 20 GPM, 40 LB
1	HAZITE	65M	FLOOD SINK WITH MODEL 42-600A FAUCET
1	A.O. SMITH	PCG 75 270	RED MAX FLOW RECOVER NATURAL GAS WATER HEATER, 23 GALLONS, 80 GPM RECUPER

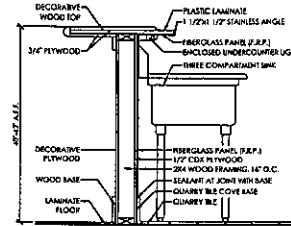
ROOM FINISH SCHEDULE									
ROOM NUMBER	ROOM NAME	FLOOR FINISH	BASE TYPE	WALL MATERIAL	WALL FINISH	CEILING MATERIAL	CEILING FINISH	CEILING HEIGHT	NOTES
100	LOBBY	ENGL TERRAZZO	ENGL TERRAZZO	ENGL PANELING	PAINT	ENGL PLASTER	PAINT	9'-0"	
101	STORAGE	ENGL CONCRETE	-	ENGL PLASTER	-	ENGL PLASTER	PAINT	9'-0"	
102	HQST	LAMINATE L1	ENGL WOOD	ENGL CYP. BO.	PAINT	ENGL. A.C.I.	AC2-2	8'-0"	
103	BAR	ENGL. CRYSTAL	ENGL. C.I. COVE	ENGL. C.I. COVE	PAINT/ENGL	ENGL. A.C.I.	AC2-2	8'-0"	
104	NOAHN	ENGLING CRYSTAL	ENGL. C.I. COVE	ENGL. C.I. COVE	PAINT/ENGL	ENGL. A.C.I.	AC2-2	8'-0"	
105	DINING	LAMINATE L1	ENGL WOOD	ENGL CYP. BO.	PAINT	ENGL. A.C.I.	AC2-2	8'-0"	
106	SAP	Q-1 LAMINATE L1	Q-1 CONCRETE	ENGL CYP. BO.	PAINT/F.P.P.	ENGL NEW A.C.I.	ACH-2/ACH-1	8'-0"	ACH-1 ABOVE 4 COMP. SMC. F.P.P. AT BACK OF BAR
107	DINING	LAMINATE L1	ENGL WOOD	ENGL CYP. BO.	PAINT	ENGL. A.C.I.	AC2-2	8'-0"	
108	KITCHEN	QUARRY TILE Q-1	Q-1 TILE COVE	GYP. BD.	F.P.P.	NEW A.C.I.	ACH-1	8'-0"	
109	MECH. ROOM	ENGL. SEALED CONC.	-	ENGL. PLASTER	-	ENGL. PLASTER	-	9'-0"	
110	CULINAAL	QUARRY TILE Q-1	Q-1 TILE COVE	GYP. BD.	F.P.P.	CYP. BO.	PAINT	7'-0"	
111	STORAGE	ENGL LAMINATE	ENGL WOOD	ENGL PANELING	PAINT	ENGL. A.C.I.	AC2-2	7'-0"	
112	VEHICLE	ENGL SEALED CONC.	-	C.M.U. (BLOCK)	-	ENGL	-	9'-0"	
113	MECH ROOM	ENGL SEALED CONC.	-	C.M.U. (BLOCK)	-	ENGL	-	10'-0"	

**MATERIALS SCHEDULE**

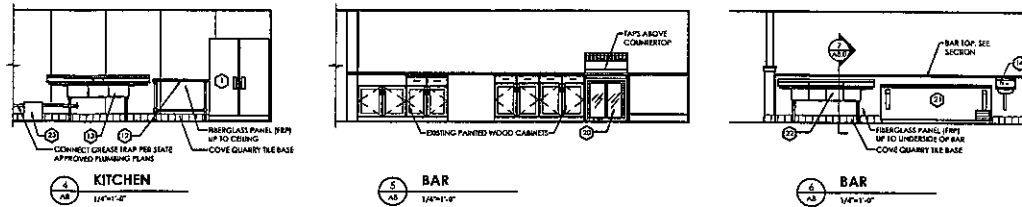
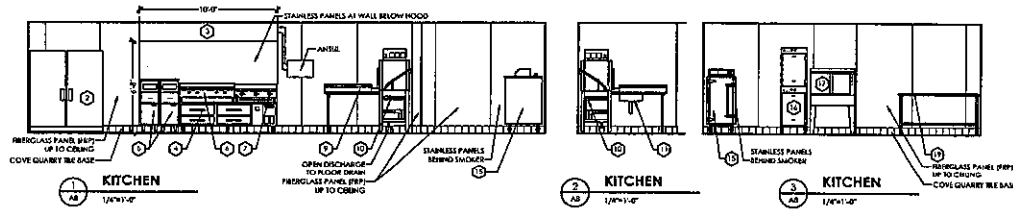
**FLOORING:**  
 LAMINATE L1: BAYRIC MASTER TALLER LAMINATE FLOORING  
 Q-1: 6" X 6" QUARRY TILE, APPROVED FOR USE IN FOODSERVICE LOCATIONS

**WALLS:**  
 PANEL: ALL PAINT TO COMPLY WITH ACH REQUIREMENTS  
 F.P.P.: PANORAMA FIBERGLASS REINFORCED PLASTIC PANELS, DERIVED FOR USDA AND NSF REQUIREMENTS

**CEILING:**  
 ACT-1: 6" G 1/2" FACED SHEETROCK CEILING PANELS, WASHABLE, SHADOWN  
 ACT-2: 6" W 6" BARDOR OR EQUIVALENT REINFORCED CEILING TILE, NSF FOR USE IN FOOD PREP AREAS.



SECTION - BAR  
1'-4" = 1"



ARCHITECT:  
**STUDIO NORTH**  
 ARCHITECTURE & DESIGN  
 5573 NORTH FISCHER ROAD  
 DULUTH, MN 55804  
 (218) 481-2344

I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION, AND THAT I AM A DULY LICENSED ARCHITECT UNDER THE LAWS OF THE STATE OF MINNESOTA.  
 J.D.P.  
 REGISTERED PROFESSIONAL ARCHITECT  
 DATE: 5/10/15 REG. NO. 47829

OWNER:  
**RADOUSH HOLDINGS, LLC**  
 1732 DODGE AVENUE  
 DULUTH, MN 55811

PROJECT:  
**NORTHEAST BARBEQUE**  
 7 EIGHTH STREET  
 CLOQUET, MN 55720

DATE: JUNE 10, 2015

1" = FULL SCALE

SHEET NO.  
**A8**



## ADMINISTRATIVE OFFICES

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

### REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: James Barclay, Interim City Administrator  
Date: May 11, 2017

A handwritten signature in blue ink, appearing to read "James Barclay", is written over the "From:" line.

---

**ITEM DESCRIPTION:** Cloquet 4<sup>th</sup> of July Outdoor Public Fireworks Display Permit

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#### **Proposed Action**

Staff recommends that the City Council move to approve the Outdoor Public Fireworks Display Permit for fireworks for the Cloquet 4th of July Celebration on July 4<sup>th</sup> at 10:00 p.m. subject to any final issues identified by the Chief of Police or Fire District Chief being addressed by the applicant.

#### **Background/Overview**

The City has received an application from Pyrotechnic Display to hold the annual 4<sup>th</sup> of July Fireworks display on July 4th at 10:00 p.m.

They are once again proposing to hold the fireworks along the St. Louis River with the fireworks being discharged from the north riverfront road/trail area. Access to this area is usually limited during the day of the display. City Staff has historically supported this location over Pinehurst Park for public safety reasons.

The company has provided the required liability insurance documentation and information attached. This year's fireworks are sponsored by the Cloquet 4th of July Celebration, an ad hoc committee, working to ensure that festivities continue in 2017. The City has entered into an agreement with Pyrotechnic Display, Inc. for the fireworks. They have provided this service for a number of years and the City has had no issues of concern.

#### **Policy Objectives**

The permit is consistent with that provided by the State of Minnesota. The City does not have any specific permitting or other requirements included in our City Code.

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

There is no city fee associated with this permit. The City does incur additional law enforcement and fire safety presence on the night of the fireworks.

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

None.

#### **Supporting Documentation Attached**

- Application





CITY ADMINISTRATOR'S OFFICE

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

APPLICATION FOR OUTDOOR PUBLIC FIREWORKS DISPLAY

- 1. This application is for an outdoor public fireworks display only and is not valid for an indoor fireworks display.
2. This application must be completed and returned at least 15 days prior to date of display.

Name of Applicant (Sponsoring Organization): City of Cloquet 4th of July Celebration

Address of Applicant: 1307 Cloquet Avenue, Cloquet, Minnesota 55720

Names of Applicant's Authorized Agent: Pyrotechnic Display, Inc.

Address of Agent: 9405 River Road SE, Clear Lake, MN 55319

Telephone Number of Agent: 320-743-6496 Ext. 1 Date of Display: July 4, 2017 Time of Display: about 10pm

Location of Display: on service road SE of Hospital, east of Hwy 33 and on edge of St. Louis River, Cloquet, MN

Manner and place of storage of fireworks prior to display:
No storage, delivery and set up on day of display.

Type and number of fireworks to be discharged:
1.3G product, up to 6" shells and Multi-shot Box items

MINNESOTA STATE LAW REQUIRES THAT THIS DISPLAY BE CONDUCTED UNDER THE DIRECT SUPERVISION OF A PYROTECHNIC OPERATOR CERTIFIED BY THE STATE FIRE MARSHAL.

Name of Supervising Operator: Patrick Liebl Certificate No. O 0814

Required attachments. The following attachments must be included with this application:

- 1. Proof of a bond or certificate of insurance in amount of at least \$1.5 million.
2. A diagram of the grounds at which the display will be held. This diagram (drawn to scale or with dimensions included) must show the point at which the fireworks are to be discharged; the location of ground pieces; the location of all buildings, highways, streets, communication lines and other possible overhead obstructions; and the lines behind which the audience will be restrained.
3. Names and ages of all assistants that will be participating in the display. Tanya Liebl, 41, Patrick Liebl Jr. 20

The discharge of the listed fireworks on the date and at the location shown on this application is hereby approved, subject to the following conditions, if any:

I understand and agree to comply with all provisions of this application, MN Statute 624.20 through 624.25, MN State Fire Code, National Fire Protection Association Standard 1123 (2006 edition), applicable federal law(s) and the requirements of the issuing authority, and will ensure that the fireworks are discharged in a manner that will not endanger persons or property or constitute a nuisance.

Signature of Applicant (or Agent): Becky Hansson Date: May 5, 2017

Signature of Fire Chief: Date:

Signature of Issuing Authority: Date:





HOSPITAL

AUDIENCE

Cloquet, MN - Shoot Site

420' SAFETY RADIUS

AUDIENCE

© 2012 Google

Google earth

Imagery Date: 8/29/2010 1991

46°43'44.71" N 92°27'33.70" W elev 1185 ft

Eye alt 3431 ft





## DEPARTMENT OF PUBLIC WORKS

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

### REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Caleb Peterson, Director of Public Works  
Reviewed by: James Barclay, Interim City Administrator  
Date: May 16, 2017

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**ITEM DESCRIPTION:** Carl Street Special Assessments

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#### Proposed Action

Staff recommends the City Council move to adopt **RESOLUTION NO. 17-51, ADOPTING ASSESSMENTS FOR THE IMPROVEMENT OF CARL STREET FROM SOUTH HIGHWAY 33 FRONTAGE ROAD TO WALTER AVENUE.**

#### Background/Overview

On August 21, 2015, the City Administrator's Office received a petition signed by four of seven property owners along Carl Street requesting a bituminous overlay of their block from the South Hwy 33 Frontage Road west to Walter Avenue. A feasibility study was completed for the proposed improvement and a public hearing was held on March 2, 2016. Following the hearing, Council directed staff to prepare plans and specifications for bid as part of the previously approved Frontage Road improvements. A contract for the project was awarded on May 17, 2016 and construction was completed during the summer of 2016. In accordance with Chapter 12 of the City Code, a portion of the costs of these improvements are to be assessed or billed to properties along the project route.

A final assessment roll for the improvement has been prepared. In accordance with MN Statutes Chapter 429, the City Council gave notice of a Public Hearing to be held on May 16, 2017, at which time all property owners affected by the improvement will be given an opportunity to express concerns with reference to the final assessment.

The final assessment roll includes 8 individual property parcels and the total proposed assessment is \$9,718.75. All of the individual assessments were calculated based on specific rules and formulas outlined in Chapter 12 of City Code. Assessments would be payable in equal annual installments extending over a period of five (5) years and bear interest at a rate of four and one-half percent (4.5%) per annum. Property owners may prepay the entire assessment, or any portion of it, to the City of Cloquet without interest prior to June 15, 2017. Any principal not paid by November 30th of each year, would be certified along with accrued interest to the Carlton County Auditor for collection with the Real Estate Taxes payable over the period stated above.

Written or oral objections will be considered at the hearing, however no appeal may be taken as to the amount of any assessment unless a signed, written objection is filed with the Administrator prior to the meeting or presented to the presiding officer at the hearing. An owner may appeal an assessment to District Court pursuant to Minnesota Statutes Section 429.081 by serving notice of the appeal upon the Mayor or Administrator of the City within 30 days after adoption of the assessment and filing such notice with the District Court within ten (10) days after service upon the Mayor or Administrator.

Under MN Statutes 435.193 to 435.195, and Chapter 12 of the City Code, the council may, in its discretion, defer the payment of this special assessment for any homestead property owned by a person 65 years of age or older for whom it would be a hardship to make the payments. When deferment of the special assessment has been granted and is terminated for any reason provided in the law, all amounts accumulated plus applicable interest become due. Any assessed property owner meeting the requirements of this law and the ordinance adopted under it may, within 30 days of the confirmation of the assessment, apply to the city administrator for the prescribed form for such deferral of payment of this assessment on his property.

**Policy Objectives**

To adopt final assessments for the completed improvements in accordance with current City Code and State Statute.

**Financial/Budget/Grant Considerations**

The total cost of the final construction contract for this project was \$13,430.65. The proposed assessment roll totals \$9,718.75 which amounts to approximately 72% of the total contract.

**Advisory Committee/Commission Action**

N/A

**Supporting Documentation Attached**

- Resolution No. 17-51
- Final Project Assessment Roll

**CITY OF CLOQUET  
COUNTY OF CARLTON  
STATE OF MINNESOTA  
RESOLUTION NO. 17-51**

**RESOLUTION ADOPTING ASSESSMENTS FOR THE IMPROVEMENT OF  
CARL STREET FROM SOUTH HIGHWAY 33 FRONTAGE ROAD TO WALTER AVENUE**

**WHEREAS**, The City received a petition signed by four of seven property owners along Carl Street requesting a bituminous overlay of their block between the South Highway 33 Frontage Road and Walter Avenue; and

**WHEREAS**, The Cloquet City Council on March 2, 2016, held a public hearing to consider the improvement; and

**WHEREAS**, Said improvement was subsequently ordered and completed and the City has prepared a proposed assessment roll, which is available in the office of the City Administrator for public inspection; and

**WHEREAS**, Due notice was given that said special assessments would be considered by the City Council at its meeting to be held on May 16, 2017, and at said meeting and time all parties interested were given an opportunity to be heard; and

**WHEREAS**, The City Council has met, heard and passed upon all objections to the proposed assessment.

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

1. Such assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein is hereby found to be benefitted by the improvement in the amount of the assessment levied against it.
2. Said assessments shall be payable in equal annual installments extending over a period of five (5) years and shall bear interest at a rate of four and one-half percent (4.5%) per annum from June 15, 2017. Property owners may prepay the entire assessment, or any portion of it, to the City of Cloquet without interest prior to June 15, 2017. Any principal not paid by November 30<sup>th</sup> of each year, will be certified along with accrued interest to the Carlton County Auditor for collection with the Real Estate Taxes payable over the period stated above.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 16<sup>th</sup>  
DAY OF MAY, 2017.**

ATTEST:

\_\_\_\_\_  
Dave Hallback, Mayor

\_\_\_\_\_  
James Barclay, Interim City Administrator



**2016 Carl Street**  
 Bituminous Pavement  
 City Contract No. 1052

**Final Project Assessment Roll**

<u>Property Owner</u>	<u>Description</u>	<u>Parcel No.</u>	<u>Assessed Frontage</u>	<u>Street</u>	<u>Total Assessment</u>
<b><u>WHISPERING PINES (Plat 750)</u></b>					
ROTTA, DOUGLAS P 1461 CARL STREET CLOQUET MN 55720	WHISPERING PINES Block: 2 Lot: 1	06-750-0100	185.73	\$1,298.25	
	WHISPERING PINES E 104.355 FT OF LOT 2	06-750-0125	104.36	\$729.44	\$2,027.69
				Combine Lots for Corner Lot	
CORDLE, SHANE & STACY S 1469 CARL STREET CLOQUET MN 55720	WHISPERING PINES Block: B Lot: 2 EX E 104.355 FT THEROF & LOT 3	06-750-0120	313.07	\$2,188.32	\$2,188.32
HEDRICK REVOCABLE LIVING TRUST HEDRICK, JAMES R 1473 CARL STREET CLOQUET MN 55720	WHISPERING PINES Block: 2 Lot: 4 DOCKET 262081	06-750-0160	216.23	\$503.77	\$503.77
				Corner Lot Long Side	
GAINES, VICTOR A 1474 CARL STREET CLOQUET MN 55720	WHISPERING PINES Block: 1 Lot: 4	06-750-0080	220.83	\$1,543.60	\$1,543.60
HALL, DAVID E & GRACE A 1470 CARL STREET CLOQUET MN 55720	WHISPERING PINES Block: 1 Lot: 3	06-750-0060	208.71	\$1,458.88	\$1,458.88

ABRAHAMSON, BRENT C  
1466 CARL STREET  
CLOQUET MN 55720

WHISPERING PINES  
Block: 1 Lot: 2

06-750-0040

208.71

\$1,458.88

\$1,458.88

PALMER, JEFFREY D  
1462 CARL STREET  
CLOQUET MN 55720

WHISPERING PINES  
Block: 1 Lot: 1

06-750-0020

230.75

\$537.59  
Corner Lot Long Side

\$537.59

**Total Assessed Frontage ----- 1688.4**

**Street**

**Total Cost**

**Total Assessed Amount -----**

**\$9,718.75**

**\$ 13,430.56**

0.7236

Assessment Payment Breakdown:

Bituminous

\$6.99

\$6.99 Per FF

Approved By Council :



**ADMINISTRATIVE OFFICES**

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

**REQUEST FOR COUNCIL ACTION**

---

To: Mayor and City Council  
From: James Barclay, Interim City Administrator  
Date: May 16, 2017

---

**ITEM DESCRIPTION:** Summer Seasonal Appointments

---

**Proposed Action**

Staff recommends that the City Council move to approve the appointments of Trent Anderson, Avery Bieri, Rand Bieri, Courtney Beaupre, Erin Dahnke, Joshua Keith, Alec Norrgard and Austin Parenteau, as temporary Summer Seasonal Public Works employees and Austin Diedrich as temporary Summer Engineering Intern.

**Background/Overview**

Each year the City hires a variety of summer seasonal employees including laborers in the Street, Parks, and Utilities Departments as well as engineering interns working with Civil Engineering. These employees assist with a wide variety of work as a result of the need to maintain and repair a wide variety of items.

The City has advertised for these positions through its website, the Pine Journal and local colleges. Three of these individuals are returning summer seasonal employees.

**Policy Objectives**

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

**Financial/Budget/Grant Considerations**

All of the temporary summer seasonal Public Works positions were included in the 2017 budget. Hourly wage rates will vary by position and years of service with the City.

**Advisory Committee/Commission Action**

N/A

**Supporting Documentation Attached**

- None



**Community Development Department**  
1307 Cloquet Avenue • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555  
[www.ci.cloquet.mn.us](http://www.ci.cloquet.mn.us)

## REQUEST FOR COUNCIL ACTION

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To: Cloquet Economic Development Authority (EDA)  
From: Holly Hansen, Community Development Director  
Reviewed By: James Barclay, City Administrator  
Date: May 9, 2017

---

**ITEM DESCRIPTION:** Support for the Housing Tax Credit Application by Roers Investments for the Adaptive Reuse of the Cloquet Middle School Building into Workforce Housing

---

### **Proposed Action**

Staff recommends the Council move to adopt **RESOLUTION NO. 17-37, A RESOLUTION OF CITY OF CLOQUET SUPPORT FOR THE HOUSING TAX CREDIT APPLICATION BY ROERS INVESTMENTS TO THE STATE OF MINNESOTA FOR THE ADAPTIVE REUSE OF THE CLOQUET MIDDLE SCHOOL BUILDING AT 509 CARLTON AVENUE INTO WORKFORCE HOUSING.**

### **Background/Overview**

In February 2015, the Cloquet School District (ISD 94) successfully passed a referendum to construct a new middle school building which once constructed would vacate the existing 1921 Cloquet Middle School (CMS) building located at 509 Carlton Avenue in the fall of 2017. The School District budgeted \$500,000 to address demolition of this building in the event that there are no available alternative uses for the building.

In the spring of 2015, the School District convened a local committee to discuss what viable options may exist for their building. On August 5, 2015 the School District, School Board, and Committee held a community meeting in the CMS building providing tours, a presentation of reuse and redevelopment other school districts in the state have done with their building sites, and held a brainstorming discussion session. After this meeting, the committee prepared a Request for Proposals (RFP) targeting: 1) the adaptive building reuse; 2) partial reuse; or 3) redevelopment of the Cloquet Middle School building site at 509 Carlton Avenue in Cloquet into housing or mixed use development opportunities. The RFP issued was for:

1. Quality housing opportunities for residents and workforce needs in Cloquet. The development initiative will meet further goals of increasing the supply of decent, safe, and housing for persons of all income levels. The successful development proposal may include rental housing, owner-occupied housing, co-operative ownership or any combination of such housing types. Developers are encouraged to consider existing facility space to vet if partnership opportunities exist; or

2. Quality mixed use development (e.g. retail, commercial, residential, institutional or industrial uses). Mixed use development blends combinations of residential, commercial, cultural, institutional, or industrial uses, where those functions are physically and functionally integrated, and provides pedestrian connections.

The RFP further stated that the development team should examine if any of these portions can be preserved and integrated into the building with development or if they should be removed to increase site functionality. The RFP encouraged developers to leverage strategic partnerships with entities to further utilize elements of the building (e.g. nonprofit offices, business incubators, office, community centers, theater groups etc.). The zoning of the existing site is "Public Institutional" and as part of this process, the Cloquet Public Schools or Developer will need to rezone the property to be adaptively reused, partially reused or redeveloped into a new land use and amend the Comprehensive Plan accordingly.

#### CLOQUET SCHOOL DISTRICT RFP RESPONSE

In December 2015, one response was received from Sherman Associates for an adaptive reuse rental housing project. During February 2016 presentations were made by Sherman to the School Board and Cloquet EDA and then a public meeting was held on March 21, 2016 in the CMS building on the project with presentation by the development team. The City's consultant who prepared the 2014 Cloquet/Scanlon Housing Study attended the School Board and March public meeting to provide details on the need for affordable housing in Cloquet. Neighbors' focused project questions on proposed units, parking, and management/tenant screening questions. After this meeting, the School Board voted 5-1 to approve a preliminary purchase agreement, as housing has been an ongoing issue of concern for students and families attending the School District. (This approval as proposed will provide the School District \$99,900 for the building. The \$500,000 public tax dollars line item for demolition by the School District will be shifted elsewhere per ISD 94 discretion. School District staff had also obtained a general bid without detailed asbestos review of \$1.5 million to demolish the building). In 2016 the project obtained a City Council Resolution of support for 50 units, however the project was ultimately not selected by the state due to late historical tax credit clearance on the building which has since been approved.

#### PROJECT UPDATE

Due to a high level management death in the company, Sherman Associates downsized at the end of 2016, sold off many of their properties and lost staff in the process. Former project manager on the 2016 Cloquet Middle School Adaptive Reuse Sherman Proposal, Paul Keenan, took a new position with Roers Investments and returned to the Cloquet School Board in December 2016 expressing an interest in applying in the 2017 housing tax credit round for the Cloquet Middle School Adaptive Reuse Project. The Cloquet School Board approved a purchase agreement in March 2017 with the price remaining the same at \$99,900.



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Roers Investments  
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## ROERS INVESTMENTS SITE PLAN & POTENTIAL DESIGN CONSTRAINTS FROM FUTURE HISTORIC TAX CREDIT USE REVIEW

The attached site plan is not final at this point because at this juncture the project is seeking conceptual support from the City to apply to the state for viable financing. The developer must prepare for the future impact of architectural review related to historic tax credits, they may need to keep the gym in the event that it is determined to be a contributive architectural feature to the building. However, under all circumstances the pool will be removed it has been determined that it does not contribute architecturally to the building.

Roers Investments is proposing 57 units, with 115 parking spaces, and a potential daytime lease space of 5,000 square feet to Northern Lights affiliated with Cloquet Schools. There currently are 26 Northern Lights Special Education Cooperative (NLSEC) staff who have offices at the Garfield school. Many of these employees spend most of their time in the field supplying support to twelve member school districts from Moose Lake to Two Harbors. NLSEC averages about 50% of these people needing parking at any one time during the work day. If space is freed up within the Garfield building, then ISD 94 plans to expand some of their other programming needs.

The total project investment is \$12 million with unit mix at 9 studio units, 5 one bedroom units, 29 two bedroom units, and 14 three bedroom units. Roers Investments is in the process of securing the commitment from the Cloquet HRA for 7 project based vouchers (PBVs) for the building. PBVs will be applied to the 50% of Area Median Income (AMI) units per payments standards provided by the Cloquet/Scanlon HRA. These are the maximum rents allowed for PBV units where PBV residents pay 30% of their income and the HRA fills the gap up to the maximum Payment Standard fulfilling the 50% AMI unit. Utility Allowance information is applied to both the PBV and tax credit required rents. Gross rents must be reduced by the utility allowance to ensure they are within the maximum payment standards and maximum tax credit rents. In the event the HRA is not able to issue Cloquet HRA PBVs, then the developer would pursue Veterans PBVs from the state.

If housing tax credit financing is received, historic tax credit submission would be the next step as it will impact what will be allowed to be demolished from the building, and then at a future date the site plan, property rezone, Comprehensive Plan amendment and other aspects of this project will be brought forward to the City for approval.

### **Housing Tax Credit Review Process**

This project is being proposed to be primarily financed through the use of tax credit programs through the State of Minnesota. Below is a description of how tax credits work and some of the relevant information to this project:

- Housing Tax Credits  
There are two categories of the low income housing tax credit (LIHTC) programs 1) the 9% Competitive Application Pool which is non-federally subsidized and 2) the 4% Non-Competitive Credit Pool that is federally subsidized Competitive Application Pool.
- How do tax credits work?  
Individual states largely control what housing gets built using these credits. The states control the type and location of the housing built and other relevant characteristics to best serve affordable/workforce housing income targets. The state requires the housing to remain affordable for at least 30 years.

Developers apply for competitive tax credits. State agencies write regulations (called “qualified allocation plans” or “QAPs”) describing how developers will be selected and open the competition for credits. The agencies review and rate the developers’ applications and award the tax credit allocations to the most qualified developer(s).

Developers get awarded funds toward construction. Enterprise and other companies (called “fund managers” or “syndicators”) create funds to pool investor capital who then purchase a 15-year tax credit dollar for dollar (unlike New Market Tax Credits such as the Norshor Theater project which offer 39% tax credit). Syndicators then use these funds to purchase the tax credits from the developer in exchange for an equity stake in the housing development investors receive provides competitive yields.

Most importantly for investors, they receive a tax credit that reduces their taxable liability for investing in these types of projects. After the credit term is done, investors can remain owners or they can leave the ownership. With capital from investors, developers can limit the amount of money they borrow to fund construction, which reduces the developers’ debt and keeps rent affordable. Housing is rented affordably in the community. These housing tax credit properties can only be rented to families whose income is at or less than 60 percent of the area median income.

### **Historic Tax Credit Review Process**

There are four key steps to the historic tax credit approval process:

1. Part I – Evaluation of Significance.
2. National Register Nomination
3. Part II – Description of Rehabilitation
4. Part III – Certification of Completed Work

The Cloquet Middle School project currently has completed the Part I – Evaluation of Significance and will nominate the property for the National Register after the housing tax credits (LIHTC) are received. During the Part II the proposed project is described via a scope of work and the National Park Service (NPS) uses certain standards to evaluate the scope. It is more of an art than a science when changing the use of the building. However, generally you cannot alter defining characteristics that contribute to the

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property being recognized as historic. For example, the Cloquet Middle School pool that is within the building now is not contributing to the long term character of the building, nor is it significant functionally into the future making it unique for adaptive reuse as it added much later than the rest of the building and is an ongoing maintenance issue. The current gym however is an unknown at this point what the response will be by NPS as it was built in 1936 and seems to be slightly more of a contributing feature to the property, it will remain unknown until the project scope of work is sent to NPS for final review after receiving the housing tax credits.

#### HISTORIC REVIEW REQUIRING THE GYM BE RETAINED

The developers are conservatively planning to keep the gymnasium space. The plan would be to demolish the 1957 addition that includes the pool and the flat roofed building that abuts the Gym to the east. They would add pull in parking spots off of 6<sup>th</sup> Street and a 32 unit parking lot (where the pool is currently located). Additionally, since half the gym would be used as active/play space and the other half of the gym provided to nonprofit community partner, the existing parking lot in front of the building located between the building's east and west wings would be retained.

This year's proposal differs from last year's proposal that had housing unit sizes with a wide variation of square footage. Last year as an example, some of the 3 bedrooms were over 2,500 SF and some two bedrooms were around 700 SF. In an attempt to align the square footage with industry standards, Roers Investments has added 9 studio units and reduced the number of 3 bedroom units. As such, the project proposes 57 units with 115 parking spots in the site plan.

#### HISTORIC REVIEW ALLOWING THE GYM TO BE DEMOLISHED

If the historic tax credit reviewers (SHPO – State Historic Preservation Office/NPS - National Park Service) approve the demolition of the gym, then the area in the front of the building located between the building's east and west wings would be turned into green space/play area.

#### PROJECT FINANCING SOURCES

##### **Proposed Project Financing for the Adaptive Reuse of the Cloquet Middle School**

Attached is the project pro forma of financial sources and uses including the 9% housing tax credits (LIHTC), and federal and state historic tax credits (HTC). Roers is seeking conceptual support from the City to proceed to applying to the state (Minnesota Housing Finance Agency or MHFA) for primary financing opportunities distributed via the state as described above.

While the original sources and uses provided to the School District and City identified a project financing gap and preliminary identification that TIF would be sought for the project, at this time, this project is making no formal application to the City of Cloquet for public financing tools as it is far too early to do so and Roers Investments is seeking general support from the City to apply to the state for primary financing opportunities distributed via the state (Minnesota Housing Finance Agency or MHFA). The

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funding application for this project is due to the state by June 16, 2017. The state will then select projects for financing and notify awardees by November 2017.

Depending on the type and amount of funding secured through the state, the project may or may not need gap financing from the City that will be determined at a later date. The project will be owned and managed by Roers Investments, a private development entity and as such is statutorily and per City EDA policies eligible to make a public financing request to be evaluated by the City. In the event Roers is to request gap financing such as TIF in the future, the County Assessor must establish a base value for the building which has been initially gauged at \$426,500 (\$77,000 land and \$349,500 building value) based on an excellent building rating. If the building rating is not found to be excellent, that base value could drop. Regardless, there will be a tax impact from this project based on the established base value even if TIF is authorized at a future date by the City.

HOW DOES THIS PROJECT DIFFER FROM THE COMMONWEALTH/HRA WHITE PINES APARTMENT PROJECT OR OTHER HOUSING PROJECTS IN CLOQUET?

**White Pine Apartments (Commonwealth/Cloquet HRA)**

The Commonwealth/Cloquet HRA project and CMS Adaptive Reuse Roers Investment project differ both in unit mix and target income populations. The Commonwealth/Cloquet HRA project received the 9% tax credits for the construction of 35 units of housing in the mix of 6 one bedroom units, 26 two bedroom units, and 3 three bedroom units. Their target housing market offers 18 units of **deep subsidy** (11 units at 30% AMI and 7 homelessness units with PBVs and Rent Assistance from the HRA) and 17 units of shallow subsidy (50% AMI rents charged to those of 60% AMI).

**Country Club Patio Homes Project**

The Country Club Patio Home project is a single-family ownership goal project that will place 12 units of move-up/move-down slab on grade format quality affordable units on the market. While the units can be rented in the interim before sale (rented following state statute with only 20% being rented to restricted income brackets, 80% at market rate), the project addresses the ownership niche and changing product type niche from the Cloquet Housing Study.

**14<sup>th</sup> Street Apartments Phase III Project**

Phase III of the 14<sup>th</sup> Street Apartments project will add 36 units, rented following state statute with only 20% being rented to restricted income brackets, 80% at market rate, meaning this is a market rate project adding rental units needed into the housing mix in Cloquet in the multifamily format.

**Trails Edge Phase II Project**

Phase II of Trails Edge will add an unknown developer mixture of options, the City has seen two different development concepts one adding 15-17 buildings of duplexes yielding 30-34 units, or 10 duplex units and a 15 unit multifamily building. Again with the use of TIF, state statute requires that 20% of units be held and rented to income restricted renters.

### **Roers Investments – Cloquet Middle School Adaptive Reuse**

The CMS Adaptive Reuse project by Roers Investments proposes 57 units of housing in the mix of 9 studio/efficiency units, 5 one bedroom units, 29 two bedroom units, and 14 three bedroom units. Of the units provided, 39 units are proposed with **shallow subsidy** (50% rent restriction, 50% income restriction) 7 units are proposed to be **deep subsidy** (if Cloquet HRA is able to provide PBVs for the project that is unknown at this time, if not the developer is considering pursuing the state veteran PBV) and 11 **market rate** units.

### CITY APPROVAL SOUGHT

#### What Actions are Being Considered by EDA and Council?

1. **Support.** The EDA and City Council are being asked to provide written support for the project via an authorized Resolution of Support. The state (MHFA) requires applicants pursuing applications for its tax credit programs to obtain letters or resolutions of support from the local governing jurisdiction. This is a non-binding support in the context of the City's role in reviewing the project from a planning and zoning perspective. However, it does show support by the community for the pursuit of the funding sources in question.

#### Policy Objectives

Policy objectives related to the project involve goals of the Cloquet EDA, Cloquet housing need, and planning related to adaptive building reuse. The third strategic goal of the Cloquet EDA for 2017 is as follows:

#### 3) Promote the Development & Maintenance of Housing by implementing the 2014 Cloquet Housing Study

**Strategy:** Ensure that the City's housing stock supports the needs of local employers, employees, and targeted businesses including the adequate marketing of the City's housing (re)development opportunities.

#### Implementation Steps:

1. The EDA will continue housing efforts playing a crucial role in housing development and redevelopment in Cloquet, maintaining clear economic development housing incentives for market and affordable housing projects in Cloquet (e.g. Housing TIF Policy) and assistance in securing grant funding to assist with key community projects.
2. Provide high level technical expertise, as requested by the Cloquet School District ISD 94, as it relates to the proposed re-use and/or redevelopment of the Carlton Avenue Middle School building for housing/mixed uses.
3. Support new single family housing subdivision projects especially those that will connect with public utilities.

## HOUSING NEED

The proposed project, developing quality, affordable, workforce housing is supported by:

1. The findings of the Cloquet EDA commissioned and paid for 2014 Cloquet/Scanlon Housing Study that highlight significant local pressure in the Cloquet market related to any properties associated with a shallow rent subsidy (as opposed to deep subsidy). This proposed tax credit project, the same funding source which was used to locally construct Settlers Ridge, is technically a shallow subsidy product. Deep subsidies are considered those offered at 50% or below median income most commonly 30% AMI, public housing which provides tenants to pay 30% of their received incomes etc.
2. Secondly, this specific CMS adaptive reuse project was identified by the Cloquet/Scanlon Housing Task Force in 2014 that could be moving forward in the area to address this needed market gap.
3. Third, the proposed project is identified within the City's Target Area for residential and rental rehabilitation and reinvestment projects to occur to support community stabilization as part of the City of Cloquet's application to the Department of Employment and Economic Development (DEED).
4. Chapter 7 of the Cloquet Comprehensive Plan pages 7-7 to 7-12 highlight a number of city objectives and policies 7.2 and policies a, d, e.; housing infill projects, and the use of (starting on page 7-11) MHFA housing funding, LIHTC, Historic Tax Credits, Deferred Loan programs, and TIF to support these projects noting the strong link between housing and economic development.

## PLANNING FRAMEWORK

Last year the developer voluntarily went through a preliminary site plan process to introduce the community to the concept of the project. There is no requirement nor process in city code for this. With the community being familiar with the project, this year a public open house was held at Cloquet Middle School on May 1, 2017. If the project moves forward and receives housing tax credits then in the future the site plan (if it meets code requirements) will be reviewed administratively for approval as it is an existing building (it is not new construction), but would require to be rezoned from public institutional (school) to housing and re-guided in the Comprehensive Plan from school to housing.

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

None at this time.

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

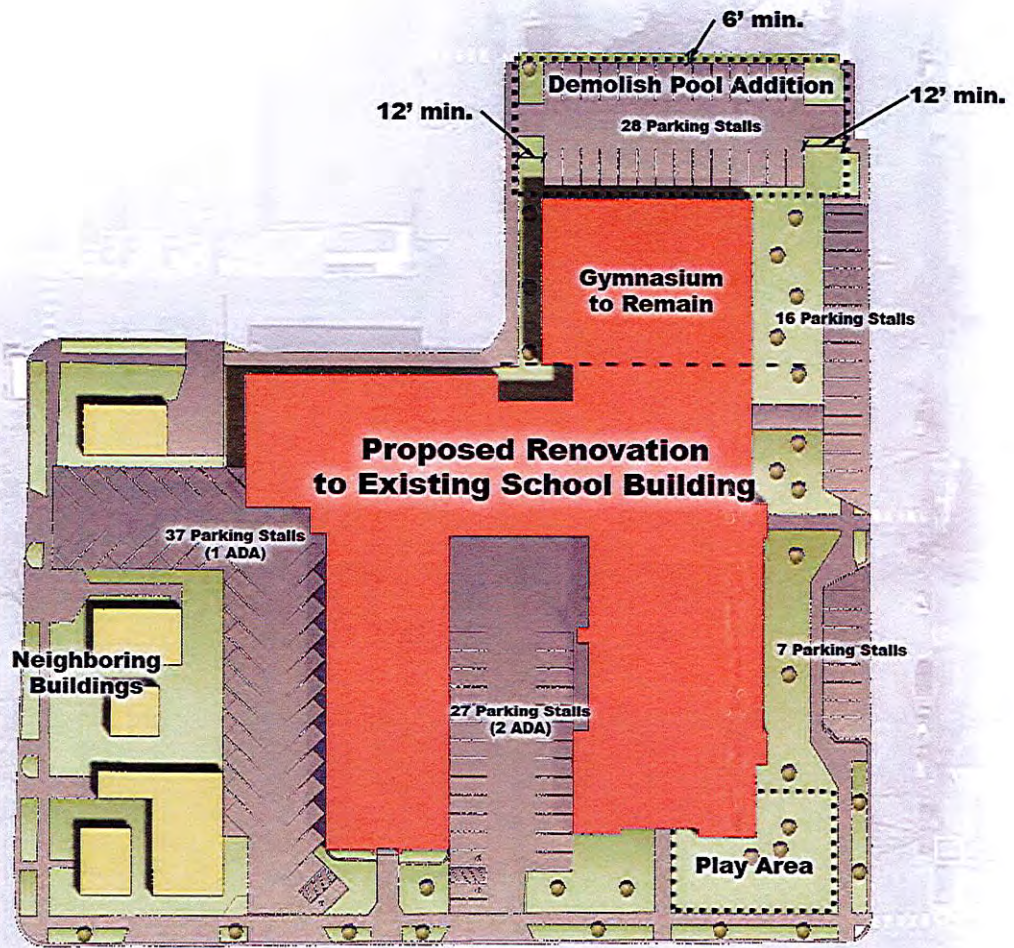
The Cloquet EDA met on May 3, 2017 and recommended the City Council support Resolution 17-37 allowing Roers to apply to the state for housing tax credit financing for the project.



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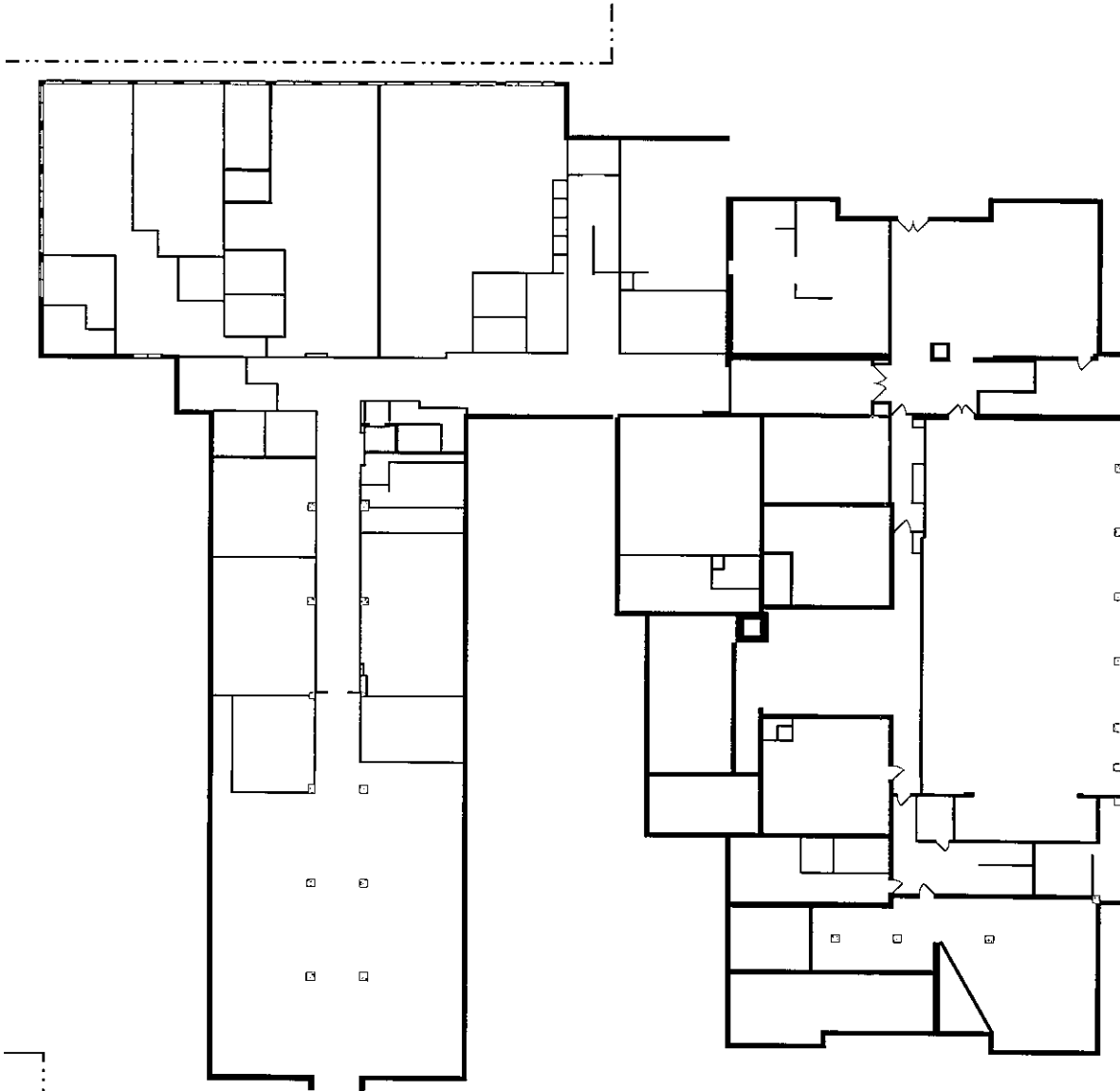
**Supporting Documentation Attached**

- Project Diagrams and Financial Pro Forma
- Resolution No. 17-37
- Letters of Support
- Planning Magazine, March 2017 “Federal Tax Credit Uncertainty Puts Affordable Housing at Risk”
- Affordable Housing Resource Center March 2017 “*How do LIHTC Properties Affect their Surroundings?*”
- Summary of 2014 Cloquet/Scanlon Housing Study Recommendations
- Housing Study, Task Force, and Comprehensive Plan pages
- City Attorney Letter, April 2017



**Total Parking: 115 Stalls (3 ADA)**

Level -1  
3/32" = 1'-0"



K&W Engineering, Inc.  
1001  
Baltimore, MD 21205  
Tel: 410-286-0000  
Fax: 410-286-0001

Project:

Client:

Design/Drawn:

Date:

Rev:

Author:

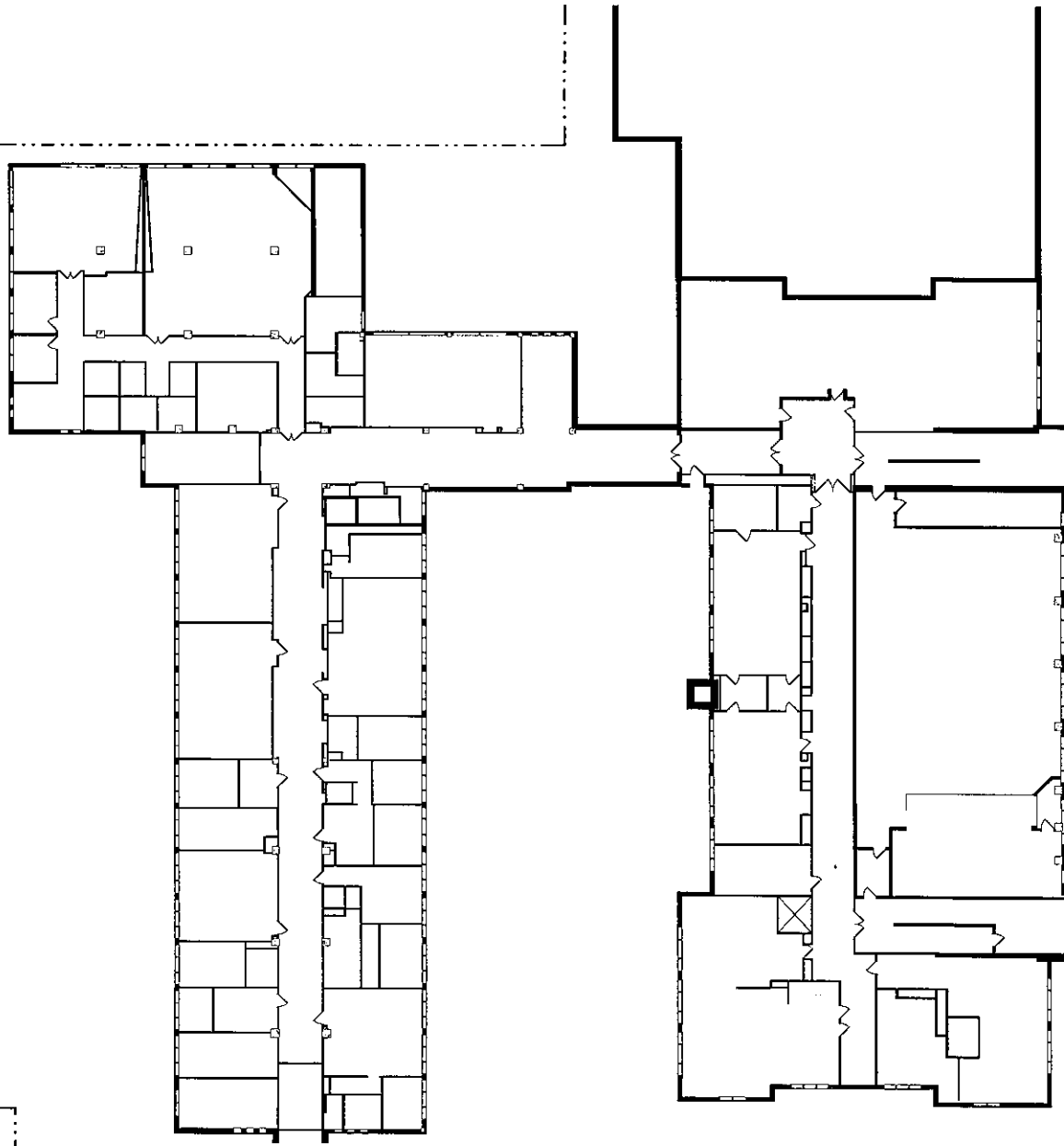
Proj. No.:

Level -1

3/32" = 1'-0"

SD\_121

NOT FOR  
CONSTRUCTION



Level 1  
3/32" = 1'-0"

Project:

Sheet:

Project Number:

Date:

Drawn by:

Checked by:

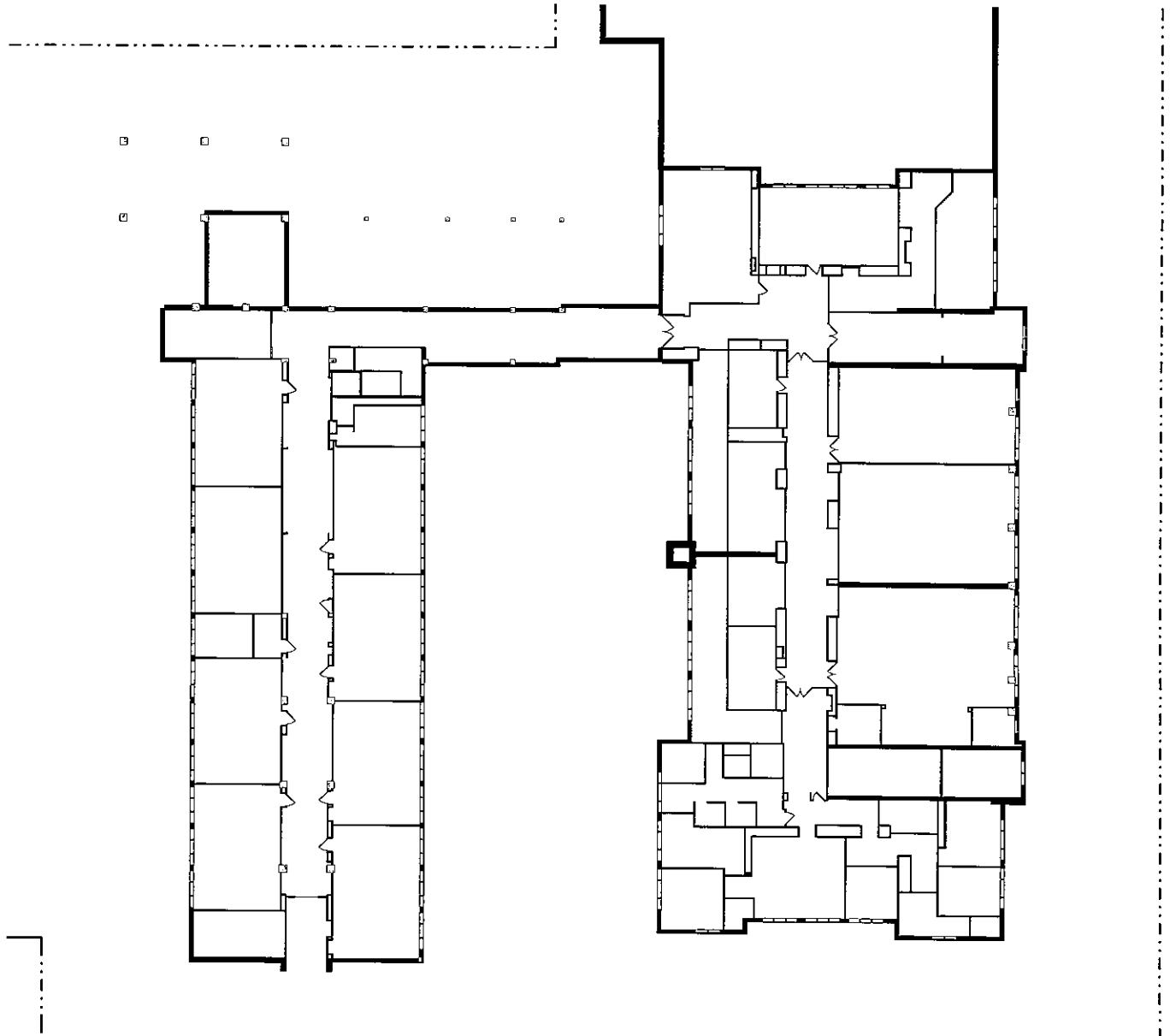
Scale:

Level 1

3/32" = 1'-0"

**SD\_122**

**NOT FOR  
CONSTRUCTION**



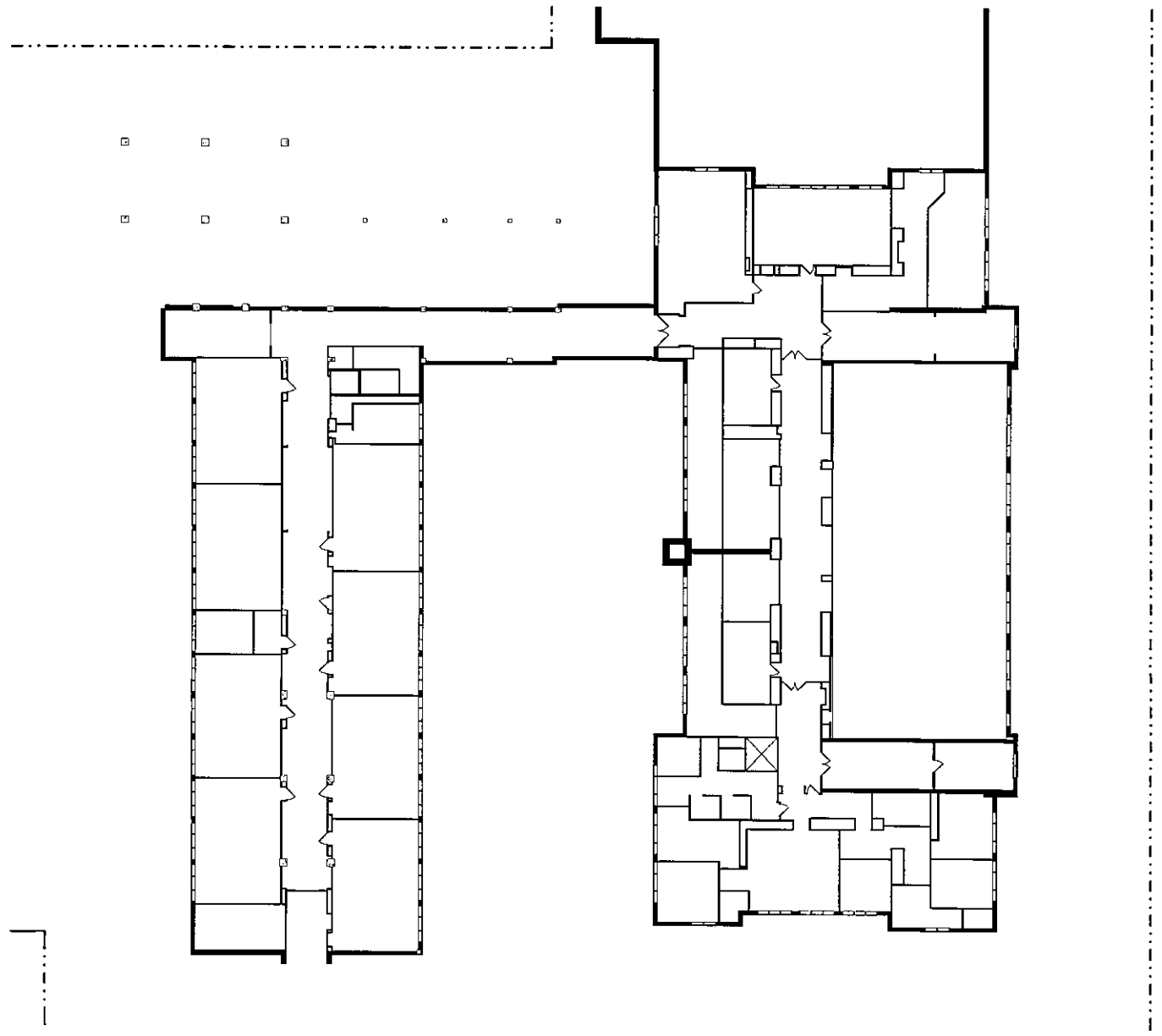
① Level 2  
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Project	
Client	
Project Number	
Date	
Rev	
Rev	
Rev	
Rev	
Rev	
Rev	
Rev	

NOT FOR  
CONSTRUCTION

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Level 3  
3/32" = 1'-0"

Project	
Client	
Project Number	
Date	
Drawn	
Checked	
Proj. Mgr.	

**NOT FOR  
CONSTRUCTION**



**Cloquet Middle School**  
Sources & Uses of Funds

**Development Budget**

	<u>BUDGET</u>
<b>Uses:</b>	
Acquisition	\$ 99,900
Construction & Site Work	\$ 9,020,000
Interim Costs	\$ 474,013
Soft Costs	\$ 557,541
Development Fee	\$ 1,484,000
Financing Costs	\$ 62,500
Project Reserves	\$ 299,510
<b>Total Uses:</b>	<b>\$ 11,997,464</b>

<b>Sources:</b>	
First Mortgage	\$ 1,000,000
LIHTC Equity	\$ 6,792,132
Federal Historic Equity	\$ 1,917,796
State Historic Equity	\$ 2,003,232
Deffered Developer Fee	\$ 284,303
<b>Total Sources:</b>	<b>\$ 11,997,464</b>

**gap:** \$ -

**Cloquet Middle School Apartments**  
Development Proforma

**I. Project Information**

**A. Project Description**

Project Name: Cloquet Middle School Apartments  
 Address: 509 Carlton Avenue Zipcode 55720  
 City, State: Cloquet, MN County Carlton County

**II. Development Information**

**A. Rent Matrix**

Unit Type (MR, TC)	# Beds	Number of Units	Unit Size (SqFt)	Monthly Contract Rent per Unit	Total Annual Contract Rent	Tenant Utilities	Monthly Gross Rent	Rent Restriction (%AMI)	Income Restriction (%AMI)	Rent PSF
HTC/PBV	1BR	4	729	\$ 531	\$ 25,488	\$ 67	\$ 598	50%	50%	\$ 0.73
HTC/PBV	2BR	2	645	\$ 625	\$ 15,000	\$ 93	\$ 718	50%	50%	\$ 0.97
HTC/PBV	3BR	1	1,096	\$ 710	\$ 8,520	\$ 120	\$ 830	50%	50%	\$ 0.65
HTC	0BR	6	491	\$ 503	\$ 36,223	\$ 27	\$ 530	50%	50%	\$ 1.02
HTC	1BR	1	795	\$ 501	\$ 6,013	\$ 67	\$ 568	50%	50%	\$ 0.63
HTC	2BR	26	1,107	\$ 599	\$ 186,919	\$ 83	\$ 682	50%	50%	\$ 0.54
HTC	3BR	6	1,712	\$ 669	\$ 48,132	\$ 120	\$ 789	50%	50%	\$ 0.39
MR	0BR	3	481	\$ 500	\$ 18,000		\$ 500	Mkt	Mkt	\$ 1.04
MR	2BR	1	966	\$ 900	\$ 10,800		\$ 900	Mkt	Mkt	\$ 0.93
MR	3BR	7	1,457	\$ 1,100	\$ 92,400		\$ 1,100	Mkt	Mkt	\$ 0.75
<b>Units:</b>		<b>57</b>	<b>60,705</b>		<b>\$ 37,291</b>	<b>Total Rental Income (mo)</b>		<b>Average Rent PSF:</b>		<b>\$ 0.61</b>
					<b>\$ 447,496</b>	<b>Total Rental Income (yr)</b>				

**RESOLUTION NO. 17-37**

**CITY OF CLOQUET SUPPORT FOR THE HOUSING TAX CREDIT APPLICATION BY ROERS INVESTMENTS TO THE STATE OF MINNESOTA FOR THE ADAPTIVE REUSE OF THE CLOQUET MIDDLE SCHOOL BUILDING AT 509 CARLTON AVENUE INTO WORKFORCE HOUSING**

**WHEREAS**, in October 2015 the Cloquet School District released a request for housing/mixed use proposals for the adaptive reuse, partial reuse or redevelopment of their 180,000 square foot historic 1921 Middle School building located at 509 Carlton Avenue; and

**WHEREAS**, in March 2016 after public engagement, the Sherman Associates proposal for adaptive reuse into affordable workforce housing was approved by ISD 94 and issued a Resolution of Support by the Cloquet City Council, however the project was not selected by the state in 2016 due to late historic tax credit approval; and

**WHEREAS**, Roers Investments has come forward to propose a project for the 2017 housing tax credit process; and

**WHEREAS**, the Roers Investments proposal for the Cloquet Middle School site proposes 57- units of affordable and market rate workforce rental housing to be owned and managed by Roers Investments, or an affiliate, which will meet the locally-identified housing need for quality affordable workforce housing which is in short supply in the local housing market, as evidenced and further described in the Cloquet/Scanlon Housing Study (2014, Stantec Consulting); and

**WHEREAS**, Cloquet Middle School Apartments contributes to efforts outlined in the City of Cloquet's Cooperatively Developed Plan (CDP) and Planned Community Development Plan to address locally identified needs and priorities in which local stakeholders are actively engaged. Specifically, the adaptive reuse of Cloquet Middle School contributes to the objectives outlined in the community-supported 2014 Cloquet/Scanlon Housing Study adopted by the City Council on February 4, 2014. Additionally, in an effort to implement the Cloquet/Scanlon Housing Study, the 2014 Cloquet/Scanlon Housing Task Force, composed of members from the City of Cloquet, City of Scanlon, Cloquet HRA, Carlton County, elected officials, area housing developers, area housing managers, Fond du Lac Reservation, and Arrowhead Regional Development Commission, adopted recommendations on August 5, 2014 which identified the Cloquet Middle School in Goal #9 and Goal #5 as a development opportunity to meet the affordable workforce housing niche; and

**WHEREAS**, the City of Cloquet supports the application of Roers Investments for Low Income Housing Tax Credits through Minnesota Housing and related federal and state Historic Tax Credits in support of this adaptive reuse project, and

**WHEREAS**, this project will utilize existing infrastructure including water, sewer, gas, electric etc.; and

**NOW, THEREFORE, BE IT RESOLVED**, that City Council of the City of Cloquet adopts this resolution of support related to Roers Investments Minnesota Housing Finance Agency tax credit application for affordable workforce housing and as evidence of its commitment to provide ongoing assistance to bring the project to completion as deemed to be appropriate in the sole discretion of the City Council and the Cloquet Economic Development Authority.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 16<sup>TH</sup> DAY OF MAY, 2017.**

ATTEST:

\_\_\_\_\_  
Dave Hallback, Mayor

\_\_\_\_\_  
James Barclay, Interim City Administrator





North America

Cloquet Operations

**Sappi Cloquet LLC**  
2201 Avenue B  
PO Box 511  
Cloquet MN 55720  
Tel +1 218 879 2300

April 21, 2017

To: Members, Cloquet School Board  
Duane Buytaert, Chair  
Dan Danielson  
Ted Lammi  
Dave Battaglia  
Jim Crowley  
Nate Sandman  
- Superintendent Ken Scarbrough

**Michael Schultz**  
Managing Director

From: Mike Schultz, Managing Director

RE: Future Use of Cloquet Middle School

Below in italics is a letter I submitted to you back in March, 2016. I understand a new developer has expressed interest in converting the Cloquet Middle School to affordable housing. I'm not speaking on behalf of the new developer, but do continue to support the conversion of the school into housing for the same reasons I indicated last year.

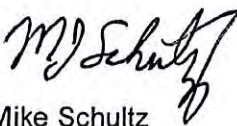
*As a representative of one of Cloquet's largest employers and as a Cloquet EDA commissioner, I am hoping you would allow me to weigh in on a topic that you have before you, that being what to do with the current Middle School once the new one is built.*

*I sincerely appreciate that you have a full plate and this may fall towards the bottom of your current priorities, but I fear if that happens, an opportunity may inadvertently be missed. I am aware that before you is a proposal by Sherman Associates for the adaptive reuse of the Middle School into workforce housing. From my experience, this type of housing is in great need in Cloquet. The single biggest complaint I have of my new hires into Cloquet is the struggles they have in finding decent affordable housing. From my role on the EDA, this is further evidenced by a recently completed housing study.*

*I'm not personally aware of what other uses you may be considering. I can only speak to the real need of housing in Cloquet and the current struggles to meet that need. I see this as a potential win for the School District and the City of Cloquet as a whole.*

Again, thank you for your consideration.

Sincerely,

  
Mike Schultz

# Cloquet Area Chamber of Commerce



Ken Scarbrough  
Cloquet Public School District  
302-14<sup>th</sup> Street  
Cloquet, MN 55720

May 3, 2017

Dear Mr. Scarbrough;

The Cloquet Area Chamber of Commerce is writing in support of the Roers Investments Adaptive Reuse Proposal for the Cloquet Middle School. The Cloquet Chamber is in support of advancing the proposal forward through the appropriate processes.

The Cloquet School District request for proposals for adaptive reuse or redevelopment of the Cloquet Middle School site was a direct result of the Cloquet citizen's support of a new middle school leaving the current building vacant and unused as of 2017. Roers Investments responded to the request and are a reputable developer with extensive experience in redevelopment and reuse which includes historic properties. The proposed redevelopment incorporates approximately 50 residential units, retention of the historic auditorium and the potential to provide commercial spaces for community partners or nonprofits. The City of Cloquet has completed a full housing study (available on City web-site) which clearly indicated a need for additional housing within the City.

The Cloquet School District has a fiscal and ethical responsibility to the Cloquet Community to proceed forward with the Middle School Adaptive Reuse or Redevelopment Proposal received from Roers Investments.

Thank you.

Sincerely,

Kelly Zink  
President

cc: Mike Gay, Cloquet Area Chamber of Commerce Board Chair  
James Barclay/Holly Hansen – City of Cloquet



## Federal Tax Credit Uncertainty Puts Affordable Housing at Risk

**F**OR 30 YEARS, federal affordable housing tax credits have been the nation's most potent tool to create housing for the homeless and low-income households. But the possibility of major corporate tax cuts in the Trump administration is causing uncertainty in tax credits markets, affecting affordable housing projects across the country.

The Low Income Housing Tax Credit program, created during the Reagan administration in 1986, allots a finite amount of tax credits to state housing authorities using a population-based formula. States then use competitive processes to distribute credits to developers. Developers who sell them to investors, like big banks, use the proceeds to cover typically 50 to 70 percent of the cost of low-income housing projects that otherwise don't generate enough rental income to be viable. Investors then use the credits to offset federal income tax liabilities. The credits, however, become less valuable if the corporate tax rate drops.

Just the prospect of a drop from the current 35 percent corporate tax rate has already jarred tax credit markets, dropping tax credit prices seven to 15 percent depending on location and type of development, and creating financing gaps of hundreds of thousands of dollars or more for projects that received credit allocations in the 2016 funding cycle, experts and government officials say. As a result, some of those projects could be delayed or even halted.

"There is concern," says Larry Jones, assistant executive director of the U.S. Conference of Mayors. "People are pulling back . . . because they don't know what is going to happen."

### Ripple effect

Since its inception, the tax credit program has had a major impact on the nation's housing stock, helping create 2.8 million affordable units nationwide between 1987 and 2014, according to a federal Department of Housing and Urban Development database. A 10 percent drop in tax credit price can cause a "very significant" problem for projects that often



Low-income housing tax credits funded about 63 percent of Rethke Terrace, a \$8.9 million, 60-unit building developed by Chicago-based Heartland Housing to provide permanent housing to the homeless in Madison, Wisconsin.

have tight financing packages, says Michael Novogradac, managing partner at Novogradac and Company and a board member of the Affordable Housing Tax Credit Coalition. Under that scenario, a \$10 million project relying on \$7 million in tax credits would have to reconcile a \$700,000 funding gap, Novogradac says.

Uncertainty is also flowing into the 2017 funding cycle. Developers are recalculating how projects can get financed, Novogradac says. Some states, including Illinois, Minnesota, and Wisconsin, have already adjusted application deadlines to allow time for more clarity on tax reform. Cities are closely watching and anticipating impacts.

Potentially, "the national impact is devastating," says Paul Soglin, mayor of Madison, Wisconsin. The city's Affordable Housing Initiative, begun in 2015, relies heavily on city and county investments to leverage tax credits distributed through the Wisconsin Housing and Economic Development Authority.

One developer, Chicago-based Heartland Housing, a nonprofit that has done 19 projects in Illinois and Wisconsin since 1988, used \$5.5 million in tax credits from 2015 to build an \$8.9 million, 60-unit housing project for the homeless in Madison in 2016. It secured \$7 million in credits in 2016 to build 45 more units in an \$11 million project there this year, and is preparing to seek credits in coming months to finance additional housing in 2018.

Heartland had a letter of intent from an investor but still saw a modest tax credit price reduction on the project it intends to build in Madison this year, says Nadia Underhill, the nonprofit's director of real estate development. But Heartland hadn't secured similar commitments from other investors and saw



steeper price reductions for developments slated for Chicago and Milwaukee this year. The coming application cycle looks even more daunting, she says.

The uncertainty is being felt in other cities too. In late 2016, Dallas got applications from eight developers seeking \$7.6 million in city financial support—more than the city has to give—to help leverage \$96.7 million in state tax credits this year, says Bernadette Mitchell, director of Dallas's Housing and Community Services. Developers need more city support to close financing gaps caused by a drop in tax credit prices and rising construction costs, she adds.

The future of the tax credit program depends on many factors, including whether the credit itself survives tax reform, how much the corporate tax rate drops, and what the rest of any tax reform initiative looks like, experts say.

According to Novogradac, the federal affordable housing tax credit has enjoyed strong bipartisan support and is likely to survive. He notes that senators Maria Cantwell (D-Wash.) and Orrin Hatch (R-Utah) last year introduced legislation to expand the credit 50 percent over five years. However, there is uncertainty about tax-exempt bonds for housing, which are related to the tax credit program, he says, adding that it's going to take some time for clarity on the country's tax structure. ■

—Dean Mosiman

Mosiman is the Madison city government reporter for the *Wisconsin State Journal*.

**OIL PIPELINES** were a major focus of President Donald Trump's first week in office, when he ordered expedited review and approval of the controversial Keystone XL and Dakota Access pipelines. Former President Barack Obama rejected Keystone XL, Transcanada's proposed Alberta-to-Texas pipeline, in 2015 because of environmental concerns. Completion of the Dakota Access Pipeline was delayed last year pending a federal impact review; following Trump's order, the U.S. Army Corps of Engineers announced in February that it would grant approval of the necessary permit.

**CALIFORNIA'S DROUGHT** is over for 42 percent of the state, says a U.S. Drought Monitor study. Heavy precipitation in Northern California this winter led to flooding, full reservoirs, and an above-average Sierra snowpack (which provides one-third of the state's water supply). Twenty-four percent of the state, mainly in Southern California, remains in severe drought, but those numbers are nearly three times better than last year.

**CHICAGO'S U.S. STEEL** plant, vacant since 1992 despite previous redevelopment efforts, has found a buyer. With their Chicago 8080 Lakeshore Masterplan, Barcelona Housing Systems and WELink aim to transform the 430-acre South Works site into 30 blocks of up to 12,000 homes. The design takes inspiration from Barcelona, Spain's pedestrian-friendly superblocks. Build-out will likely take decades.

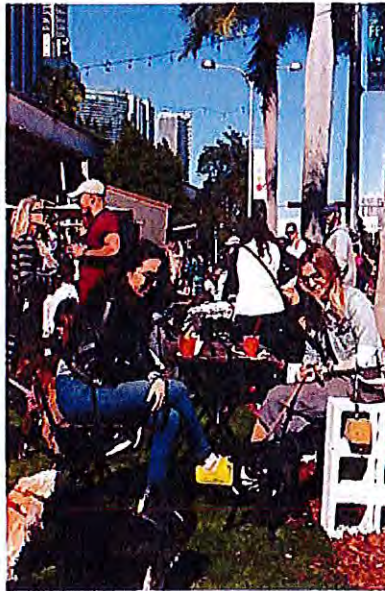
**BANNING TRAFFIC** from Public Square may cost Cleveland \$12 million in federal funding. The city made the decision in November, citing safety concerns, following a \$50 million renovation. The Federal Transit Administration says the ban violates a 2004 federal grant agreement that required buses to run through the square as part of a proposed downtown transit zone. At press time, the FTA had given the Greater Cleveland Transit Authority until February 21 to repay the funds.

## Miami Street Experiment Prioritizes People

**F**OR MANY YEARS, U.S. 1, a broad and busy boulevard, coursed through the heart of downtown Miami, separating the residential and business district from the city's expansive waterfront park, Bayfront Park. Crossing the eight lanes of Biscayne Boulevard, as it is locally known, was not for the faint of heart.

In January, in an effort to show Miami-ans what it would be like if the boulevard wasn't a barrier but instead a walkable public space, the Miami Downtown Development Authority conducted an experiment in urban design.

For three weeks, one lane of the boulevard was converted to on-street parking, while another lane was restricted to public transit and bikes. Meanwhile, the 101 existing parking spaces in the median were converted into 75,000 square feet of public green space. In addition to providing areas for residents and visitors to gather, the MDDA hosted movies al fresco, tango and yoga classes, concerts, and other events. A dog park and a playground were installed. Nontraditional crosswalks were painted to



Designed as a one-month "urban experiment," the Biscayne Green demonstration project in downtown Miami temporarily repurposed a segment of a major eight-lane boulevard as public space that included a dog park, playground, and interactive elements for both residents and visitors alike to enjoy.



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RESOURCE CENTERS	LOGIN	VIEW CART			

# Affordable Housing

## Resource Center

Tax Credit Tuesday Podcast

### How Do LIHTC Properties Affect their Surroundings?

[Back to Blog](#)

#### Notes from Novogradac

Journal of Tax Credits

Published by Mark Shelburne on Friday, March 24, 2017 - 12:00am

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#### Events Calendar

« March »

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26	27	28	29	30	31	

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A recent analysis of academic research contains valuable observations for housing practitioners. In “The What, Where, and When of Place-Based Housing Policy’s Neighborhood Effects,” Keri-Nicole Dillman, Keren Mertens Horn and Ann Verrilli reviewed 16 studies examining low-income housing tax credit (LIHTC) properties’ impacts on property values, neighborhood demographics, crime and education. In other words, how do developments affect their surroundings? The answers are important for program administrators and other interested parties when designing policies.

The researchers begin by noting two overall objectives applied to LIHTCs: “strengthening distressed communities and increasing access to higher opportunity neighborhoods.” Both of these are informed by knowing what developments mean for property values, poverty rates or income composition, racial composition, crime and school quality.

A first step in looking at impacts is to classify types of areas, as in what is a high versus low (or other) opportunity area. The authors found no consistent standard for defining neighborhood context across the studies. For example, they report that some papers used income and wealth or majority white as proxies for opportunity. The authors settled on three categories: distressed, high opportunity, and moderate poverty, but acknowledged “this categorization scheme is as much art as science.”

The review says an important reason to subsidize housing in distressed neighborhoods is “the idea that these investments have the potential to improve their surrounding communities” by removing “boarded-up buildings or vacant lots” and promoting commercial investment to meet growing demand. As such, the primary way

## Novogradac Industry Alert Emails

to measure resulting improvements would be through examining impacts on property values. The reviewed research found property value increases when LIHTC developments are built in low-income areas. One large study determined housing within 0.1 miles increased in value by 6.5 percent after a development was placed in service. Five additional studies found modest impacts.

### Notes from Novogradac

GAO Report Reveals  
Key Roles Equity  
Syndicators Play  
Monday, March 13,  
2017

Another related motivation for placing LIHTC developments in distressed areas is promoting neighborhood safety. The literature review said this outcome may be the result of removing blight and vacant lots, and a more nuanced concept is that “stability of neighborhood residents may also increase due to housing subsidies, indirectly decreasing crime through the greater social organization.” The research shows LIHTC properties are associated with declines in crime. One of the studies even examined impacts at the county level, and suggested that reductions in crime were not the result of displacing crime to other areas.

Repealing  
Community  
Development Tax  
Credits Would Barely  
Reduce Tax Rates but  
Would Be a Windfall  
for Corporations  
Friday, March 10,  
2017

The findings in high-opportunity areas were similarly positive, for the most part. Initially noteworthy is the fact that almost one in four newly constructed LIHTC developments has been built in neighborhoods where poverty rates are lower than 10 percent. One study did find small property value decreases in majority white neighborhoods. The authors suggest that the racially specific nature of this outcome suggests it is “driven more by the diversity of tenants coming into the neighborhood than by the physical structure of the development.”

How Much Might the  
National Median  
Income Level Grow in  
2017?  
Wednesday, March 8,  
2017

As for other areas, two studies found no increase in crime and one determined the addition of new LIHTC rental homes had “a positive impact on performance ratings of nearby elementary schools.”

[View more >>](#)

### Podcast Episodes

March 21, 2017  
Posted on March 21,  
2017

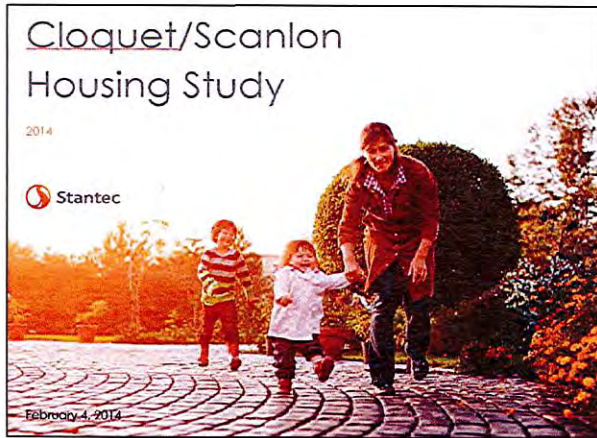
The third neighborhood category, moderate poverty, was considered in only three of the 16 studies reviewed. Although more than one in four LIHTC developments are located in vicinities with poverty rates between 10 and 20 percent, none of these three studies had conclusive results for property values, crime or other considerations.

The paper concludes with guidance on how to maximize hoped-for neighborhood improvements. One of the most clear improvements is described “removal effects,” such as replacing dilapidated housing and vacant land; and the results are not only real but can be considerable. In New York City, for example, the authors note that “assisted projects afforded immediate property value improvements up to 12 percentage points.” Another, more surprising conclusion is that larger LIHTC developments at higher concentrations “make a greater relative contribution to the resident population and housing stock.”

March 14, 2017  
Posted on March 14,  
2017

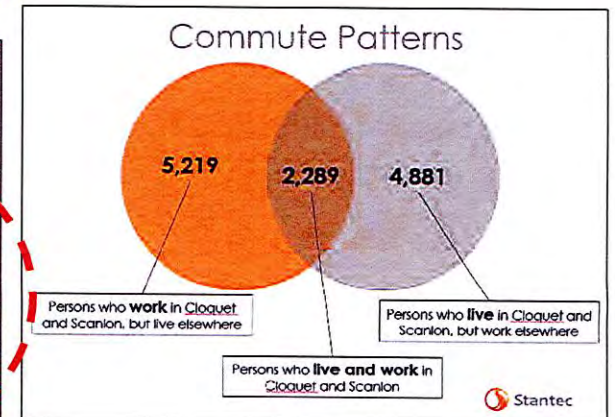
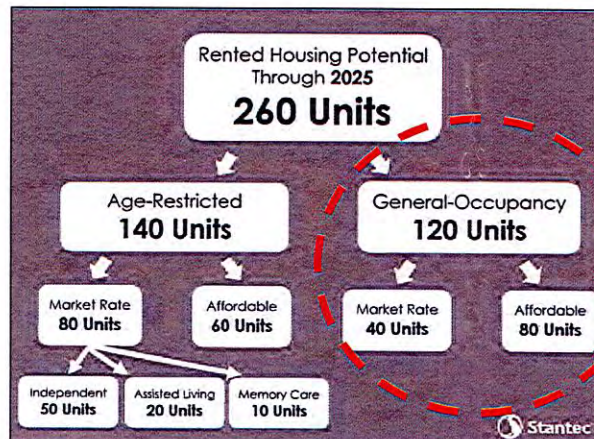
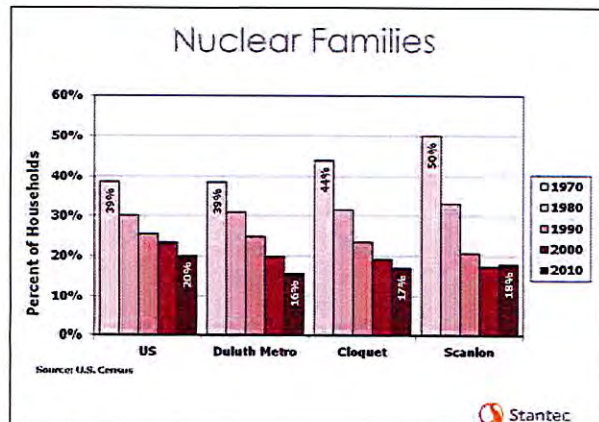
The authors will continue to work on these questions and are interested in feedback.





## Economic Summary

- Overall economy is improving
- Cloquet is an important employment center
- Diversity of employment is seen as a positive
- Average wages in Cloquet are about 10% below the region



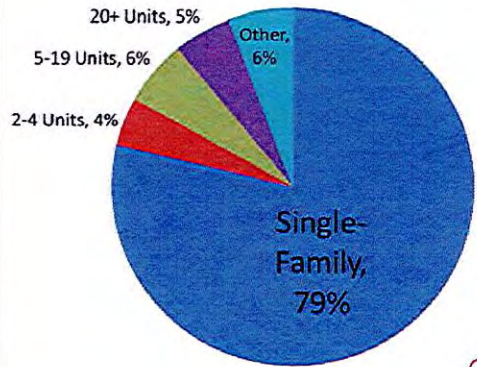


## Demographic Summary

- Growth is forecasted to be modest but consistent
- We are aging; but echo boom or Millennials are keeping us youthful
- Household size is shrinking
- Attitudes toward homeownership are changing
- Incomes are holding steady

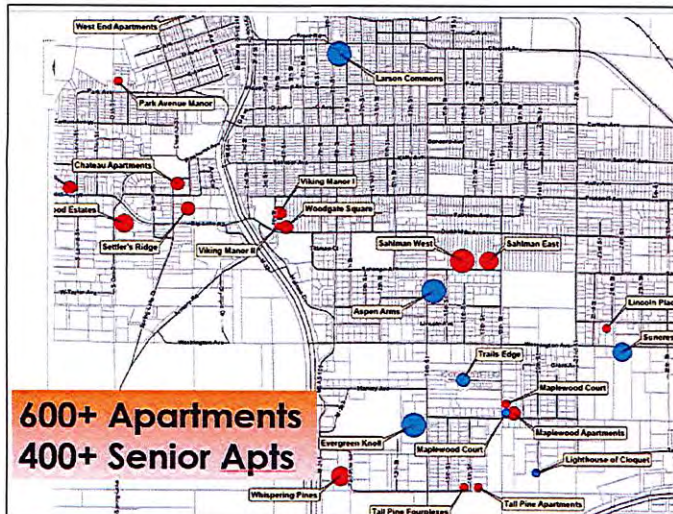


## Housing Structure Types



## Where Does the Need Come From?

1. Household growth from newcomers to Cloquet/Scanlon
2. Household growth due to new household formation
3. Replacement of housing stock
4. Preferences for new forms of housing

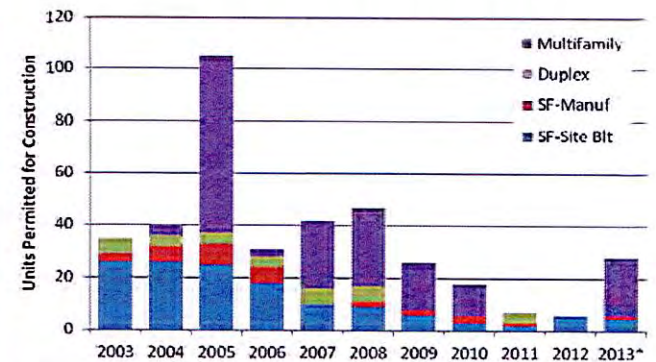


## Housing Market Summary: Rental

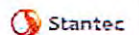
- Rental market is healthy
- Demand driven by growth in low-wage industries
- Affordability is an issue because market rate rents average \$650/mo
- Despite expansion, senior market remains strong
- Single-family rentals are significant



## Construction Activity



Source: City of Cloquet



# CLOQUET/SCANLON HOUSING STUDY

Multifamily Rental Market Analysis  
January 15, 2014

The following subsections present key findings from our review of Cloquet/Scanlon's rental housing market.

## 6.1 GENERAL OCCUPANCY MULTIFAMILY RENTAL MARKET CHARACTERISTICS

General-occupancy multifamily units make up the largest portion of Cloquet's rental housing supply. We surveyed 627 general-occupancy multifamily units, split between 21 different properties. Of the 627 units, 229 (37%) were market-rate units and 398 (63%) were income-restricted units. Table 15 presents data on each of the properties profiled.

**Table 15: Cloquet/Scanlon General-Occupancy Multifamily Properties**

Project Name	Address	City	Year Built	Total Units	Units by Type				Vacant Units				Monthly Rent			
					Stu	1BR	2BR	3BR	Stu	1BR	2BR	3BR	Studio	1BR	2BR	3BR
<b>Income-Restricted (Deep Subsidy)<sup>1</sup></b>																
Maplewood Court II*	1318 & 1322 18th St	Cloquet	1993	11		2	9			0	0				30% of household income	
Woodland Pines	201 Spruce St	Cloquet	1988	19		19				0					30% of household income	
Maplewood Apts	1326 18th St	Cloquet	1988	24		8	16			0	0				30% of household income	
Tall Pines Apts	1514 & 1516 16th St	Cloquet	1983	8		4	4			0	0				30% of household income	
Sahlman East THs	1701 Sahlman Ave	Cloquet	1980	36				28	8		0	0			30% of household income	
1503 Tall Pine Fourplexes	1503 Tall Pine Ln	Cloquet	1980	12			12			0					30% of household income	
Fond du Lac Housing	Various	Cloquet	Various	180			40	140			0	0			30% of household income	
<b>Totals/Averages/vacancy rate</b>				<b>1985</b>	<b>290</b>		<b>33</b>	<b>109</b>	<b>148</b>		<b>0</b>	<b>0</b>	<b>0</b>			
										0.0%	0.0%	0.0%				
<b>Income-Restricted (Shallow Subsidy)<sup>2</sup></b>																
Settler's Ridge	92 Riva Ridge Dr	Cloquet	2000	22			11	11			0	0			\$590 \$645	
Whispering Pines Apts	810 & 812 Tall Pine Ln	Cloquet	1995	36		6	21	9			0	0	0		\$685 \$775 \$845	
Sahlman West THs	1501 Sahlman Ave	Cloquet	1977	50		12	12	26			0	0	0		\$610 \$710 \$895	
<b>Totals/Averages/vacancy rate</b>				<b>1988</b>	<b>108</b>		<b>18</b>	<b>44</b>	<b>46</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>\$635 \$711 \$825</b>	
										0.0%	0.0%	0.0%				
<b>Market Rate</b>																
14th Street Apts II	2020 14th St	Cloquet	2013	22	S	12	5			n/a	n/a	n/a			\$495 \$665 \$865	
14th Street Apts I	2010 14th St	Cloquet	2009	18		6	6	6			0	0	0		\$665 \$865 \$915	
Oakwood Estates Apts	910 Oak St S	Cloquet	2005	30		16	10	4			1	1	0		\$730 \$880 \$1,120	
Lincoln Place Apts	2300 Lincoln Ave	Scanlon	1995	8		1	5	2			0	0	0		\$750 \$950 \$1,100	
Chateau Apts (I-IV)	820-850 Spring Lake Rd	Cloquet	1973-77	20		6	14				0	0			\$525 \$625	
Park Avenue Manor	701 Park Ave	Cloquet	1970s-r	12		5	7				0	1			\$400 \$500	
Westgate Manor	777 Laurel St	Cloquet	1974	24		12	12				1	1			\$555 \$630	
North Road Apts	603 North Rd	Cloquet	1974	12			12					0			\$630	
Woodgate Square	403 Doodridge	Cloquet	1973	24		3	21				0	3			\$760 \$820	
Viking Manor II Apts	518 4th St	Cloquet	1966	12		8	4				1	0			\$610 \$695	
Viking Manor I Apts	510 4th St	Cloquet	1963	36		24	12				3	1			\$665 \$740	
West End Apts	224 Ave A	Cloquet	1920	11		4	7				0	0			\$320 \$450	
<b>Totals/Averages/vacancy rate</b>				<b>1975</b>	<b>229</b>	<b>9</b>	<b>100</b>	<b>108</b>	<b>12</b>		<b>0</b>	<b>6</b>	<b>7</b>	<b>0</b>		<b>\$417 \$587 \$743 \$1,014</b>
										0.0%	6.8%	6.8%	0.0%			

n/a = not available

<sup>1</sup> Income restrictions are typically set at 60% of area median income (AMI) or less; households then pay 30% of income toward rent.

<sup>2</sup> Income restrictions are typically set anywhere between 50% and 80% of AMI; households pay a set rent, regardless of income, which is often held below market rates.

\* Property also contains 11 age-restricted units

Source: Stantec

Income-restricted units receive some sort of subsidy from government or philanthropic entities to lessen the burden for moderate- or low-income households. At most of the income-restricted developments in Cloquet, tenants pay 30% of their adjusted gross household income for rent. Typically, a government subsidy program contributes the remaining gap between actual tenant payment and a fair market rent (FMR) that is established by HUD or another governing organization. The 2013 FMR for the Duluth-Superior metro area as established by HUD are as follows:

## CLOQUET/SCANLON HOUSING STUDY

Multifamily Rental Market Analysis  
January 15, 2014

**Table 16: Cloquet/Scanlon Rental Units by Affordability**

<u>Affordable Rental Housing Measures</u>	<u>60% of AMI</u>	<u>50% of AMI</u>	<u>30% of AMI</u>
Area Median Family Income (AMI) = \$62,300	\$37,380	\$31,150	\$18,690
<i>Maximum affordable housing costs (rent &amp; util.):</i>			
Efficiency/studio unit	\$655	\$546	\$327
One-bedroom unit	\$702	\$585	\$351
Two-bedroom unit	\$841	\$701	\$420
Three-bedroom unit or larger	\$972	\$810	\$486
<i>Percentage of Cloquete units surveyed under "affordable" limit:</i>			
Efficiency/studio unit	100%	100%	80%
One-bedroom unit	87%	50%	22%
Two-bedroom unit	88%	63%	41%
Three-bedroom unit or larger	97%	77%	72%

### 6.2 SENIOR RENTAL MARKET CHARACTERISTICS

Senior (age-restricted) units make up the remaining portion of Cloquet's rental housing supply. Development efforts in the senior housing industry over the past 10-15 years have altered the perception of traditional rental housing for seniors. Through the creation of different types of housing and varying levels of accompanying services, the industry has tapped interest from both the senior population and the adult children of seniors in need of alternative housing.

Cloquet/Scanlon's senior rental offerings generally cover the range of senior housing options available in many communities, which are as follows:

1. **Active Adult** ( or independent living where few, if any, support services are provided): rents tend to be modest, often because units are restricted to low- or moderate income households, or the units are owned in the form of a condominium or cooperative;
2. **Independent Living** (or congregate housing): support services, such as meals and light housekeeping, are available for an additional fee or included in the rent;
3. **Assisted Living**: two or three daily meals as well as basic support services such as transportation, housekeeping and/or linen changes are included in the rent. More importantly, personal care, such as assistance with bathing, grooming and dressing, is available either for an additional fee or included in the rent;
4. **Memory Care**: more rigorous and service-intensive personal care is required for people with dementia and Alzheimer's disease. Typically, support services and meal plans are similar to those found at Assisted Living facilities, but the increased levels of personal care require more staffing and higher rental fees;
5. **Skilled Nursing Care Facilities**: intensive service for frail seniors, heavily regulated by the State government.



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



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

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

**IMPLEMENTATION ACTION PLAN (AUGUST 2014)**

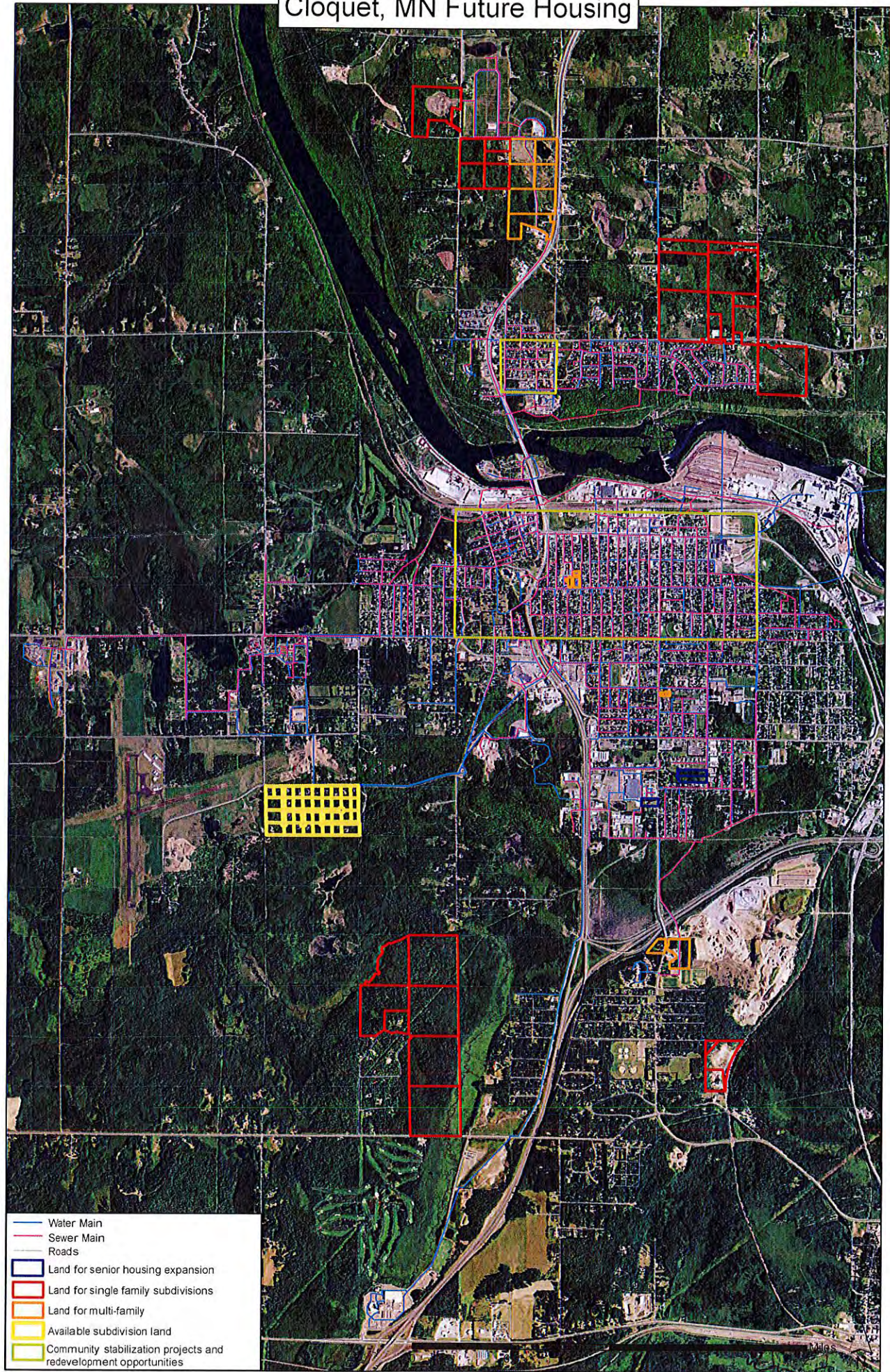
GOAL	ACTION STEPS	RESPONSIBLE AGENCY	MEASURED BY	DATE
1) EDUCATE COMMUNITY ABOUT HOUSING PROGRAMS	Hold Housing Summit to Inform Home Owners and Rental Owners of Rehabilitation Programs offered by Regional CAP and CHDO agencies (Lakes & Pines, One Roof, and CMHP). Inform Developers about Housing Programs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



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



# Cloquet, MN Future Housing





### Move Up Buyers

Move up buyers are typically in their 30s and 40s. They move up from the smaller, less expensive house that they had purchased earlier. From an economic growth perspective, this is an important group of people. Typically, move up buyers have children in school and they have established jobs, so they are less apt to move to another community and start over. Also, professionals who are moving to a community to advance their career are generally looking to move up to a more expensive house than what they had in their previous community. Cloquet must ensure that it has adequate choices for those who are looking for move up housing that will satisfy their needs until they are in their late 50s and beyond.

### Empty Nesters and Young Seniors

Empty nesters and young seniors are generally in their 50s and 60s. Often, their children have moved out of their house and left them with a larger house than needed or desired. Empty nesters and young seniors frequently want to live in a smaller house, such as a townhouse, that has less maintenance. As the baby boom generation moves into this age group, this population will increase in Cloquet. In recent years, Cloquet has seen an increase in townhouses and condominiums that empty nesters and young seniors typically seek. Cloquet will need to work to increase housing choices for empty nesters and young seniors. If there are not adequate housing choices for this age group, young seniors may be apt to leave the City after they retire.

### Older Seniors

Those in their 80s and older are often looking for low maintenance or assisted living housing. As the population ages, Cloquet must continually ensure that it has adequate housing to meet the needs of seniors. In recent years, Cloquet has made great progress in providing additional senior housing. Cloquet should continue to be a senior-friendly community that values the contributions of seniors to the community.



*Assisted Living*

## GOALS, OBJECTIVES, AND POLICIES

**Goal: Cloquet provides diverse and attractive housing to meet the needs of residents.**

Objective 7.1: Encourage the preservation and enhancement of the existing housing stock to provide for the needs of current residents and to accommodate anticipated future population growth.

Policy 7.1.a: Continue to work with the Minnesota Housing Finance Agency and others to help provide financial assistance to rehabilitate housing.

Policy 7.1.b: Explore opportunities to amend the Zoning Ordinance to reflect identified housing needs. For example, consider amending the Zoning Ordinance to allow accessory living units in single-family residential districts to help address the housing needs of seniors and those with special needs.

Policy 7.1.c: Explore opportunities to develop and make available a handbook to guide homeowners in rehabilitation of their property.

Policy 7.1.d: Where appropriate, encourage green building/sustainable design concepts for new housing and housing renovations.

Policy 7.1.e: Strive to identify blighted properties that are vacant or for sale in the city center and other appropriate areas of the city. Consider acquiring the properties and improving them, or explore redevelopment opportunities. Seek private rehabilitation support where desirable.

Policy 7.1.f: Promote neighborhood cleanup programs. Hold cleanup days for appliances, furniture, and general neighborhood cleanup.

Policy 7.1.g: Where appropriate, consider providing loans and/or other assistance to enhance property maintenance.

Objective 7.2: Encourage the development or redevelopment of housing for all income levels, special needs, and stages of life.

Policy 7.2.a: Explore creating regulations and incentives that encourage development of low and moderate-income housing, as well as housing for those with special needs.

Policy 7.2.b: Where appropriate, encourage infill housing in areas currently served by public utilities.

Policy 7.2.c: Encourage the creation of mixed-use development in the city center that includes housing, employment, shopping, and recreation opportunities in a compact, pedestrian setting. Where appropriate, encourage housing above businesses in the city center. Periodically update the City's master plan for the downtown (city center) area.

Policy 7.2.d: Use and promote government programs to assist with the development of multi-family rental housing, first time homebuyers, and similar housing needs.

Policy 7.2.e: Explore opportunities to develop and implement housing programs or tools to help develop affordable housing, transitional housing, and other housing needed in the community. Possible tools may include density bonuses, reduced building setbacks, and reduced parking requirements.

Policy 7.2.f: Where appropriate, support programs, such as Habitat for Humanity, that help address Cloquet's housing needs.

Policy 7.2.g: Explore opportunities to develop "traditional neighborhood design" ordinances and subdivision regulations. Where appropriate, encourage traditional neighborhood design developments as a means to provide attractive housing for young families.

## HOUSING PLAN

This section expands on the key concepts and actions described in the inventory and analysis section and the goals, objectives, and policies section of this chapter. In general, the City will help guide housing in Cloquet by regulating existing and proposed housing and by promoting and offering programs that help people acquire and maintain housing. General steps that the City will strive to accomplish include the following:

- Promote housing infill, redevelopment, and maintenance;
- Promote an appropriate housing mix;



- Guide and zone property to address housing expansion needs;
- Address issues relating to rural residential development within the city and near the city;
- Promote housing assistance programs; and
- Promote housing that respects economic, social, and natural resources.

A more detailed description of the Housing Plan follows.

## HOUSING INFILL, REDEVELOPMENT, AND MAINTENANCE

The Housing Plan promotes housing infill and redevelopment, particularly in those areas of the city that are currently served by public sewer and water. Housing infill and redevelopment is generally cost effective because it allows the City and developers to use existing infrastructure and community facilities. It also helps grow and support the surrounding neighborhood. However, to help promote housing infill and redevelopment, developers and landowners should have some assurance that the surrounding neighborhood will be well maintained. It is difficult to promote infill development in a declining neighborhood.



*Opportunity for Housing Infill on 14<sup>th</sup> Street*

Roughly 58.6% of the housing in Cloquet was built before 1960. Maintenance, energy efficiency, and safety concerns will become more prevalent in Cloquet as the housing stock ages. Consequently, in key areas of the City and at opportune times, the City will strive to evaluate the existing condition of older housing stock and recommend strategies to address priority needs, rehabilitate or remove existing problem housing, fund maintenance efforts, and improve housing maintenance.

The City will also work with others to promote programs that help housing become more energy efficient. Reduced energy consumption can help make housing more affordable and it can help protect the natural environment. Where appropriate, the City will also encourage well-planned rehabilitation projects that enhance or restore the historic character of existing housing.

## HOUSING MIX

The Housing Plan promotes an appropriate mix of housing types intended to serve the diverse needs of the community. It promotes life-cycle housing that allows a young resident to start out in Cloquet by renting an apartment, then move to a starter house, then to a move-up house, and finally to senior housing or assisted living. The goal is to provide adequate housing at all stages of a person's life.

The Plan also recognizes that Cloquet's demographic characteristics are changing. More people are choosing to remain single, people are living longer, and there are more single parent families. Although these demographic changes may occur gradually, the City must be sensitive to the fact that housing needs are changing and that Cloquet should have an appropriate mix of housing to meet those needs.

Although there is a need to provide a full range of housing types, the Plan recognizes a special need to provide additional housing choices for young families. The City must attract young families if it is to grow and sustain its population. The Plan also recognizes a need to provide additional housing for its growing population of young seniors, empty nesters, and older seniors.



## KEY HOUSING EXPANSION OPPORTUNITIES

In addition to infill development opportunities, the Comprehensive Plan guides the following key areas in the city for future housing expansion.

### Housing in the City Center

The Comprehensive Plan promotes a strong and vibrant city center (downtown). A mixture of additional housing in the city center would help bring a critical mass of people to the city center, thereby strengthening existing businesses and promoting new businesses. New housing can be developed above existing businesses, but opportunities also exist to develop or redevelop standalone housing in the area. Housing in the city center would especially appeal to young seniors, empty nesters, older seniors, and singles and couples without children.

### Housing North and East of the River

The area north and east of the St. Louis River on both sides of State Highway 33 provides an excellent opportunity to provide a significant amount and mixture of new housing in Cloquet (refer to Chapter 3: Land Use). The City can reasonably and logically serve this area with public sewer and water. The Comprehensive Plan guides this area for a mixture of residential uses including single-family detached housing, single-family attached housing, and multi-family housing. The Plan also promotes diverse housing that accommodates people of all income ranges.

## EXISTING AND FUTURE RURAL RESIDENTIAL

As discussed in Chapter 5: Utilities and Community Facilities, there are several rural residential developments in Cloquet that are not served by public sewer and water. Some of these developments existed before the 1975 merger of Knife Falls Township and the City of Cloquet. Pursuant to the merger agreement between the City and Township, developments in the former Township have a reduced tax rate until such time that the City provides these developments with public sewer and water. While rural residential developments contribute positively to Cloquet's housing mix, their reduced tax rate strains the City's ability to recoup its costs for providing these developments with City services, including police and fire protection and road maintenance.

As discussed in Chapter 3: Land Use, the City can reasonably and logically over time extend public sewer and water to many of these rural residences. As the City plans for logical expansion of public sewer and water into rural residential areas, it will need to consider the cost and benefits of doing so for the City as well as individual property owners. Public sewer and water that replaces failing septic systems and wells benefits the general public and individual property owners. In addition, some property owners may benefit by being able to subdivide their property once they have public sewer and water. However, others may not be able to subdivide (or may not wish to subdivide). For them, the costs of City sewer and water may be difficult to absorb without careful planning. Consequently, the City and rural residential property owners must work together to address this situation in a positive and fair manner.

The City must also carefully consider the costs and benefits associated with future rural residential development in the city. In recent years, the City approved two significant rural subdivisions: Jolicouer



*Rural Residential Development*

Trails, which has 27 lots on 60 acres, and Otter Creek, which has 25 lots on 40 acres with potential future subdivisions on an adjacent 120 acres. All of these lots are served by septic systems and private wells, and all of these lots have an area of at least one acre, with most lots having an area of 1.5 to 2.5 acres. Again, these developments contribute positively to Cloquet's housing mix, but the City must analyze the costs and benefits of allowing additional significant rural subdivisions in the city.

The Plan recognizes that all property owners, even those without access to public sewer and water, have the right to develop their property in a manner consistent with the City's Comprehensive Plan and Zoning Ordinance. However, where appropriate, the City will promote conservation subdivisions, clustering, and other techniques that will allow rural residential development, while encouraging the preservation of significant natural areas.

#### **Housing Development in the Adjacent Towns and on Fond du Lac Reservation in Cloquet**

The towns adjacent to Cloquet are growing at a faster rate than the City of Cloquet (see Chapter 2: Community Background). Pressure to extend City utilities into the township will likely grow as the City extends public sewer and water into the rural areas of the city and closer to adjacent townships. In turn, that raises the need to discuss the possibilities of annexation. Therefore, the City and townships must cooperate on future housing developments in and near the townships. Likewise, the Fond du Lac Reservation has a need for additional housing as its population continues to grow. The Fond du Lac Band will provide additional housing on Reservation land in Cloquet, but the City and Fond du Lac Reservation must coordinate housing efforts, in part, to ensure that all residents have adequate access to community facilities and services, such as parks.

### **THE CLOQUET HOUSING AND REDEVELOPMENT AUTHORITY AND HOUSING ASSISTANCE PROGRAMS**

The Cloquet Housing and Redevelopment Authority (HRA) promotes safe, decent, and affordable housing in Cloquet. In particular, the HRA assists households through the Section 8 Program. The HRA and the City of Cloquet will continue to work with various housing agencies and programs to promote housing in the city. Key agencies and programs include the following:

- Minnesota Housing Finance Agency
- Housing Trust Fund
- Economic Development and Challenge Program
- Minnesota Families Affordable Rental Investment Program
- Innovative Housing Loan Program
- Low Income Housing Tax Credits
- Historic Tax Credits
- Community Activity Set-Aside Program
- HOME Program Rental Rehabilitation Grant Program
- Deferred Loan Program
- Great Minnesota Fix-Up Fund
- Greater Minnesota Housing Fund for Multi-Family and Single-Family Assistance
- The Community Development Block Grant – Small Cities Development Program

- USDA Rural Development: Rural Housing Home Loan, 504 Program, Rural Rental Housing Loans, and Public Facilities Program
- Central Minnesota Housing Partnership: Home Rental Rehabilitation, Rental Rehabilitation Loan Program, Affordable Mortgage Products, Gap Financing, and Project Packaging and Technical Assistance
- Predevelopment Loan Program
- Essential Function Bonds, and
- Tax Increment Financing

## CONCLUSIONS

A strong link exists between housing and economic development. The Housing Plan promotes housing choices that reflect existing and planned economic conditions. For example, it promotes housing in the city center where residents can live, work, and play within a compact, pedestrian-oriented setting. The Plan also promotes sustainable development techniques that may include (where appropriate) green architecture, reduced street widths, reduced lot size, and clustering techniques. Implementing sustainable techniques can help reduce development costs and make housing more affordable.

The Plan promotes a sensitive mixture of housing that allows people of all ages and incomes to interact. For example, seniors can help care for youth while a single parent is working, and youth can help seniors with maintenance issues. The Plan also promotes the integration of trails, parks, limited commercial nodes, and traditional neighborhood design principles that strengthen the social fabric of the neighborhood.

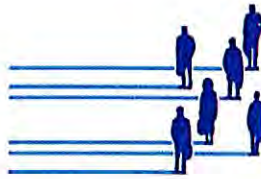
The Plan respects Cloquet's natural features. It promotes housing development and redevelopment in areas already served by public sewer and water, thereby preserving existing open space. It allows rural residential development, but it encourages development to respect natural features.

Refer to Figure 7-1: General Housing Plan for a graphical representation of the key concepts of the Housing Plan.



FRANK YETKA  
DAVID C. PRITCHETT\*\*  
WILLIAM T. HELWIG\*††\*\*\*  
SARA JANKOFSKY\*\*\*  
BENNETT JOHNSON\*\*\*\*  
ABAGAIL M. NOUSKA

JOHN M. GASSERT†, *Of Counsel*  
DENNIS KORMAN, *Of Counsel*  
FLOYD D. RUDY, *Founder (1935-2015)*  
LAWRENCE R. YETKA, *Retired*



**Rudy, Gassert, Yetka,  
Pritchett & Helwig, P.A.**

**A T T O R N E Y S • A T • L A W**

April 25, 2017

Holly Hansen  
Community Development Director  
1307 Cloquet Avenue  
Cloquet, MN 55720

**Re: Cloquet Middle School redevelopment - Preliminary Site Plan**

Dear Holly:

You have asked me for an opinion regarding the requirement for a new preliminary site plan (sketch plan) for the redevelopment of the Cloquet Middle School by Roers Investments, represented by Paul Keenan, its Vice President of Development. A sketch plan is not a requirement of the zoning ordinance, but is optional for the applicant if they wish for input on their plan prior to filing a formal application. Roers will need to file a formal site plan before proceeding with any redevelopment work on the building, but they are not at that stage yet.

Further, last year a sketch plan was approved by the City Council for redevelopment of this site by Resolution No. 16-40 dated June 7, 2016, for Sherman and Associates Development LLC. It is my understanding that Roers has indicated that they will comply with all zoning requirements as approved in the Sketch Plan by Resolution 16-40. The only change Roers has indicated to the proposed redevelopment over that approved by Resolution 16-40 is the addition of 7 units (for a total of 55 units with 115 parking stalls), and the addition of 5,000 sq. ft. of leased office space for Northern Lights Special Education Cooperative (NLSEC), to be located in the basement, which does not interfere with the amount of proposed residential units in their modified sketch plan. Use by NSLEC will include 26 staff of which on average only 50% will be at the office at any one time during the day creating a need for approximately 15 parking spots during daytime hours, generally from 7:30 am to 4 pm, which is below the 20 spaces required for office space under the zoning ordinance. The allowance for joint-use parking facilities that balances high peak and off peak parking demand appears to eliminate the need for any additional parking beyond that shown in the modified sketch plan. There appear to be no significant changes requiring additional review over what has previously been approved. An additional review of the modified plan cannot be required simply because of those minor modifications and the change of the developer. People similarly situated must be treated the same. If the plan is essentially the same it is still valid.

\* Also Licensed to Practice in Wisconsin

† Real Property Specialist, Certified by the Minnesota State Bar Association

\*\* Also Admitted in Texas

†† Patent Attorney, Registered to Practice before the U.S. Patent & Trademark Office

\*\*\* Also Admitted in Virginia

\*\*\*\* Admitted in Nebraska

**Re: Cloquet Middle School redevelopment - Preliminary Site Plan**

April 25, 2017

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Roers at this time is requesting a resolution in support of their project for funding purposes. The City certainly has a right to request information with regard to the development project prior to making the decision to issue such a resolution. To assist the City in making that decision Roers has provided the modified sketch plan for review by the City and upon which the City can base a resolution in support of Roers project. However, at this point in time the City cannot approve or deny the modified sketch plan, but only has the right to provide advisory opinion and comments on such plan, along with any resolution in support of the Roers project.

Sincerely,

*s/Bill Helwig*

William T. Helwig  
Cloquet City Attorney's Office  
Rudy, Gassert, Yetka, Pritchett & Helwig, P.A.





**COMMUNITY DEVELOPMENT DEPARTMENT**

1307 Cloquet Avenue • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555  
[www.ci.cloquet.mn.us](http://www.ci.cloquet.mn.us)

**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: Al Cottingham, City Planner/Zoning Administrator  
Reviewed By: James Barkley, Assistant City Administrator  
Date: May 10, 2017

---

**ITEM DESCRIPTION:** Zoning Case 17-06: Zoning Ordinance Text Amendment  
Special Event Definition

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**Proposed Action**

The Planning Commission recommends the City Council move to adopt **ORDINANCE NO. 466A, AN ORDINANCE TO AMEND CHAPTER 17 OF THE MUNICIPAL CODE PERTAINING TO SPECIAL EVENTS.**

**Background/Overview**

The City of Cloquet is proposing to amend Section 17.1.05 Definitions of the City Code (Zoning Ordinance). The proposed amendment is to add the following definition: Special Event.

In March 2017 SKB Environmental/Shamrock Landfill requested approval of additional hours of operation for a special event in order to bring materials in from Ashland, WI. In the approval of the Conditional Use Permit in 2011 it included wording for hours of operation being Monday through Saturday 7:00 am to 5:00 pm and the Landfill may operate on a 24-hour basis as needed for special events, leachate hauling, and emergency conditions (as defined below). This statement only defines emergency conditions and not special events. It has been suggested by the City Attorney that the City may want to define a special event in order to eliminate any confusion as to what may be allowed.

A public hearing was held on Tuesday, April 11, 2017 to consider a possible amendment to Section 17. A legal notice was published in the Pine Journal on March 30, 2017, Property owners were **not** sent a notice of the hearing since this is a textual amendment.

**Policy Objectives**

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

**Financial/Budget/Grant Considerations**

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

**Advisory Committee/Commission Action**

During the public hearing the Planning Commission heard from a couple of different parties. One felt that the definition should limit the event to 30 days or 4 weeks and to an area within 30 miles of the site. Another felt it should be limited to 10 days and to an area within Carlton County.

The Planning Commission discussed the definition and since it really only involved the original Conditional Use Permit approval of the landfill, then why didn't we simply amend the Conditional Use Permit and add the definition to it. This has been discussed with the City Attorney and determined that the City cannot amend the Conditional Use Permit unless they have done something that warrants the change. Based on this, the Planning Commission will need to create a definition that will be presented to the City Council for approval. Staff has been unsuccessful in finding a definition from other cities to compare to. Commissioner Sanders put together his thoughts for a definition as seen in the attached email. The main issues are the length of the event and its location to the landfill.

The Planning Commission discussed the length of the event and the distance from the location of the event and has recommended approval of the Zoning Ordinance Text Amendment on a 6-0 vote.

**Supporting Documentation Attached**

- Ordinance No. 466A

ORDINANCE NO. 466A

AN ORDINANCE TO AMEND CHAPTER 17 OF THE MUNICIPAL CODE  
PERTAINING TO A DEFINITION OF A "SPECIAL EVENT"

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

**Section 1.** **Section 17.1.05, Definitions** is amended to add:

**Subd. 107.2 Special Event.** Means a unique or unforeseen event of limited duration occurring within the City of Cloquet Area or within 30 miles of the primary site of the special event site which is within the City of Cloquet, and is of such significance as to allow for the relaxation of zoning requirements and the implementation of special provisions when provided in any permit, variance, or other zoning document.

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

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

Passed this 16<sup>th</sup> day of May, 2017.

CITY OF CLOQUET

By: \_\_\_\_\_  
Its Mayor

ATTEST:

By: \_\_\_\_\_  
Its Interim City Administrator

Published this \_\_\_\_\_ day of \_\_\_\_\_, 2017



**COMMUNITY DEVELOPMENT DEPARTMENT**

1307 Cloquet Avenue • Cloquet MN 55720

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

[www.ci.cloquet.mn.us](http://www.ci.cloquet.mn.us)

**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: Al Cottingham, City Planner/Zoning Administrator  
Reviewed/Approved By: James Barclay, Interim City Administrator  
Date: May 10, 2017

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**ITEM DESCRIPTION:** Zoning Case 17-07: Alley Vacation – Vacating the East/West Alley lying west of Main Street, North of St. Louis Avenue

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**Proposed Action**

The Planning Commission recommends the City Council move to adopt **RESOLUTION NO. 17-52, A RESOLUTION APPROVING THE VACATION OF EAST/WEST ALLEY LYING WEST OF MAIN STREET, NORTH OF ST. LOUIS AVENUE.**

**Background/Overview**

Bert Whittington is proposing to vacate the east/west alley west of Main Street north of St. Louis Avenue. This is being requested since the alley was platted with the City of Cloquet Dunlaps Addition in 1882 and has never been constructed. There is an overhead power line running within this right-of-way but no city utilities exist within the right-of-way.

The Park and Recreation System Master Plan that was adopted in 2014 identified that the City should look to purchase property along and around the riverfront. The City recently vacated the alley in the block to the east of this seeing no need to keep the alley. With the recent development of the riverfront plan there is nothing called out to happen within this corridor.

A public hearing was held on Tuesday, May 9, 2017 to consider a possible alley vacation. A legal notice was published in the Pine Journal on April 20, 2017 and effected property owners were sent notices of the public hearing.

**Policy Objectives**

The purpose of this vacation application is to ensure that MN State Statute 160.29 and 412.851 are followed in giving up rights to property. There is no formal requirement on determining if an alley should be vacated. It is really up to a common sense approach as to whether there is currently, or will be in the future, a need for the alley that is being vacated.

**Financial/Budget/Grant Considerations**

The filing fee for the vacation of an alley is \$350.00. The applicant has paid that fee.

To the Mayor and City Council  
Vacation of Alley  
May 9, 2017  
Page 2

**Advisory Committee/Commission Action**

The Planning Commission noted the alley went into the back side of the campground and camping sites that the city would not want or need to have it constructed. They discussed the possible future need for the alley and whether this should be done to help with a dispute between neighbors. The Planning Commission has recommended approval of the Vacation on a 5-1 vote.

**Supporting Documentation Attached**

- Resolution 17-52
- Location Map
- Woodward Letter



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

**RESOLUTION NO. 17-52**

**A RESOLUTION APPROVING THE VACATION OF THE EAST/WEST ALLEY LYING WEST  
OF MAIN STREET, NORTH OF ST. LOUIS AVENUE**

**WHEREAS**, Bert Whittington is proposing to vacate the east/west alley lying west of Main Street, north of St. Louis Avenue; and

**WHEREAS**, As required by ordinance, notification was advertised in the Pine Journal and effected property owners have been notified. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on May 9, 2017 at which time Zoning Case / Development Review No. 17-07 was heard and discussed; and

**WHEREAS**, the property of the proposed Vacation is located west of Main Street and north of St. Louis Avenue and is legally described as follows:

The alley located within Block 8, City of Cloquet Dunlaps Addition. And,

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

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, that it approves of Zoning Case 17-07 for a vacation of the east/west alley lying west of Main Street, north of St. Louis Avenue subject to the following condition.

- I. A Drainage and Utility Easement is maintained over the alley.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 16TH DAY OF MAY 2017.**

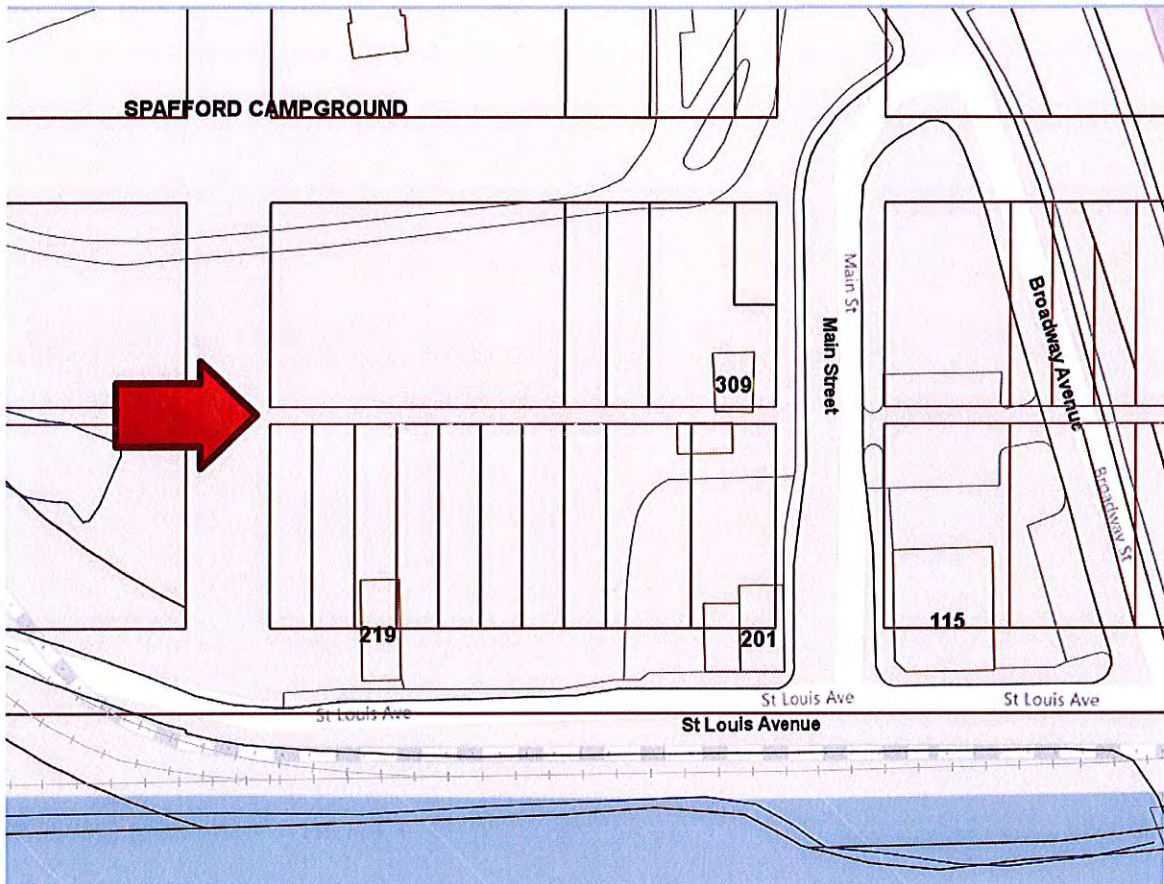
\_\_\_\_\_  
Dave Hallback, Mayor

ATTEST:

\_\_\_\_\_  
James Barclay, Interim City Administrator

# Location Map

## Whittington

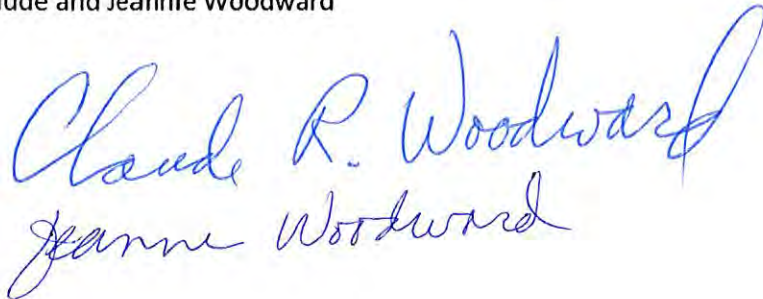


No Scale

City of Cloquet 5/9/17

We could not attend meeting, we had other prior commitments. We have used and cared for this property for over 30 years. We have maintained and cared for much of this alley, with the consent of the city and their approval. That includes mowing the grass, removing much of the snow and general upkeep. I also put tar and gravel down in first 30 ft. at my personal cost, again for over 30 years. We also care for and have planted flowers on city property just north of alley, the city said that it was ok to do. We would like to continue to care for this property and request that this property not be opened up to atv traffic. We have found that they wreck property, putting deep ruts in the ground as they have done next to hwy 33. Also it is our understanding that this property in rear of our house is wetlands! We have also been accused of putting oil and other pollutants behind our house, which of course is a complete and vicious LIE. We find that drunks lie about honest people to get their way and we have found this to be the case with us. Of course whatever is decided we will abide with. We have many people walk by our house and tell us how much they enjoy our flowers and the care we have for our property! Thank you for your consideration.

Claude and Jeannie Woodward



Claude R. Woodward  
Jeannie Woodward



## ADMINISTRATIVE OFFICES

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

### REQUEST FOR COUNCIL ACTION

---

To: Mayor and City Council  
From: James Barclay, Interim City Administrator  
Date: May 9, 2017

A handwritten signature in blue ink, appearing to read "James Barclay", is written over the "From:" line.

---

**ITEM DESCRIPTION:** Planning Commission Resignation

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#### **Proposed Action**

The City recently received the resignation of a member of the Planning Commission and as a result, has a current vacancy on the commission. Bryan Bosto resigned his position as of May 9, 2017. His term expires December 31, 2018. The City Council is asked to approve the advertising process for filling the vacant seat.

#### **Background/Overview**

The City has received correspondence from Bryan Bosto informing the City of his resignation from the Planning Commission. This is one of seven seats held by Cloquet residents. The individual appointed will serve the remainder of Mr. Bosto's term which expires December 31, 2018. The terms are normally three years.

#### **Policy Objectives**

To keep the various City boards, committees, and commissions at full membership as identified by the City Council or under Municipal Code. The membership of the Planning Commission is defined under M.S. 462.354 Subd. 1(1) and City Code Sec. 2.2.01 Subd. 1. There are seven seats on the Planning Commission.

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

There is no direct cost to the City regarding the appointment of this position.

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

None.

#### **Supporting Documentation Attached**

- Resignation

## Kris St. Arnold

---

**From:** Al Cottingham  
**Sent:** Thursday, April 27, 2017 4:14 PM  
**To:** James Barclay; Kris St. Arnold  
**Subject:** FW: Resignation from Commssion

FYI. This will need to be on the CC Meeting for the 16th.

-----Original Message-----

**From:** Bryan Bosto [<mailto:blbosto@yahoo.com>]  
**Sent:** Thursday, April 27, 2017 3:51 PM  
**To:** [uriah@wilkweb.com](mailto:uriah@wilkweb.com)  
**Cc:** Al Cottingham; [jdbmn1977@gmail.com](mailto:jdbmn1977@gmail.com)  
**Subject:** Resignation from Commssion

Chairman Wilkinson,

I am resigning from the Cloquet Planning Commission effective the end of the next scheduled meeting. I want to thank my fellow board members and the City of Cloquet for the opportunity to serve.

Sent from my iPhone






## DEPARTMENT OF PUBLIC WORKS

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

### REQUEST FOR COUNCIL ACTION

---

To: City Council  
From: Caleb Peterson, Director of Public Works  
Reviewed By: James Barclay, Interim City Administrator  
Date: May 16, 2017



---

**ITEM DESCRIPTION:** Engineering Take Home Vehicle

---

#### **Proposed Action**

Staff recommends that the City Council move to approve Barb Wyman's use of a city vehicle for travel to and from work for a period beginning May 17, 2017 and ending October 31, 2017.

#### **Background**

Recent Council consideration of the proposed take home vehicle policy generated significant feedback. While the policy has yet to be adopted, Council gave clear direction that individual approvals should be authorized by Council.

In recent years Ms. Wyman has been allowed to drive a City vehicle to and from work during the summer construction season. Ms. Wyman serves as Engineering's primary inspector on city projects and spends very little time in the office from June thru October. The nature of her position requires many long days and can be subject to call outs after hours on some projects.

In 2016, Ms. Wyman accrued 291 hours of overtime beginning June 1<sup>st</sup> and ending October 16<sup>th</sup>. It is estimated that take home of a city vehicle versus travel time for pick-up and drop-off at the beginning and end of each shift saved the city 35 working hours. This results in total savings of approximately \$1,600 in staff time. At 3.3 miles from city hall to her home, the cost to the city for personal use of the vehicle was \$371 (based on federal mileage rate of \$0.535/mile) in 2016. This is a net saving to the city of approximately \$1,200.

It should be noted that use of take home vehicles by Public Works personnel is considered a taxable fringe benefit. This would result in approximately \$315 in additional taxable income for IRS purposes.

#### **Policy Objectives**

To comply with recent Council direction and state law regarding public benefit for personal use of City vehicles.

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

It is estimated approval of this request would result in a net saving of approximately \$1,200 in general fund expenditures.

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

N/A.

#### **Supporting Documentation Attached**

None



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### REQUEST FOR COUNCIL ACTION

---

To: Mayor and City Council  
From: Caleb Peterson, Director of Public Works  
Reviewed by: James Barclay, Interim City Administrator  
Date: May 9, 2017

A handwritten signature in blue ink, appearing to read "C. Peterson", is written over the "Reviewed by" line.

---

**ITEM DESCRIPTION:** Disposal of Surplus Equipment

---

#### **Proposed Action**

Staff recommends the City Council move to authorize the sale of the listed surplus equipment.

#### **Background/Overview**

As a result of recent equipment purchases and a general cleaning of our facilities, the City has some equipment and miscellaneous items which require disposal. It has been determined that these items are either no longer needed or are in such condition that it is not economically feasible to upgrade them to a usable standard. Most of these items do have some salvage value and in order to obtain a reasonable price, staff proposes to offer them for sale through the online auction service Lots 4 Bid.

#### **Surplus Equipment List**

- 1996 Chevrolet K-1500 4x4 Pick-up, VIN# 2GCEK19W3T1229259

#### **Policy Objectives**

To dispose of surplus equipment in accordance with State Statute.

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

It has been determined that it is no longer financially feasible to maintain this item in inventory or it is no longer needed by the City. This surplus equipment does have some salvage value and this money would be returned to the appropriate department fund accounts.

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

N/A

#### **Supporting Documentation Attached**

- None





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### REQUEST FOR COUNCIL ACTION

---

To: City Council  
From: Caleb Peterson, City Engineer  
Reviewed By: James Barclay, Interim City Administrator  
Date: May 16, 2017

---

**ITEM DESCRIPTION:** 2016 Park Improvements Change Order Request

---

#### **Proposed Action**

Staff recommends that the City Council move to approve Change Order #4 to City Contract 1063.

#### **Background**

Work is currently underway to construct improvements at Fauley Park and Veterans Park under City Contract 1063. Each year staff brings the City's major construction projects to Council for award. Once authorized, the cost of work is typically determined using a unit price submitted by the lowest responsible bidder for each work item in a contract. Sometimes during the course of construction unforeseen conditions arise which force us to alter the scope of work. When a unit price for the extra work is not included in the original contract, staff must negotiate a price with the contractor amending the original contract. The recommended changes are then brought to Council for authorization to amend the contract in the form of a change order.

A general summary of each item and the associated cost is listed below. Change Order #4 is also attached in its entirety.

- 1) A small retaining wall was added in Fauley Park to avoid grade conflicts with the existing fire memorial. *Added cost: \$1,934.44*
- 2) Additional fence posts were required in Fauley Park to avoid conflict with the existing fire hydrant. *Added cost: \$644.00*
- 3) City Purchase of ATV road paint stencils for future maintenance. *Added cost: \$455.03*
- 4) Erosion Control Mat used in place of disc anchored mulch in order to establish turf adjacent to sidewalks. *Added cost: \$3,104.01*
- 5) Contract did not provide a quantity for topsoil borrow. Limited suitable material was able to be salvaged on site making material import necessary. *Added cost: \$6,084.00*
- 6) Poor soils discovered during excavation for memorial wall footings required over excavation and suitable material import. *Added cost: \$3,577.60*
- 7) Minnesota Power required new transformer to be located in a separate enclosure. *Added cost: \$4,588.00*
- 8) Additional quantity of landscape rock material under Fauley Park Train. *Added cost: \$620.00*
- 9) Hydrant along Cloquet Avenue was moved to accommodate required spacing for the Veterans Park water service. *Added cost: \$2,518.00*

SEH has reviewed this change order and found it to be necessary and reasonable.

**Policy Objectives**

N/A.

**Financial/Budget/Grant Considerations**

The original contract price for this project was \$1,282,668.75 and the total of Change Orders #4 will increase this amount by \$23,525.08.

Change Orders #1-3 were previously approved by Council in the amount of \$10,462.00. The total of all contract change orders would equate to a 2.6% increase in contract price.

The costs associated with this increase are attributed to sales tax funding allocated for Veterans and Fauley Parks.

**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- Change Order #4





Building a Better World  
for All of Us®

City of Cloquet

OWNER

1063

OWNER'S PROJECT NO.

Veterans Park and Fauley Park Improvements – Cloquet, Minnesota

PROJECT DESCRIPTION

## CHANGE ORDER

April 25, 2017

DATE

4

CHANGE ORDER NO.

CLOQU 138107 71.50

SEH FILE NO.

The following changes shall be made to the contract documents:

*Description:*

- 1) The contract did not initially include building a retaining wall at Fauley Park.
- 2) The plans for Fauley Park indicated four (4) fence posts to be installed. Additional fence posts were needed.
- 3) The City of Cloquet opted to buy 3 blacktop stencils for the pavement markings called out in the plans.
- 4) Erosion mat was installed at Veterans Park which was not part of the original contract work.
- 5) The contract called for all salvaged topsoil throughout the parks.
- 6) The contract did not call for extra excavation and rock in order to build the foundation of the memorial wall at Veterans Park.
- 7) Added current transformer/metering cabinet per Minnesota Power Co. requirements.
- 8) The City of Cloquet wanted to purchase additional tailings.
- 9) Due to design constraints in the field, a hydrant had to be relocated which was not part of the contract work.

*Purpose of Change Order:*

- 1) Upon completion of mulching next to the Memorial, the City opted to have a retaining wall built to help aid in keeping the mulch secure, preventing washouts and lost material.
- 2) Two (2) additional fence posts were needed due to an existing fire hydrant being in alignment with the initial post location.
- 3) The City of Cloquet requested the blacktop stencils in their City inventory for future use.
- 4) Erosion mat was agreed upon to provide a cleaner and quicker method to promote growth and stabilization near sidewalks.
- 5) The salvaged topsoil was not adequate enough in some areas. The City agreed to import topsoil in from Zacks Sand and Gravel to ensure a better final product.
- 6) During excavation of the Memorial wall footing, bedrock was encountered unexpectedly. In order to stabilize the foundation, Bougalis & Sons excavated deeper and added rock as a sturdy base to prevent settling of the footing.
- 7) Current transformers were shown on plans to be located within utility transformer enclosure, but MN Power required a separate enclosure.
- 8) The City of Cloquet was able to purchase additional tailings for Fauley Park and other applications in the future. This was not part of the initial work.
- 9) Due to spacing between the valve and hydrant, the hydrant had to be relocated to be properly installed on Cloquet Avenue, south of the stairs at Veterans Park.

- 1) Versa Lok retaining wall system: 50 sq. ft. = \$1,934.44
- 2) Additional fence posts: \$322.00 x 2 EA = \$644.00
- 3) 3 stencils : 1 EA "ATV" with "ARROW" symbol above = \$156.27  
                   1 EA "USE" = \$149.38  
                   1 EA "SHLD" = \$149.38
- 4) Erosion Control Blanket Category 3: = \$1.17/SY x 2,653 SY = \$3,104.01
- 5) Imported topsoil: \$26.00/CY x 234 CY = \$6,084.00
- 6) Additional imported rock: \$17.20/CY x 208 CY = \$3,577.60

- 7) Transformer/metering cabinet: \$4,588.00
- 8) Additional tailings: \$62.00/CY x 10 CY = \$620.00
- 9) Hydrant relocate: \$2,518.00

Net Increase in Contract Total: \$23,525.08


Basis of Cost:  Actual  Estimated  
 Attachments (list supporting documents)

**Contract Status**

Original Contract  
 Net Change Prior C.O.'s Start to 8/30/16  
 Change this C.O.  
 Revised Contract

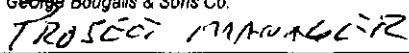
Time	Cost
May 12, 2017 (SC)	\$1,282,668.75
0	\$10,462.00
0	\$23,525.08
May 12, 2017 (SC)	\$1,316,655.83

Recommended for Approval: **Short Elliott Hendrickson Inc.** by

  
 Dan Hinzmann, PE

Agreed to by Contractor 

Approved for Owner:

BY George Bougalis & Sons Co.  
  
 TITLE

BY City of Cloquet  
 TITLE



## DEPARTMENT OF PUBLIC WORKS

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

### REQUEST FOR COUNCIL ACTION

---

To: Mayor and City Council  
From: John Anderson, Assistant City Engineer  
Reviewed by: James Barclay, Interim City Administrator  
Date: May 9, 2017

A handwritten signature in blue ink, appearing to read "James Barclay", is written over the "Reviewed by:" line.

---

**ITEM DESCRIPTION:** 2017 Sewer Lining Change Order Request

---

#### Proposed Action

Staff recommends the City Council move to approve Change Orders #1 and #2 to City Contract 1073.

#### Background/Overview

Work is currently underway on the 2017 Sewer Lining Project under City Contract 1073. Each year staff brings the city's major construction projects to Council for award. Once authorized, the cost of the work is determined using a unit price submitted by the lowest responsible bidder for each work item in a contract. Sometimes during the course of construction, unforeseen conditions arise which force us to alter the scope of work. When a unit price for the extra work is not included in the original contract, staff must negotiate a price with the contractor amending the original contract. The recommended changes are then brought to Council for authorization to amend the contract in the form of a change order.

A general summary of each change order and the associated cost is listed below. Change orders are also attached in their entirety.

- Change Order #1 – Changes the curing process to use steam vs. hot water as specified. This process allows for faster curing and for residents to have services restored sooner than if hot water were used. The contractor has agreed to this change with no added cost.  
*Added Cost: \$0*
- Change Order #2 – During the contractors cleaning and inspection of the lining segments, the pipe diameter of a number of sections were different than shown in city records. In fact, some of the segments were a non-standard size (9.25") which was not included in the bid. The increase is due to a larger liner required to line these segments of pipe.  
*Additional Cost: \$2,877.40*

#### Policy Objectives

N/A.

#### Financial/Budget/Grant Considerations

The original contract price for this project was \$149,464.54 and the total of Change Orders #1 and #2 will increase this amount by \$2,877.40.

#### Advisory Committee/Commission Action

None.

#### Supporting Documentation Attached

- Change Order #1
- Change Order #2

City of Cloquet  
CHANGE ORDER

Rev. July 2010

Page 1 of 1

CP 1073	CO No. 01
Project Location Various locations though out the City	
Local Agency City of Cloquet	Local Project No. 1073
Contractor Hydro-Klean LLC	Contract No. 1073
Address/City/State/Zip 333 NW 49 <sup>th</sup> Place Des Moines, IA 50313	
Total Change Order Amount \$ ( 0 )	

In accordance with the terms of this Contract, you are hereby authorized and instructed to perform the work as altered by the following provisions:

The Engineer has determined that steam curing method will be used in place of hot water curing as requested by the contractor. Payment will be adjusted under items listed below

Estimate Of Cost: (Include any increases or decreases in contract items, any negotiated or force account items.)					
**Group/Funding Category	Description	Unit	Unit Price (deduct)	+ or - Quantity	Amount \$ of deduct
Base	Installation of 8" CIPP	LF	\$16.20 \$( 0 )	4592	\$( 0 )
Alternate A	Installation of 8" CIPP	LF	\$16.20 \$( 0 )	637	\$( 0 )
Alternate A	Installation of 10" CIPP	LF	\$19.70 \$( 0 )	544	\$( 0 )
Alternate B	Installation of 8" CIPP	LF	\$16.20 \$( 0 )	809	\$( 0 )

Approved by Project Engineer: John M Anderson Date: 4/20/17  
 Print Name: JOHN M ANDERSON Phone: 218 879 6758

Approved by Contractor: Michelle Barrett Date: 4/20/2017  
 Print Name: ~~Michelle Barrett~~ Michelle Barrett Phone: 515-283-0500

Distribution: Project Engineer (Original), Contractor (copy),



City of Cloquet  
CHANGE ORDER

Rev. July 2010  
Page 1 of 1

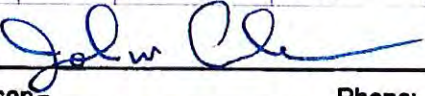
CP 1073	CO No. 02
Project Location Various locations though out the City	
Local Agency City of Cloquet	Local Project No. 1073
Contractor Hydro-Klean LLC	Contract No. 1073
Address/City/State/Zip 333 NW 49 <sup>th</sup> Place Des Moines, IA 50313	
Total Change Order Amount \$ (+2,877.40)	

In accordance with the terms of this Contract, you are hereby authorized and instructed to perform the work as altered by the following provisions:

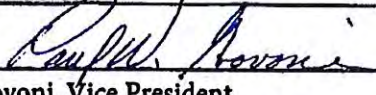
The Contractor has determined that *the size of some sewer lines varied from the contract documents* and the correct sizes be used in place of *those listed in the contract as requested by the contractor*. Payment will be adjusted under items listed below. This change order will not change the completion date as listed in the contract.

**Estimate Of Cost:** (Include any increases or decreases in contract items, any negotiated or force account items.)

**Group/Funding Category	Description	Unit	Unit Price (deduct)	+ or - Quantity	Amount \$ of add or deduct
	Installation of 8" CIPP	LF	\$16.20	-791	\$ (-12,814.20)
	Installation of 9.25" CIPP	LF	\$19.25	+546	\$ (+10,510.50)
	Installation of 10" CIPP	LF	\$19.70	+263	\$ (+5,181.10)

Approved by Project Engineer:  Date: 5/1/17

Print Name: John M. Anderson Phone: 218-879-6758

Approved by Contractor:  Date: May 1, 2017

Print Name: Paul W. Govoni, Vice President Phone: 515-283-0500

Distribution: Project Engineer (Original), Contractor (copy).



## DEPARTMENT OF PUBLIC WORKS

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### REQUEST FOR COUNCIL ACTION

---

To: Mayor and City Council  
From: Caleb Peterson, Public Works Director  
Reviewed by: James Barclay, Interim City Administrator  
Date: May 14, 2017

---

**ITEM DESCRIPTION:** Lake Superior Waterline – Pump #6 Rebuild

---

#### **Proposed Action**

Staff recommends the City Council move to authorize the purchase of a new bowl assembly from Van Bergen & Markson, Inc. for the rebuild at Pump #6 in the amount of \$38,173.75.

#### **Background/Overview**

Pump #6 is one of four located at Station Two on the Lake Superior Waterline. In April, the decision was made to pull this pump for inspection due high vibration readings and a leak which was occurring during normal operation. Upon further investigation, it was found that the first of five impellers (or pump stages) was severely damaged and requires replacement.

The three vertical pumps (5, 6 & 7) located at this facility have a historical life expectancy of approximately 10 years based on previous installations. Pump #6 was last rebuilt in 2010, however it appears the impellers selected at the time were not sufficient resulting in operating condition known as cavitation. It's likely the cavitation has resulted in accelerated wear of this particular unit.

Staff solicited quotes on two repair options. The first involves the replacement of damaged first stage only. Estimated at \$20,486 plus labor, this option would allow the existing pump to be placed back in service however, the remaining 4 pump stages are still approaching the end of their useful life and could require additional work in the next 3-5 years.

Option two involves the replacement of the entire bowl assembly including all five pump stages at a cost of \$38,173. With the cavitation issue now identified and resolved, the anticipated life expectancy of this option is estimated at 10-15 years. Given the associated labor costs (approximately \$12,000) with each rebuild, it is recommended the entire pump assembly be replaced at this time.

Quotes were received from two pump suppliers for option two, however only one met the specified requirements for NPSHR (suction head required to prevent cavitation).

#### **Policy Objectives**

N/A.

To Mayor and Council  
LSW Pump #6 Rebuild  
May 14, 2017  
Page 2

**Financial/Budget/Grant Considerations**

Costs associated with the rebuild of the pump are estimated at \$38,717.75 for parts and an additional \$11,995.00 in labor to mount and balance the new pump assembly. \$70,000 is allocated each year for pump and motor maintenance on the Lake Superior System.

To date, approximately \$60,000 has been spent in this line item resulting in a \$40,000 overrun for 2017. Historically this line item in the budget has varied dramatically from year to year depending on issues identified. Sappi is informed of all major issues and costs as they arise to prevent any surprises in the annual rate structure.

**Advisory Committee/Commission Action**

N/A.

**Supporting Documentation Attached**

- Quotation

**Caleb Peterson**

---

**From:** waterdept  
**Sent:** Wednesday, April 19, 2017 3:46 PM  
**To:** Caleb Peterson  
**Cc:** John Anderson; Ross Biebl  
**Subject:** FW: Information for N impeller to be added to S/N 67555-1  
**Attachments:** 20170419134138424.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**From:** Janice Schmitz [mailto:j.schmitz@pfcequip.com]  
**Sent:** Wednesday, April 19, 2017 1:40 PM  
**To:** waterdept  
**Subject:** Information for N impeller to be added to S/N 67555-1

I have attached the information & the curve.

**S/N 67555-1**

Revision:

We thank you for your above referenced inquiry, and are pleased to submit our quotation for your consideration.

<u>Item number</u>	<u>Service</u>	<u>Size</u>	<u>Unit</u>
<u>Price</u>	<u>Qty</u>	<u>Extended Price</u>	
001 stage	Bowl Assembly only \$38,173.75	18MKH/N 5 1	\$38,173.75
		Product lube - Bowl Assembly	

**COMMENTS: FREIGHT NOT INCLUDED**

**OUR QUOTE DOES NOT INCLUDE:**

- Oil or Grease
- Gauges
- Valves
- Anchor Bolts
- Soleplates
- Controls
- Variable Frequency Drives



Transformers  
Power Factor Correction Capacitors  
Testing  
Coating  
Spare Parts  
Sales Tax  
Freight  
Seismic Analysis  
Torsional Analysis  
Vibration Test  
Start-up, Training, or Installation Supervision  
Export Boxing or Crating for Long Term Storage

**LEADTIME: Shipment will be approximately 15 weeks after order receipt, which includes order review and acceptance within 10 business days of receipt.**

Orders will be accepted subject to buyer's credit approval and subject to Weir Floway, Inc.'s Terms and Conditions of Sale. Shipment lead time is an estimate at time of quotation and is subject to change based on quote validity.

Have a totally wonderful rest of your day & please contact me if you have any further questions. I will send you the Impeller quote on a separate e-mail.

.....  
Janice Schmitz | Van Bergen & Markson, Inc. ~ PFC Equipment, Inc.  
9366 Deerwood Ln N | Maple Grove, MN 55369  
A Clear Solutions Technology Company | 763-546-4340 | Fax: 763-546-0973 | Toll Free: 800-422-0791  
[Janice@vbminc.com](mailto:Janice@vbminc.com) - [Janice@pfcequip.com](mailto:Janice@pfcequip.com)

-----Original Message-----  
From: Janice Schmitz [<mailto:janice@vbminc.com>]  
Sent: Wednesday, April 19, 2017 1:42 PM  
To: Janice Schmitz  
Subject: Information for N impeller to be added to S/N 67555-1

This E-mail was sent from "RNP0026738C02D5" (MP C3003).

Scan Date: 04.19.2017 13:41:38 (-0500)  
Queries to: [ricoh\\_scanner@vbminc.com](mailto:ricoh_scanner@vbminc.com)



## DEPARTMENT OF PUBLIC WORKS

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### REQUEST FOR COUNCIL ACTION

---

To: Mayor and City Council  
From: Caleb Peterson, Director of Public Works  
Reviewed by: James Barclay, Interim City Administrator  
Date: May 16, 2017

---

**ITEM DESCRIPTION:** Reservation Road Right-of-Way Transfer Agreement

---

#### **Proposed Action**

Staff recommends the City Council move to enter into the Right-of-Way Transfer Agreement with Carlton County and the Fond du Lac Band of Lake Superior Chippewa.

To facilitate this transfer, staff recommends the City Council move to approve the attached Quit Claim Deed, transferring ownership of the two mile portion of Reservation Road from Jarvi Road to Brevator Road to Carlton County.

#### **Background/Overview**

When the City of Cloquet annexed Knife Falls Township in 1974, it inherited a number of existing roads formerly owned and maintained by the Township. One of these routes is a two mile segment of Reservation Road from Jarvi Road to Brevator Road. The section of Reservation Road south of Jarvi back to Big Lake Road is part of Carlton County's road system.

In 1987 the City entered into an agreement with FDL whereby the Band acquired federal funds to reconstruct the city portion of Reservation Road. These improvements are now nearing the point where some major pavement restoration is needed.

During the flood of 2012, the road embankment of Reservation Road and the six foot diameter culvert at the Fond du Lac Creek crossing was washed away. A year later, the Fond du Lac Band obtained federal emergency road funding to build a new bridge across the creek. At the time, Fond du Lac felt a bridge was less invasive to the trout stream and were willing to pursue the replacement and administer the construction contract under a second cooperative agreement with the City. As a bridge, the new structure must be registered with the Federal Highway Administration or MN Department of Transportation as part of the National Bridge Inventory. Furthermore, annual bridge inspections will have to be completed by the owner.

After two major investments in the existing roadway, Fond du Lac has expressed interest in taking over ownership of this segment. As a federally recognized Indian tribe, Fond du Lac can maintain the road as a public right-of-way segment within the Title 23 tribal transportation facility inventory. Under this system, the Band can receive federal funds to assist with ongoing maintenance needs.

Under State Statute, no mechanism exists for transfer of Right-of-Way from the City to the Band. Rather, the proposed agreement outlines a process where the City actually agrees to transfer ownership to Carlton County who in turn will transfer ownership to Fond du Lac.

In order to complete the proposed transfer, all three parties must execute the attached Right-of-Way Transfer Agreement. Upon agreement, the City would also need to execute and record a Quit Claim Deed transferring ownership of the right-of-way to Carlton County.

**Policy Objectives**

N/A.

**Financial/Budget/Grant Considerations**

Upon approval by all three parties, Fond du Lac will assume all responsibility for maintenance and inspection of the roadway and bridge.

**Advisory Committee/Commission Action**

N/A

**Supporting Documentation Attached**

- Right-of-Way Transfer Agreement
- Quit Claim Deed

**RIGHT-OF-WAY TRANSFER AGREEMENT  
NORTHERN PORTION OF RESERVATION ROAD**

THIS AGREEMENT is made this \_\_\_\_ day of \_\_\_\_\_, 2017, by and between the CITY OF CLOQUET, a municipal corporation and political subdivision of the State of Minnesota (the “City”); the COUNTY OF CARLTON, a political subdivision of the State of Minnesota (the “County”); and THE FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA, a federally recognized Indian tribe (the “Band”), for the purposes set forth below:

**RECITALS**

A. City is the owner of the Northern portion of the Reservation Road public right-of-way running between Jarvi Road and Brevator Road located within the boundaries of the Fond du Lac Reservation, City of Cloquet, County of Carlton, Minnesota, legally described as follows:

A 66 foot wide public right-of-way, being 33 feet wide on either side of the centerline of Reservation Road, running between its intersection with the North right-of-way line of Jarvi Road in the SE Corner of Section 9, and its intersection with the East right-of-way line of Brevator Road in the NW Corner of said Section 9, as the same is now established and located over and across Section 9, the West 33 feet of Section 10 and the South 33 feet of Section 4, all in Township 49 North, Range 17 West, Carlton County, Minnesota. The actual location of the centerline of the road as constructed and existing on the ground will control over this description.

(The “Right-Of-Way”) (See attached map).

B. The Fond du Lac River bridge located on the Right-Of-Way was replaced by the Band following destruction of the prior bridge in the flood of 2012, and the Band now desires to use Bureau of Indian Affairs funding as needed for continued maintenance and repairs to the bridge, which funding requires the Band to own the road or right-of-way the bridge is located upon. The Band therefore desires ownership of the Right-Of-Way.



C. The City desires to transfer their interest in the Right-Of-Way to the Band to facilitate BIA funding of future maintenance and repairs to the bridge and the Right-Of-Way.

D. Minnesota Statutes do not provide a direct mechanism for transfer of an interest in a public road from a City to an Indian Tribe, but does provide a direct mechanism for conveyance of an interest in a public road from a County to an Indian Tribe by agreement between the County and the Tribe (Minn. Stat. Sec. 163.11, subd. 9).

E. Minnesota Statutes do provide for a County to take over an interest in a public road from a City (Minn. Stat. Sec. 163.11, subd. 1).

F. The County desires to facilitate the transfer of the Right-Of-Way from the City to the Band by taking over the Right-Of-Way from the City, pursuant to Minn. Stat. Sec. 163.11, subd. 1 & 2, and by then transferring jurisdiction and ownership of the Right-Of-Way to the Band, pursuant to Minn. Stat. Sec. 163.11, subd. 9.

## AGREEMENT

NOW THEREFORE, in consideration of the above recitals and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City, County and Band agree as follows:

1. Recitals. The foregoing Recitals set forth above constitute an integral part of this Agreement and are incorporated herein by reference.

2. Band Request. Band hereby requests the City and County to take whatever actions are necessary to transfer the Right-Of-Way to the Band to facilitate maintenance funding from the Bureau of Indian Affairs.

3. City Request. City hereby requests the County to take over the Right-Of-Way pursuant to Minn. Stat. Sec. 163.11, subd. 1 & 2, for the purpose of transferring jurisdiction and ownership of the Right-Of-Way to the Band, pursuant to Minn. Stat. Sec. 163.11, subd. 9, and agrees to execute a Quit Claim to the County as attached hereto.

4. County Action. County hereby agrees to take over the Right-Of-Way by resolution pursuant to Minn. Stat. Sec. 163.11, subd. 1 & 2, and to then immediately transfer jurisdiction and ownership of the Right-Of-Way to the Band, pursuant to Minn. Stat. Sec. 163.11, subd. 9, by Quit Claim Deed as attached hereto.

5. Maintenance. The Band agrees that they are immediately responsible for the expense of repairing and maintaining the Right-Of-Way and any bridges located thereon, upon the execution of this Agreement by all three parties and upon the execution and recording of the Quit Claim Deeds by the City and County, and shall maintain the Right-Of-Way as a public right-of-way segment within the Title 23 tribal transportation facility inventory of the Fond du Lac Band.

6. Indemnity. The Band covenants and agrees that the City and County shall not be liable to the Band for any injury to or death of a person, damage to property, or failure to comply with any law, statute, ordinance or rule, arising out of, caused by or attributable to, in whole or in part, any act, omission or neglect of the Band in connection with or related to the transfer of the Right-Of-Way under this Agreement or the continued maintenance and use thereof, in any manner by the Band, or other parties using the Right-Of-Way, and agree to indemnify and hold the City and County harmless from all liability and claims for any such damages.

7. Retention of Immunity. Nothing in this Agreement shall be construed as waiving any sovereign or governmental immunity vested in any of the parties under existing law except as expressly agreed to herein.

8. Miscellaneous.

a. *Severability.* In the event any provision contained in this Agreement shall be held to be invalid, unenforceable, or in conflict with the law of the applicable jurisdiction, the remaining provisions of this Agreement shall continue to be valid, enforceable, and not be affected by such holding.

b. *Governing Law.* This Agreement shall be construed in accordance with and governed by the laws of the State of Minnesota.

c. *Headings.* All headings used in this Agreement are for purposes of convenience and reference only and shall not be construed as modifying or affecting the terms hereof.

d. *Entire Agreement.* This Agreement contains the entire agreement between the parties relating to the subject matter hereof. There are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, expressed or implied, between the parties with respect thereto except as herein set forth.

e. *Counterparts/Facsimile.* This Agreement may be executed in any number of counterparts and by facsimile copy or "PDF" copy delivered by electronic mail, each of which shall be deemed to be an original instrument and all of which taken together shall constitute a single instrument.

IN TESTIMONY WHEREOF, the parties have executed this Agreement the date first written above.

*[signature page follows]*

**CITY OF CLOQUET**

By: \_\_\_\_\_  
Dave Hallback, Mayor


By: \_\_\_\_\_  
James Barclay, Interim City Administrator

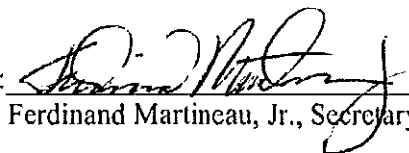
**COUNTY OF CARLTON**

By: \_\_\_\_\_  
Gary Peterson, Board Chairperson

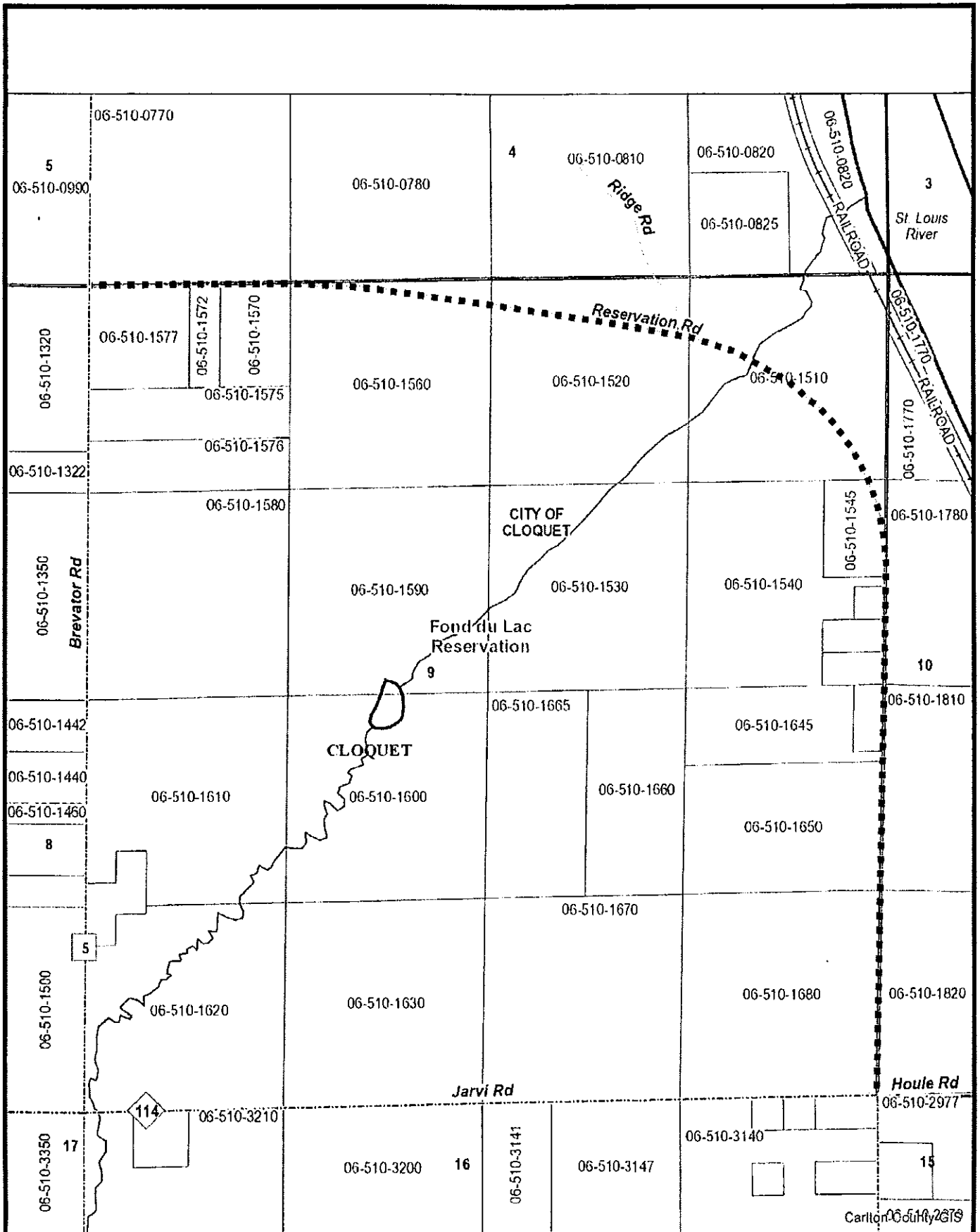
By: \_\_\_\_\_  
Paul Gassert, County Auditor

**FOND DU LAC BAND OF LAKE SUPERIOR  
CHIPPEWA, a federally recognized Indian tribe**

By:  \_\_\_\_\_  
Kevin R. Dupuis, Sr., Chairman

By:  \_\_\_\_\_  
Ferdinand Martineau, Jr., Secretary/Treasurer

This Instrument was Drafted By:  
**RUDY, GASSERT, YETKA, PRITCHETT  
& HELWIG, P.A.**  
813 Cloquet Avenue  
Cloquet, MN 55720  
(218) 879-3363 WTH/kaj



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**Carlton County, MN**

Date: 4/5/2017



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**QUIT CLAIM DEED - Corporation to Corporation**

STATE DEED TAX DUE HEREON: Exempt pursuant to Minn. Stat. § 287.22, subd. (13)

Date: \_\_\_\_\_, 2017

FOR VALUABLE CONSIDERATION, CITY OF CLOQUET, a municipal corporation and political subdivision of the State of Minnesota, Grantor, hereby conveys and quit claims to the COUNTY OF CARLTON, a political subdivision of the State of Minnesota, Grantee, the Northern portion of the Reservation Road public right-of-way running between Jarvi Road and Brevator Road in Carlton County, Minnesota, described as follows:

**See attached EXHIBIT A and attached Drawing.**

together with all hereditaments and appurtenances belonging thereto, subject to the following exceptions:

**THIS DEED IS GIVEN PURSUANT TO MINN. STAT. SEC. 163.11, SUBDS. 1 & 2, AND BY AUTHORITY OF THE ATTACHED RESOLUTION. THE TOTAL CONSIDERATION FOR THIS TRANSFER OF PROPERTY IS \$500.00 OR LESS.**

**CITY OF CLOQUET**

By: \_\_\_\_\_  
Dave Hallback, Mayor

By: \_\_\_\_\_  
James Barclay, Interim City Administrator



**EXHIBIT A**

*description of public right-of-way*

A 66 foot wide public right-of-way, being 33 feet wide on either side of the centerline of Reservation Road, running between its intersection with the North right-of-way line of Jarvi Road in the SE Corner of Section 9, and its intersection with the East right-of-way line of Brevator Road in the NW Corner of said Section 9, as the same is now established and located over and across Section 9, the West 33 feet of Section 10 and the South 33 feet of Section 4, all in Township 49 North, Range 17 West, Carlton County, Minnesota. The actual location of the centerline of the road as constructed and existing on the ground will control over this description.

(The “**Right-Of-Way**”) (See attached map).

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(space above line reserved for recording data)

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(space above line reserved for Fond du Lac recording data)

**QUIT CLAIM DEED - Corporation to Indian Tribe**

STATE DEED TAX DUE HEREON: **Exempt pursuant to Minn. Stat. § 287.22, subd. (13)**

Date: \_\_\_\_\_, 2017

**FOR VALUABLE CONSIDERATION, COUNTY OF CARLTON, a political subdivision of the State of Minnesota, Grantor, hereby conveys and quit claims to the FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA, a Federally Recognized Indian Tribe, Grantee, that portion of the Reservation Road public right-of-way running between Jarvi Road and Brevator Road in Carlton County, Minnesota, described as follows:**

**See attached EXHIBIT A and attached Drawing.**

together with all hereditaments and appurtenances belonging thereto, subject to the following exceptions:

**THIS DEED IS GIVEN PURSUANT TO MINN. STAT. SEC. 163.11, SUBD. 9, AND BY AUTHORITY OF THE ATTACHED RESOLUTION. THE TOTAL CONSIDERATION FOR THIS TRANSFER OF PROPERTY IS \$500.00 OR LESS.**





**EXHIBIT A**  
*description of public right-of-way*

A 66 foot wide public right-of-way, being 33 feet wide on either side of the centerline of Reservation Road, running between its intersection with the North right-of-way line of Jarvi Road in the SE Corner of Section 9, and its intersection with the East right-of-way line of Brevator Road in the NW Corner of said Section 9, as the same is now established and located over and across Section 9, the West 33 feet of Section 10 and the South 33 feet of Section 4, all in Township 49 North, Range 17 West, Carlton County, Minnesota. The actual location of the centerline of the road as constructed and existing on the ground will control over this description.

(The “**Right-Of-Way**”) (See attached map).