

Cloquet City Hall Council Chambers
6:00 P.M. September 5, 2023

Roll Call

Councilors Present: Carlson, Lamb, Keller, Jaakola, Wilkinson, Mayor Maki

Councilors Absent: Kolodge

Pledge of Allegiance

AGENDA

MOTION: Councilor Lamb moved and Councilor Keller seconded the motion to approve the September 5, 2023 agenda. The motion carried unanimously (6-0).

MINUTES

MOTION: Councilor Carlson moved and Councilor Lamb seconded the motion to approve the Regular Meeting minutes of August 1, 2023 as presented. The motion carried unanimously (6-0).

PUBLIC COMMENTS

There were none.

CONSENT AGENDA

MOTION: Councilor Wilkinson moved and Councilor Jaakola seconded the motion to adopt the Consent Agenda of September 5, 2023, approving the necessary motions and resolutions. The motion carried unanimously (6-0).

- a. Resolution No. 23-37, Authorizing the Payment of Bills and Payroll
- b. 2023 Budget Amendment
- c. Award Lake Superior Waterline Repair, Knowlton Creek Blow Off
- d. Resolution No. 23-41, Approving the Vacation of Prospect Avenue Lying South of 433 3rd Street
- e. Approve Building Permit Fee Waiver for United Way
- f. Approve West End Flourish Street Closure Request
- g. Approve Lumberjack Lounge Optional 2AM Liquor License Renewal

PUBLIC HEARINGS

There were none.

PRESENTATIONS

- a. 2024 Preliminary Budget Review
Administrator Peterson reviewed the 2024 preliminary budget including departments within the general fund, library fund, swimming pond debt service fund, library debt service fund,

permanent improvement fund, and public works reserve fund. In total, the preliminary increase to property taxes is \$156,051, or 4.53%. Outstanding items include labor contract negotiations and a health insurance review. Administrator Peterson asked for any feedback the council may have before the preliminary property tax levy is set on September 19, 2023.

- b. **Draft Municipal Water System Regulations**
Public Works Director Peterson discussed PFAS, which are manmade chemicals, and the potential impact on the city's water supply from the five wells. Peterson stressed that the city's wells meet state and federal standards and there is no cause to panic and stop drinking the city's water. He also stressed that these contaminants can be found in just about everything from packaging, cookware, waterproof materials, personal care products, the water we drink and in the air. Further sources available for more information can be found in the PowerPoint posted on the city's website.

REMOVING PENDING ASSESSMENTS FOR THE CLOQUET BUSINESS PARK

MOTION: Councilor Lamb moved and Councilor Carlson seconded the motion to approve **RESOLUTION NO. 23-40, A RESOLUTION REMOVING PENDING ASSESSMENTS FOR THE CLOQUET BUSINESS PARK.** The motion carried unanimously (6-0).

WHEREAS, On July, 24, 2007, the City Council pass Resolution 07-49, Adopting Assessments for the Construction of the Cloquet Business Park; and

WHEREAS, The Cloquet City Council has waived pending assessments for Cloquet Business Park property sales to promote development since 2018.

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 waived and removed from the City of Cloquet's assessment rolls.

APPROVING SUBMISSION OF A JOB CREATION FUND FOR UPPER LAKES FOODS

MOTION: Councilor Wilkinson moved and Councilor Keller seconded the motion to approve **RESOLUTION NO. 23-38, A RESOLUTION OF SUPPORT APPROVING SUBMISSION OF A JOB CREATION FUND APPLICATION TO THE STATE OF MINNESOTA DEED OFFICE FOR FUNDING TO SUPPORT THE EXPANSION OF THE UPPER LAKES FOODS WAREHOUSE LOCATED AT 801 INDUSTRY AVENUE.** The motion carried unanimously (6-0).

WHEREAS, Upper Lakes Foods, which is proposing to construct a 7,000 square foot expansion of their warehouse to add freezer space to their 801 Industry Avenue facility in the City; and

WHEREAS, the City of Cloquet understands that Upper Lakes Foods, through and with the support of the City, intends to submit to the Minnesota Department of Employment and Economic Development (DEED) an application for an award and/or rebate from the Job Creation Fund Program; and,

WHEREAS, the City of Cloquet held a City Council meeting on September 5, 2023, to consider this matter.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLOQUET, that, after consideration, the City hereby adopts the following findings of fact related to the project proposed by Upper Lakes Foods and its application for an award and/or rebate from the Job Creation Fund Program and express their approval.

The City Council hereby finds and adopts the reasons and facts supporting the following findings of fact for the approval of the Job Creation Fund Program application:

1. Finding that the project is in the public interest because it will encourage the growth of commerce and industry, prevent the movement of current or future operations to locations outside Minnesota, result in increased employment in Minnesota, and preserve or enhance the state and local tax base. Upper Lakes Foods will invest \$2.9 million to expand their freezer storage warehousing space by 7,000 square feet. With this expansion will be 11 new full-time jobs created by the end of 2026 in conjunction with this project.
2. Finding that the proposed project, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. As such, Upper Lakes Foods is accessing the benefit of the State of Minnesota's Job Creation Fund a program available to Minnesota businesses engaged in manufacturing, warehousing, distribution, technology-related industries, and more. The program supports capital investment expenditure used for the purpose of building or improving real fixed property where JCF employees will be located. They include construction materials, services and supplies.
3. Finding that the proposed project conforms to the general plan for the development or redevelopment of the City as a whole. Cloquet's Comprehensive Land Use Plan for the City guides for heavy industry within the Heavy Industrial Zoning District, in which Upper Lakes Foods is located. The City's Comprehensive Land Use Plan guides for the existing for continued industrial uses within the Heavy Industry District.
4. Finding that the proposed project will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment or development of the project by private enterprise. This warehouse expansion by Upper Lakes Foods will expand the building facility and grow employment positions at the Cloquet facility.

AUTHORIZING THE PURCHASE AND DEVELOPMENT AGREEMENT TO C&L DISTRIBUTING

MOTION: Councilor Jaakola moved and Councilor Wilkison seconded the motion to approve **RESOLUTION NO. 23-39, A RESOLUTION AUTHORIZING THE PURCHASE AND DEVELOPMENT AGREEMENT RELATING TO THE SALE OF COMMERCIAL PROPERTY FROM THE CITY OF CLOQUET TO DICK FAMILY REAL ESTATE, LLC**. The motion carried unanimously (6-0).

A. WHEREAS, the City of Cloquet, Minnesota (the "City") currently owns certain real estate located in the City, Carlton County, Minnesota, and legally described as follows (the "Property"):

<u>Legal Description</u>	<u>Property Identification Number</u>
Lot 6, Block 5, Cloquet Business Park	06-617-0960
Lot 7, Block 5, Cloquet Business Park	06-617-0980
Lot 8, Block 5, Cloquet Business Park	06-617-1000

B. WHEREAS, Dick Family Real Estate, LLC (the "Developer") desires to acquire and develop the Property; and

C. WHEREAS, on August 29, 2023 the Cloquet Planning Commission by Resolution No. 23-08 found the sale of this property to be in conformance with the Cloquet Comprehensive Plan and General Plans for the Development of the City.

D. Property is proposed to be conveyed, developed and assisted, pursuant to a Purchase and Development Agreement (the "Agreement"), which has been submitted to the City Council for review and approval. In summary, Dick Family Real Estate, LLC (the "Developer") will construct a 22,000 square foot distribution facility in the Cloquet Business Park for their business C & L Distributing; and

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

2. The approval hereby given to the 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 Agreement. The execution of the Agreement by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Agreement in accordance with the terms hereof.

APPROVING THE SITE PLAN IN THE OM-OFFICE/MANUFACTURING DISTRICT FOR C&L DISTRIBUTING

MOTION: Councilor Keller moved and Councilor Jaakola seconded the motion to adopt **RESOLUTION NO. 23-42, A RESOLUTION APPROVING THE SITE PLAN IN THE OM-OFFICE /MANUFACTURING DISTRICT FOR STRACK CONSTRUCTION FOR C&L DISTRIBUTING.** The motion carried unanimously (6-0).

WHEREAS, Strack Construction is proposing a Site Plan for C & L Distributing in the OM – Office/Manufacturing District for a 22,000 square foot building; and

WHEREAS, the property of the proposed Site Plan is located northwest of Highway 33 and Stark Road and is legally described as follows:

Lots 6, 7 and 8, Block 5, Cloquet Business Park, Carlton County, Minnesota.
And,

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

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, that the City Council approves Zoning Case 23-07 for a site plan for Strack Construction for a 22,000 square foot building subject to the following conditions:

1. Compliance with the Assistant City Engineer's Memo dated August 17, 2023.
2. Signage shall comply with the Ordinance requirements.

COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES

Administrator Peterson stated City Hall has resumed regular business hours.

CLOSED SESSION

Mayor Maki announced that the City Council will adjourn into a closed meeting pursuant to Minnesota Statute 13.D.03 to discuss the City's labor negotiations.

MOTION: Councilor Wilkinson moved and Councilor Lamb seconded the motion to enter into a closed meeting. The motion carried unanimously (6-0). The time is 7:11 p.m.

MOTION: Councilor Lamb moved and Councilor Wilkinson seconded the motion to re-open the regular meeting of the Cloquet City Council. The motion carried unanimously (6-0). The time is 7:28 p.m.

ADJOURNMENT

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

Tim Peterson, City Administrator