



Regular Meeting of the Planning Commission

Tuesday, October 10, 2023

7 pm Regular Meeting

101 14th Street, Cloquet, MN 55720

AGENDA

1. Call to Order
2. Roll Call
3. Additions/Changes to the Agenda
4. Minutes from the August 29, 2023, Planning Commission meeting
5. Zoning Case 23-09, City of Cloquet, TIF District
6. Zoning Case 23-10, Ken Maki, Comprehensive Plan Amendment and Rezoning
7. Commissioner's Questions/Comments
8. Adjourn

**NEXT MEETING:
November 14th @ 7 pm**



Regular Meeting of the Planning Commission

Tuesday, August 29, 2023

7:00 p.m.

101 14th Street, Cloquet, MN 55720

CALL TO ORDER

Terri Lyytinen called the meeting to order at 7:00 p.m.

ROLL CALL

Attending: Planning Commission members: Terri Lyytinen, Brittany Kuschel, Elizabeth Polling and Philip Demers; City: Al Cottingham.

Absent: Michelle Wick.

Others Present: Jayson Revoir and Matt Strack.

AGENDA ITEMS

Additions/Changes to the Agenda

None.

August 8, 2023, Meeting Minutes

Chairperson Lyytinen asked for any corrections or additions.

Motion: Commissioner Polling made a motion to approve the Planning Commission meeting minutes from August 8, 2023, Commissioner Kuschel seconded. (Motion was approved 4-0).

Zoning Case 23-08: City of Cloquet, Land Sale

Chairperson Lyytinen introduced Zoning Case 23-08 Land sale for the City of Cloquet. She asked Mr. Cottingham to provide an overview. Mr. Cottingham stated the City of Cloquet is looking to sell three lots in the Business Park to Dick Family Real Estate. State Statute requires that a municipal land sale and its proposed use conform to the Comprehensive Plan. The proposed use of the land is for an office/warehouse building. The Comprehensive Plan for the area is "Highway Commercial" which allows for office/warehouse businesses.

There being no discussion Chairman Lyytinen called for a motion.

Motion: Commissioner Kuschel made a motion approving Resolution 23-08 a Resolution of the City of Cloquet Planning Commission finding that a office/warehouse development in the Cloquet Business Park conforms to the general plans for the development of the City, Commissioner Demers seconded. (Motion passed 4-0)



Regular Meeting of the Planning Commission

Tuesday, August 29, 2023

7:00 p.m.

101 14th Street, Cloquet, MN 55720

Zoning Case 23-07: Strack Construction for C&L Distributing, Site Plan

Chairperson Lyytinen introduced Zoning Case 23-07 Strack Construction for C&L Distributing, site plan. She asked Mr. Cottingham to provide an overview. Mr. Cottingham stated Strack Construction is proposing a site plan for C&L Distributing for a 22,000 sq. ft. office/warehouse located northwest of Highway 33 and Stark Road. The site plan conforms with the minimum requirements of the Zoning Ordinance. Representatives from Strack Construction were present if there were any questions.

There being no discussion Chairman Lyytinen closed the public hearing and called for a motion.

Motion: **Commissioner Polling made a motion recommending the approval of the site plan in the OM – Office/Manufacturing District for Strack Construction for C&L Distributing, Commissioner Kuschel seconded. (Motion passed 4-0)**

Mr. Cottingham stated this would go to the City Council at their meeting on September 5th at 6:00 pm.

Commissioner’s Questions/Comment

Chairperson Lyytinen inquired about allowing shipping containers in the Farm Residential District on lots over a certain size and a maximum number of containers. The commission felt that this would be OK with a minimum lot size of 2 acres and a maximum of 2 – 20 foot containers or 1 – 40 foot container.

The commission also discussed whether or not there had been any feedback from the City Council regarding cannabis sales and possible locations. Mr. Cottingham stated that he had not heard anything regarding this.

The commission felt that we should allow them in any commercial district subject to the distance separation allowed by law.

Next Meeting

September 12, 2023

The meeting adjourned 7:33 p.m.

Respectfully submitted,

Al Cottingham, City Planner/Zoning Administrator



Community Development Department

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

To: Planning Commission
From: Al Cottingham, City Planner/Zoning Administrator
Date: October 4, 2023

ITEM DESCRIPTION: ZONING CASE 23-09: TAX INCREMENT FINANCING (TIF) – UPPER LAKES FOODS

Background

Upper Lakes Foods has applied to the City of Cloquet for TIF assistance in order to construct a 7,000 square foot expansion onto their building. As part of the approval for a Development Program for Development District No. 6 and a Tax Increment Financing Plan for Tax Increment Financing District No. 6-1 need to conform to the general plans for the development and redevelopment of the City.

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

The attached graphic shows the proposed Development District No. 6 and the new TIF District No. 6-1.

Policy Objectives

The proposed Development District No. 6 and the TIF District No. 6-1 (an economic development district) is for the construction of a 7,000 square foot addition onto the existing building.

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

Financial Impacts

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

Advisory Committee Action Requested

The Planning Commission should review the Development Program for Development District No. 6 and the Tax Increment Financing Plan for the establishment of Tax Increment Financing District 6-1 (an economic development district) within Development District No. 6 to see that it conforms to the plans for general development and redevelopment of the city. In simpler terms, the Commission needs to be sure the plan conforms to the Comprehensive Plan.



Community Development Department

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Staff Recommendation

Staff recommends approval of the Development Program for Development District No. 6 and the Tax Increment Financing Plan for the establishment of Tax Increment Financing District No. 6-1 (an economic development district) within Development District No. 6.

Supporting Documents Attachments

- Resolution No. 23-09
- Comprehensive Plan Excerpt
- Development Program for Development District No. 6
- TIF Plan for Tax Increment Financing District No. 6-1

STATE OF MINNESOTA

COUNTY OF CARLTON

CITY OF CLOQUET

Commissioner _____ offered the following Resolution and moved its adoption.

RESOLUTION NO. 23-09

**RESOLUTION OF THE PLANNING COMMISSION FINDING THAT A
DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 6 AND
A TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT
FINANCING DISTRICT NO. 6-1 CONFORM TO THE GENERAL PLANS
FOR THE DEVELOPMENT AND REDEVELOPMENT OF THE CITY**

WHEREAS, the City of Cloquet (the "City") has proposed to adopt a Development Program for Development District No. 6 (the "Development Program") and a Tax Increment Financing Plan for Tax Increment Financing District No. 6-1 (the "TIF Plan") therein and has submitted the Development Program and TIF Plan to the City Planning Commission (the "Planning Commission") pursuant to Minnesota Statutes, Sections 469.126 and 469.175, Subd. 3, and

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

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

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

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

PHILIP DEMERS _____

BRITTANY KUSCHEL _____

TERRI LYYTINEN _____

ELIZABETH POLLING _____

MICHELLE WICK _____

Passed and adopted this 10th day of October 2023.

CITY OF CLOQUET

TERRI LYYTINEN
CHAIR

ATTEST: _____

Alan Cottingham
City Planner/Zoning Administrator

Comprehensive Plan Excerpt

Heavy Industry

Consistent with the City's Zoning Map, the Comprehensive Plan guides existing heavy industries for continued heavy industrial use. These areas include the Sappi plant and the USG plant.

Adoption Date: November 7, 2023

City of Cloquet

Carlton County, Minnesota

ESTABLISHMENT OF THE DEVELOPMENT PROGRAM Development District No. 6



Prepared by:

Ehlers
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Roseville, Minnesota 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.

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ACTION TAKEN IN DEVELOPMENT DISTRICT NO. 6

MUNICIPAL ACTION TAKEN

This Municipal Action is only for convenience of reference.

Based upon the statutory authority described in the Development Program attached hereto, the public purpose findings by the City Council and for the purpose of fulfilling the City's development objectives as set forth in the Development Program, the City Council has created, established and designated Development District No. 6 pursuant to and in accordance with the requirements of the Municipal Development District Act and the TIF Act as defined in the definitions of this document.

Tax Increment Financing District No. 6-1, an economic development tax increment financing district, was established at the same time that the Development District was established.

The following municipal action was taken in connection therewith:

Development District No. 6

November 7, 2023: The Development Program for Development District No. 6 was adopted by the City of Cloquet.

Tax Increment Financing District No. 6-1:

November 7, 2023: The Tax Increment Financing Plan for Tax Increment Financing District No. 6-1 was adopted by the City of Cloquet.

DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 6

DEFINITIONS

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

"City" means the City of Cloquet.

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

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

"County" means the County of Carlton, Minnesota.

"EDA" means the Cloquet Economic Development Authority.

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

"Development District" means the real property within the City constituting Development District No. 6, as described in the Development Program.

"Development Program" means this Development Program for Development District No. 6, as initially proposed, and as it shall be modified.

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

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

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

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

"State" means the State of Minnesota.

"Tax Increment Bonds" means any tax increment bonds or notes issued by the City to finance the Public Costs as stated in the Development Program for Development District No. 6 and in the Tax Increment Financing Plans, and any obligations issued to refund such bonds.

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

"Tax Increment Financing District" means any tax increment financing district presently established or to be established in the future in Development District No. 6.

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

STATUTORY AUTHORITY

The City established Development District No. 6 pursuant to the Municipal Development District Act. It is authorized that the City will administer Development District No. 6 and any tax increment financing districts.

Within Development District No. 6, the City plans to create one or more tax increment financing districts established pursuant to the Tax Increment Act to finance the public improvements proposed for the Development District. The public improvements may be initially financed from other City sources, including, but not limited to the use of improvement bonds issued pursuant to Minnesota Statutes, Chapter 429, which sources the City may reimburse from tax increment proceeds derived from tax increment districts to be created with Development District No. 6.

The tax increment district or districts will be created at such time as will enable the City to capture the increase in taxable value of private improvements to be constructed within Development District No. 6.

STATEMENT OF OBJECTIVES

The City determines that it is necessary, desirable and in the public interest to establish, designate, develop and administer the Development District. The City determines that the establishment of Development District No. 6 will provide the City with the ability to achieve certain public purpose objectives not otherwise obtainable in the foreseeable future without City intervention in the normal development process. The City seeks to achieve the following program objectives:

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

STATEMENT OF AND FINDING OF PUBLIC PURPOSE

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

1. Facilitating development activities that are compatible with overall community development objectives of the City.
2. Removing the physical and economic barriers to development.
3. Providing the infrastructure needed to support development.
4. Providing sites for future development.

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

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

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

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

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

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

STATEMENT OF PUBLIC FACILITIES AND COSTS TO BE FINANCED

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

FUNDING OF DEVELOPMENTS AND REDEVELOPMENTS

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

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

ENVIRONMENTAL CONTROLS

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

PROPOSED REUSE OF PROPERTY

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

OPEN SPACE TO BE CREATED

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

ADMINISTRATION AND MAINTENANCE OF DEVELOPMENT DISTRICT NO. 6

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

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

REHABILITATION

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

RELOCATION

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

PROPERTY ACQUISITION

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

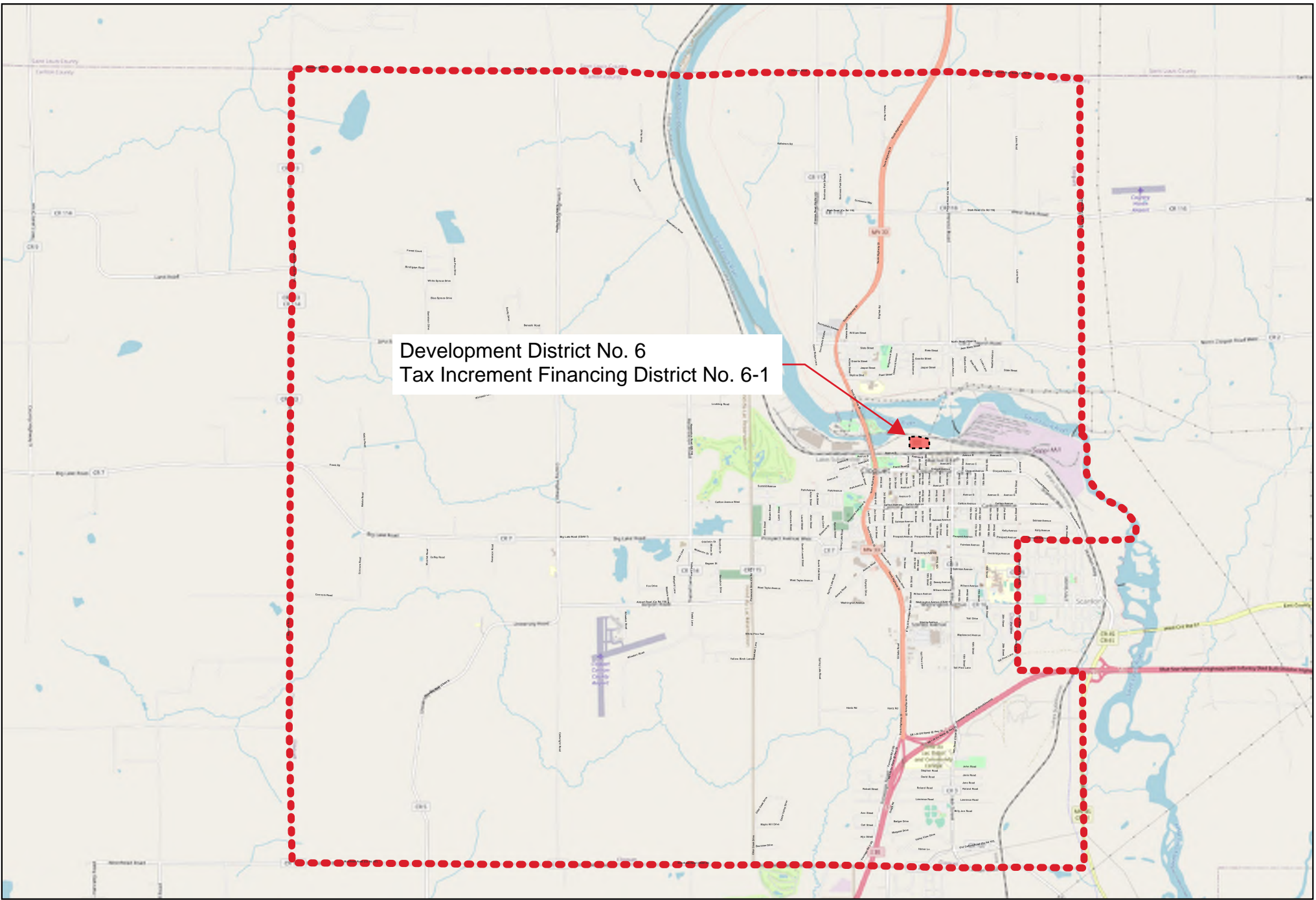
MODIFICATION OF THE DEVELOPMENT PROGRAM AND/OR DEVELOPMENT DISTRICT NO. 6

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

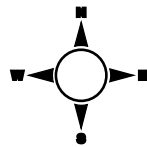
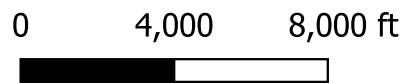
DESCRIPTION OF BOUNDARIES OF DEVELOPMENT DISTRICT NO. 6

The boundaries of the Development District shall be within the City of Cloquet.

Appendix A: Map of Municipal Development District No. 6



Development District No. 6
Tax Increment Financing District No. 6-1





DEVELOPMENT DISTRICT NO. 6



TAX INCREMENT FINANCING DISTRICT NO. 6-1

Adoption Date: November 7, 2023

City of Cloquet

Carlton County, Minnesota

Tax Increment Financing (TIF) Plan

Establishment of Tax Increment
Financing District No. 6-1: ULF Expansion
(an economic development district)
within
Development District No. 6



Prepared by:

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Tax Increment Financing Plan for Tax Increment Financing District No. 6-1

FOREWORD

The City of Cloquet (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 6-1 (the "District"), an economic development tax increment financing district, and to establish Development District No. 6 where the District will be located.

STATUTORY AUTHORITY

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S.")*, Sections 469.124 - 469.133, inclusive, as amended, and *M.S.*, Sections 469.174 to 469.1794, inclusive, as amended (the "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Development Program for Development District No. 6.

STATEMENT OF OBJECTIVES

The District currently consists of one (1) parcel of land and adjacent roads and internal rights-of-way. The District is being created to facilitate the infrastructure necessary for the construction of a 7,000 SF freezer addition to the Company's existing food distribution warehouse facility estimated to create 15 new full-time jobs in the City. The City has not entered into an agreement but has designated Upper Lakes Foods, Inc. as the developer at the time of preparation of this TIF Plan. Development is anticipated to begin in 2023. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 6.

The activities contemplated in the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Development District No. 6 and the District.

DEVELOPMENT PROGRAM OVERVIEW

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

1. Property to be Acquired - Selected property located within the District may be acquired by the City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
4. The City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.
5. The City proposes both public and private infrastructure within the District. The proposed reuse of private property within the District will be for a cold storage facility, and there will be continued operation of Development District No. 6 after the capital improvements within Development District No. 6 have been completed.

DESCRIPTION OF PROPERTY IN THE DISTRICT AND PROPERTY TO BE ACQUIRED

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

Parcel number	Address	Owner
06-315-0680	801 Industry Ave	ULF

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

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

The City does not own the parcel of the property to be included in the District.

DISTRICT CLASSIFICATION

The City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, finds that the District, to be established, is an economic development district pursuant to *M.S., Section 469.174, Subd. 12*.

The District is in the public interest because it will meet the statutory requirement of discouraging commerce, industry, or manufacturing from moving their operations to another state or municipality; resulting in increased employment in the State; and resulting in preservation and enhancement of the tax base of the State.

Pursuant to *M.S., Section 469.176, Subd. 4c*, revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if more than 15% of the buildings and facilities (determined based on square footage) are used for a purpose other than:

1. The manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;
2. Warehousing, storage, and distribution of tangible personal property, excluding retail sales;
3. Research and development related to the activities listed in items (1) or (2);

4. Telemarketing if that activity is the exclusive use of the property; or
5. Tourism facilities;
6. Space necessary for and related to the activities listed in items (1) to (5); or
7. A workforce housing project that satisfies the requirements of *M.S., Section 469.176, Subd. 4c(d)*.

The facilities in the District meet the conditions of Purposes 1, 2, and 7.

The District is being created to assist in the construction of a cold storage facility for Upper Lakes Foods, Inc. The proposed facility will be used for manufacturing, warehouse, distribution, and related activities.

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

DURATION & FIRST YEAR OF DISTRICT'S TAX INCREMENT

Pursuant to *M.S., Section 469.175, Subd. 1, and M.S., Section 469.176, Subd. 1*, the duration of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 8 years after receipt of the first increment by the City. The date of receipt by the City of the first tax increment is expected to be 2026.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2034, or when the TIF Plan is satisfied. If increment is received in 2025, the term of the District will be 2033. The City reserves the right to decertify the District prior to the legally required date.

ORIGINAL TAX CAPACITY, TAX RATE & ESTIMATED CAPTURED NET TAX CAPACITY VALUE/INCREMENT & NOTIFICATION OF PRIOR PLANNED IMPROVEMENTS

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2023 for taxes payable 2024.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2025) the amount by which the original value has increased or decreased because of:

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

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

The original local tax rate for the District will be the local tax rate for taxes payable 2024, assuming the request for certification is made before June 30, 2024. The rates for 2024 were not available at the time the District was established. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Development District No. 6, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100% of the available increase in tax capacity be used for repayment of the obligations of the City and current expenditures, beginning in the tax year payable 2026. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity	
Project estimated Tax Capacity upon completion	38,786
Original estimated Net Tax Capacity	20,018
Fiscal Disparities	0
Estimated Captured Tax Capacity	18,768
Original Local Tax Rate	158.6850%
Estimated Annual Tax Increment	\$29,782
Percent Retained by the City	100%

Note: Tax capacity includes a 1% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 9. The tax capacity of the District in year one is estimated to be \$35,818.

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

The City has reviewed the area to be included in the District and found that some building permits have been issued in the past 18 months, but none that should increase the original tax capacity. Please see Appendix D for the building permit that was issued.

SOURCES OF REVENUE/BONDS TO BE ISSUED

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

SOURCES	
Tax Increment	\$ 245,709
Interest	24,571
TOTAL	\$ 270,280

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

The City may issue bonds secured in whole or in part with tax increments from the District in a maximum principal amount of \$191,891. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

USES OF FUNDS

Currently under consideration for the District is a proposal to facilitate the infrastructure necessary for the construction of a 7,000 SF freezer addition to the Company’s existing food distribution warehouse facility estimated to create 15 new full-time jobs in the City. The City has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described herein.

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

USES	
Land/Building Acquisition	\$ -
Site Improvements/Preparation	150,000
Affordable Housing	-
Utilities	10,000
Other Qualifying Improvements	7,320
Administrative Costs (up to 10%)	24,571
PROJECT COSTS TOTAL	\$191,891
Interest	78,389
PROJECT AND INTEREST COSTS TOTAL	\$270,280

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

Estimated capital and administrative costs listed above are subject to change among categories by modification of the TIF Plan without hearings and notices as required for approval of the initial TIF Plan, so long as the total capital and administrative costs combined do not exceed the total listed above. Further, the City may spend up to 20% of the tax increment revenues from the District for activities (described in the table above) located outside the boundaries of the District but within the boundaries of the Development District No. 6 (including administrative costs, which are considered to be spend outside the District), subject to all other terms and conditions of this TIF Plan.

ESTIMATED IMPACT ON OTHER TAXING JURISDICTIONS

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

Impact on Tax Base			
Entity	2022/Pay 2023 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Carlton County	47,970,076	18,768	0.0391%
City of Cloquet	11,767,477	18,768	0.1595%
ISD No. 94 (Cloquet Public Schools)	14,668,734	18,768	0.1279%

Impact on Tax Rates				
Entity	Pay 2023 Extension Rate	Percent of Total	CTC	Potential Taxes
Carlton County	66.7670%	42.08%	18,768	\$ 12,531
City of Cloquet	34.6250%	21.82%	18,768	6,498
ISD No. 94 (Cloquet Public Schools)	36.7770%	23.18%	18,768	6,902
Other	20.5160%	12.93%	18,768	3,850
	158.6850%	100.00%		\$ 29,782

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2023 rate. The total net capacity for the entities listed above are based on Pay 2023 figures. The District will be certified under the Pay 2024 rates, which were unavailable at the time this TIF Plan was prepared.

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

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$245,709;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

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

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

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

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$56,946;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$103,382;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S., Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

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

SUPPORTING DOCUMENTATION

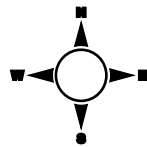
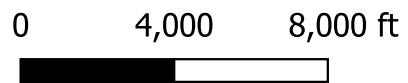
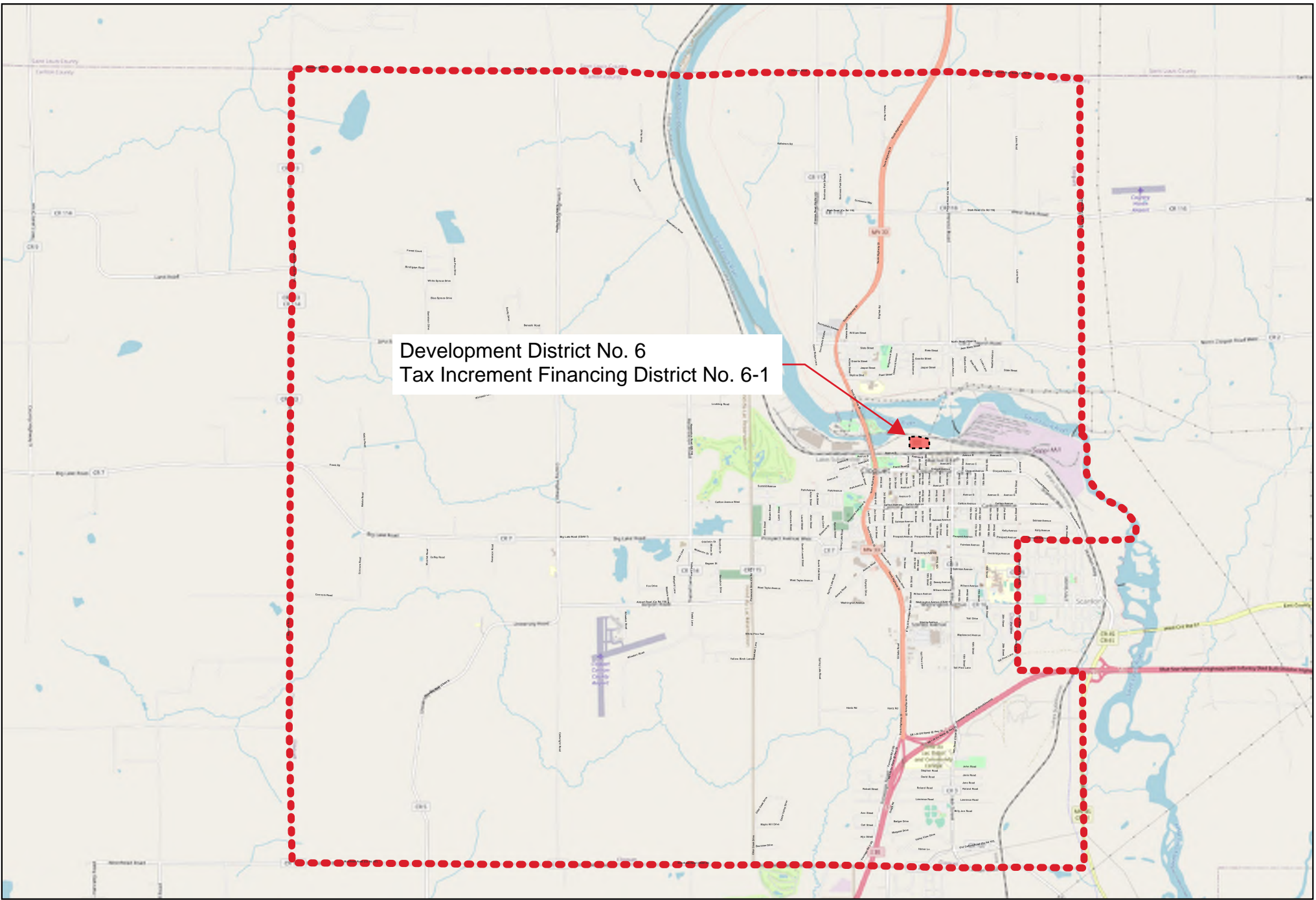
Pursuant to *M.S., Section 469.175, Subd. 1 (a), clause 7* this TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S., Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

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

DISTRICT ADMINISTRATION

Administration of the District will be handled by the Community Development Director.

Appendix A: Map of Development District No. 6 and the TIF District





DEVELOPMENT DISTRICT NO. 6



TAX INCREMENT FINANCING DISTRICT NO. 6-1

Appendix B: Estimated Cash Flow for the District

Upper Lakes Foods Development - New TIF District w/Inflation

City of Cloquet, Minnesota

7,000 SF Freezer Addition to the Existing Food Distribution Facility



ASSUMPTIONS AND RATES

DistrictType:	Economic Development	
District Name/Number:	TBD	
County District #:	TBD	
First Year Construction or Inflation on Value	2024	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	1.00%	
Interest Rate:	7.24%	
Present Value Date:	1-Aug-24	
First Period Ending	1-Feb-25	
Tax Year District was Certified:	Pay 2024	
Cashflow Assumes First Tax Increment For Development:	2026	
Years of Tax Increment	9	
Assumes Last Year of Tax Increment	2034	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	NA	
Incremental or Total Fiscal Disparities		
Fiscal Disparities Contribution Ratio	0.0000%	Pay 2023
Fiscal Disparities Metro-Wide Tax Rate	0.0000%	Pay 2023
Maximum/Frozen Local Tax Rate:	158.6850%	Pay 2023
Current Local Tax Rate: (Use lesser of Current or Max.)	158.6850%	Pay 2023
State-wide Tax Rate (Comm./Ind. only used for total taxes)	33.0030%	Pay 2023
Market Value Tax Rate (Used for total taxes)	0.13559%	Pay 2023

Tax Rates

Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First \$150,000		1.50%
Over \$150,000		2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First \$100,000		0.75%
Over \$100,000		0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First \$500,000		1.00%
Over \$500,000		1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First \$500,000		1.00%
Over \$500,000		1.25%
Agricultural Non-Homestead		1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/Phase
1	06-315-0680	ULF	801 Industry Ave	149,000	889,400	1,038,400	100%	1,038,400	Pay 2024	C/I Pref.	20,018	C/I Pref.	20,018	1
				149,000	889,400	1,038,400		1,038,400			20,018		20,018	

Note:

1. Base values are for pay 2023 based upon review of County website on August 8, 2023. Represents +/- 7.45 AC.
2. Located in ISD #94.

Upper Lakes Foods Development - New TIF District w/Inflation

City of Cloquet, Minnesota

7,000 SF Freezer Addition to the Existing Food Distribution Facility



PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2024	Percentage Completed 2025	Percentage Completed 2026	Percentage Completed 2027	First Year Full Taxes Payable
1	Existing	1,038,400	1,038,400	1	1,038,400	C/I Pref.	20,018	20,018	100%	100%	100%	100%	2026
2	Addition	113	113	7,000	790,000	C/I	15,800	2	100%	100%	100%	100%	2026
TOTAL					1,828,400		35,818						
Subtotal Residential				0	0		0						
Subtotal Commercial/Ind.				7,001	1,828,400		35,818						

Note:

1. Market values are based upon estimate from County Assessor on August 31, 2023. Estimated construction cost is \$2.4M.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Existing	20,018	0	20,018	31,766	0	6,111	1,408	39,285	39,285.03
Addition	15,800	0	15,800	25,072	0	4,554	1,071	30,698	4.39
TOTAL	35,818	0	35,818	56,838	0	10,666	2,479	69,983	

Note:

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

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	69,983
less State-wide Taxes	(10,666)
less Fiscal Disp. Adj.	0
less Market Value Taxes	(2,479)
less Base Value Taxes	(31,766)
Annual Gross TIF	25,072

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	1,038,400
New Market Value - Est.	1,828,400
Difference	790,000
Present Value of Tax Increment	159,183
Difference	630,817
Value likely to occur without Tax Increment is less than:	630,817



Upper Lakes Foods Development - New TIF District w/Inflation

City of Cloquet, Minnesota

7,000 SF Freezer Addition to the Existing Food Distribution Facility

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities -	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				02/01/25
							-	-	-	-				08/01/25
							-	-	-	-				02/01/26
100%	35,818	(20,018)	-	15,800	158.685%	25,072	12,536	(45)	(1,249)	11,242	9,751	0.5	2026	08/01/26
100%	36,176	(20,018)	-	16,158	158.685%	25,641	12,536	(45)	(1,249)	11,242	19,162	1	2026	02/01/27
100%	36,538	(20,018)	-	16,520	158.685%	26,215	12,820	(46)	(1,277)	11,497	28,450	1.5	2027	08/01/27
100%	36,903	(20,018)	-	16,885	158.685%	26,794	12,820	(46)	(1,277)	11,497	37,413	2	2027	02/01/28
100%	37,272	(20,018)	-	17,254	158.685%	27,380	13,107	(47)	(1,306)	11,754	46,257	2.5	2028	08/01/28
100%	37,645	(20,018)	-	17,627	158.685%	27,972	13,107	(47)	(1,306)	11,754	54,792	3	2028	02/01/29
100%	38,022	(20,018)	-	18,004	158.685%	28,569	13,397	(48)	(1,335)	12,014	63,211	3.5	2029	08/01/29
100%	38,402	(20,018)	-	18,384	158.685%	29,172	13,397	(48)	(1,335)	12,014	71,336	4	2029	02/01/30
100%	38,786	(20,018)	-	18,768	158.685%	29,782	13,690	(49)	(1,364)	12,277	79,348	4.5	2030	08/01/30
							13,690	(49)	(1,364)	12,277	87,080	5	2030	02/01/31
							13,986	(50)	(1,394)	12,542	94,704	5.5	2031	08/01/31
							13,986	(50)	(1,394)	12,542	102,061	6	2031	02/01/32
							14,284	(51)	(1,423)	12,810	109,313	6.5	2032	08/01/32
							14,284	(51)	(1,423)	12,810	116,311	7	2032	02/01/33
							14,586	(53)	(1,453)	13,080	123,208	7.5	2033	08/01/33
							14,586	(53)	(1,453)	13,080	129,863	8	2033	02/01/34
							14,891	(54)	(1,484)	13,353	136,420	8.5	2034	08/01/34
							14,891	(54)	(1,484)	13,353	142,749	9	2034	02/01/35
Total							246,596	(888)	(24,571)	221,138				
	Present Value From 08/01/2024	Present Value Rate	7.24%				159,183	(573)	(15,861)	142,749				

Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 6-1 as required pursuant to *Minnesota Statutes (M.S.), Section 469.175, Subd. 3* are as follows:

1. *Finding that Tax Increment Financing District No. 6-1 is an economic development district as defined in M.S., Section 469.174, Subd. 12.*

Tax Increment Financing District No. 6-1 is a contiguous geographic area within the City's Development District No. 6, delineated in the TIF Plan, for the purpose of financing economic development in the City through the use of tax increments. The District is in the public interest because it will facilitate the infrastructure necessary for the construction of a 7,000 SF freezer addition to the Company's existing food distribution warehouse facility estimated to create 15 new full-time jobs in the City which will increase employment in the State and preserve and enhance the tax base of the State.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Tax Increment Financing District No. 6-1 permitted by the TIF Plan.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the development proposed in this plan is a cold storage facility that meets the City's objectives for economic development. The cost of site improvements necessary to maximize development potential, makes development of the facility infeasible without City assistance. The Developer was asked for and provided a letter as justification that the developer would not have gone forward without tax increment assistance.

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax

increments for the maximum duration of the District permitted by the TIF Plan: The City supported this finding on the grounds that the project includes the expansion of an existing facility. The City reasonably determines that no other development of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

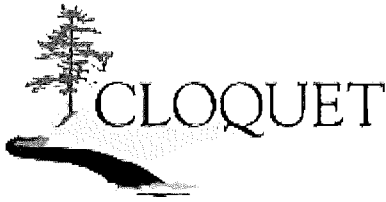
- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
 - b. If the proposed development occurs, the total increase in market value will be \$790,000 (see Appendix B of the TIF Plan)
 - c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$159,183 (see Appendix B of the TIF Plan).
 - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$630,817 (the amount in clause b less the amount in clause c) without tax increment assistance.
3. *Finding that the TIF Plan for Tax Increment Financing District No. 6-1 conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission reviewed the TIF Plan on October 10, 2023 and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the Tax Increment Financing Plan for Tax Increment Financing District No. 6-1 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of Development District No. 6 by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, increased tax base of the State, and add a high-quality development to the City.

Appendix D: Permits Issued



CITY OF CLOQUET
101 14TH STREET
CLOQUET, MN 55720-1657
(218) 879-2507 FAX: (218) 879-6555

ISSUED:11/10/2022

Permit #: 2022-00614

CONSTRUCTION TYPE : ALTERATION/REMODEL
PERMIT TYPE : MECHANICAL
PROPERTY TYPE : COMMERCIAL
VALUATION
ADDRESS : 801 INDUSTRY AVE
PIN : 06-315-0680
LEGAL DESC : CITY OF CLOQUET OUTLOTS

NOTE: RTU CHANGE OUT

APPLICANT	MECHANICAL PERMIT - BASIC 25.00 STATE SURCHARGE MECHANICAL FIXED 1.00 AIR HANDLER / HEAT EXCHANGER 15.00 <p align="right">TOTAL 41.00</p> Payment(s) CREDIT CARD 4803 41.00
ST CLOUD REFRIGERATION 604 LINCOLN AVE NE ST CLOUD, MN 56304- (320) 251-6861	
OWNER	
UPPER LAKES FOODS INC 801 INDUSTRY AVE CLOQUET, MN 55720	
AGREEMENT AND SWORN STATEMENT	
I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether specified herein or not. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction.	
_____ Signature of Applicant	_____ Date
This permit becomes null and void if construction authorized is not commenced within 180 days, or if construction is suspended for a period of 180 days at any time after work is commenced.	
	 _____ Matt, Munter, Building Official



To: Planning Commission
From: Al Cottingham, City Planner/Zoning Administrator
Date: October 4, 2023

ITEM DESCRIPTION: ZONING CASE 23-10: COMPREHENSIVE PLAN AMENDMENT (LAND USE PLAN) AND REZONING FOR KEN MAKI FOR PROPERTY LOCATED SOUTH OF NORTH ROAD AND SUNNYSIDE LANE

Background

Ken Maki is proposing a Comprehensive Plan Amendment (Land Use Plan) and Rezoning south of North Road and Sunnyside Lane. The property is guided Moderate to High Density Residential and zoned R1 – Single-Family Residence and is proposed to be guided Highway Commercial and zoned RC - Regional Commercial. If approved Mr. Maki would look to construct an office/shop for his business.

A public hearing will be held on Tuesday, October 10, 2023 to consider a possible amendment to the Comprehensive Plan (Land Use Plan) and Rezoning. A legal notice was published in the Pine Knot on September 29, 2023 and property owners within 350 feet were sent notice of the public hearing.

Land Use Plan and Rezoning

In August 2007 the City Council adopted the 2007 – 2027 Comprehensive Plan for the City of Cloquet. Chapter 3 of the Plan, Land Use discusses Inventory and Analysis; Goals, Objectives, and Policies; and, Land Use Plan. As part of that adoption, the property was guided on the Land Use Plan as Moderate to High Density Residential. Subsequently the property was zoned R1 – Single-Family Residence. In both of these cases legal notices were published in the official newspaper but notices were not sent to individual property owners or owners within 350 feet of property being changed.

Staff has reviewed the language in the Comprehensive Plan pertaining to both the “Moderate to High Density Residential” and “Highway Commercial”. The Moderate to High Density Residential guided properties were scattered in areas of the city with existing higher density residential developments within the anticipated 2027 public sewer and water service boundary. The Highway Commercial guided properties along Highway 33 for commercial uses. Sanitary Sewer and water are located in in a private easement on the west side of the property.



Community Development Department

101 14th Street • Cloquet MN 55720

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

Policy Objectives

The Land Use Plan portion of the Comprehensive Plan discusses the “Moderate to High Density Residential” and the “Highway Commercial”. Excerpts of those pages are attached. The plan does not have any specific locational criteria for where certain districts should be located. The Rezoning of the property is to be consistent with the Comprehensive Plan. The property adjacent to the east is guided Highway Commercial.

Financial Impacts

The Comprehensive Plan Amendment and Rezoning fees were paid.

Advisory Committee Action Requested

The Planning Commission should listen to the testimony that is presented at the public hearing and review the language in the Comprehensive Plan pertaining to both the “Moderate to High Density Residential” and “Highway Commercial”. Following this review the Planning Commission can recommend approval of the request, recommend denial of the request or table the request for some additional information. The Commission should take the same action on the Rezoning application so the two are consistent.

Staff Recommendation

The property to the west recently was subdivided, creating two new residential lots, this property is owned by Mr. Maki. That property and the assisted living facility are served by a private easement, 40 feet in width, containing a driveway and utilities. The easement document does not include this property or the land to the north and south. The easement document would need to be amended to include at least the property in question and possibly the other properties. Sanitary sewer will need to be extended from the site to the lift station that serves the assisted living facility or north to North Road. The owner of all of these parcels (which are landlocked) owns the land adjacent to them abutting Highway 33/Sunnyside Drive and could be developed in conjunction with that property. Staff would recommend approval of the Comprehensive Plan Amendment (Land Use Plan) and the Rezoning since it makes more sense to have the property in a commercial state than residential to develop with the land to the east.

Supporting Documents Attachments

- Resolution No. 23-10 Comp
- Resolution No. 23-10 Rezone
- Location Map
- Comprehensive Plan Excerpt
- Land Use Plan
- Zoning Map

STATE OF MINNESOTA

COUNTY OF CARLTON

CITY OF CLOQUET

Commissioner _____ offered the following Resolution and moved its adoption.

RESOLUTION NO. 23-10 Comp

**A RESOLUTION RECOMMENDING THE CITY COUNCIL OF CLOQUET APPROVE
THE COMPREHENSIVE PLAN AMENDMENT (LAND USE PLAN) FROM
“MODERATE TO HIGH DENSITY RESIDENTIAL” TO “HIGHWAY
COMMERCIAL”**

WHEREAS, Ken Maki is proposing a Comprehensive Plan Amendment (Land Use Plan) from “Moderate to High Density Residential” to “Highway Commercial”; and

WHEREAS, As required by ordinance, notification was advertised in the Pine Knot on September 29, 2023, and property owners within 350 feet were notified. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on October 10, 2023, at which time Zoning Case / Development Review No. 23-10 was heard and discussed; and

WHEREAS, the property of the proposed Comprehensive Plan Amendment (Land Use Plan) is located North Road and Sunnyside Lane and is legally described as follows:

Part of the east half of Lot 25 lying northerly of the south line of Lot 33 extended westerly to the west line of said east half of Lot 25 and lying southerly of the north line of Lot 31 extended westerly to the west line of said east half of Lot 25, County Auditors Subdivision No. 4, Carlton County, Minnesota.

WHEREAS, the Planning Commission reviewed the staff report and recommends approval of the Comprehensive Plan Amendment (Land Use Plan).

NOW, THEREFORE, BE IT RESOLVED, BY THE PLANNING COMMISSION OF THE CITY OF CLOQUET, MINNESOTA, that the Planning Commission recommends approval of Zoning Case 23-10 to the Cloquet City Council.

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

PHILIP DEMERS	_____	BRITTANY KUSCHEL	_____
TERRI LYYTINEN	_____	ELIZABETH POLLING	_____
URIAH WILKINSON	_____		

Approved this 10th day of October 2023.

CITY OF CLOQUET

TERRI LYYTINEN
CHAIR

ATTEST: _____
Alan Cottingham
City Planner/Zoning Administrator

STATE OF MINNESOTA

COUNTY OF CARLTON

CITY OF CLOQUET

Commissioner _____ offered the following Resolution and moved its adoption.

RESOLUTION NO. 23-10 Rezone

**A RESOLUTION RECOMMENDING THE CITY COUNCIL OF CLOQUET APPROVE
THE REZONING FROM “R1 – SINGLE-FAMILY RESIDENCE” TO “RC –
REGIONAL COMMERCIAL”**

WHEREAS, Ken Maki is proposing a Rezoning from “R1 – Single-Family Residence” to “RC – Regional Commercial”; and

WHEREAS, As required by ordinance, notification was advertised in the Pine Knot on September 29, 2023, and property owners within 350 feet were notified. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on October 10, 2023, at which time Zoning Case / Development Review No. 23-10 was heard and discussed; and

WHEREAS, the property of the proposed Rezoning is located south of North Road and Sunnyside Lane and is legally described as follows:

Part of the east half of Lot 25 lying northerly of the south line of Lot 33 extended westerly to the west line of said east half of Lot 25 and lying southerly of the north line of Lot 31 extended westerly to the west line of said east half of Lot 25, County Auditors Subdivision No. 4, Carlton County, Minnesota.

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

NOW, THEREFORE, BE IT RESOLVED, BY THE PLANNING COMMISSION OF THE CITY OF CLOQUET, MINNESOTA, that the Planning Commission recommends approval of Zoning Case 23-10 to the Cloquet City Council.

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

PHILIP DEMERS	_____	BRITTANY KUSCHEL	_____
TERRI LYYTINEN	_____	ELIZABETH POLLING	_____
MICHELLE WICK	_____		

Passed this 10^h day of October 2023.

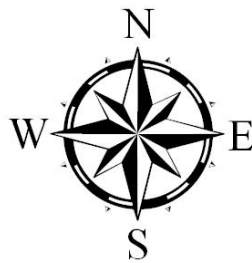
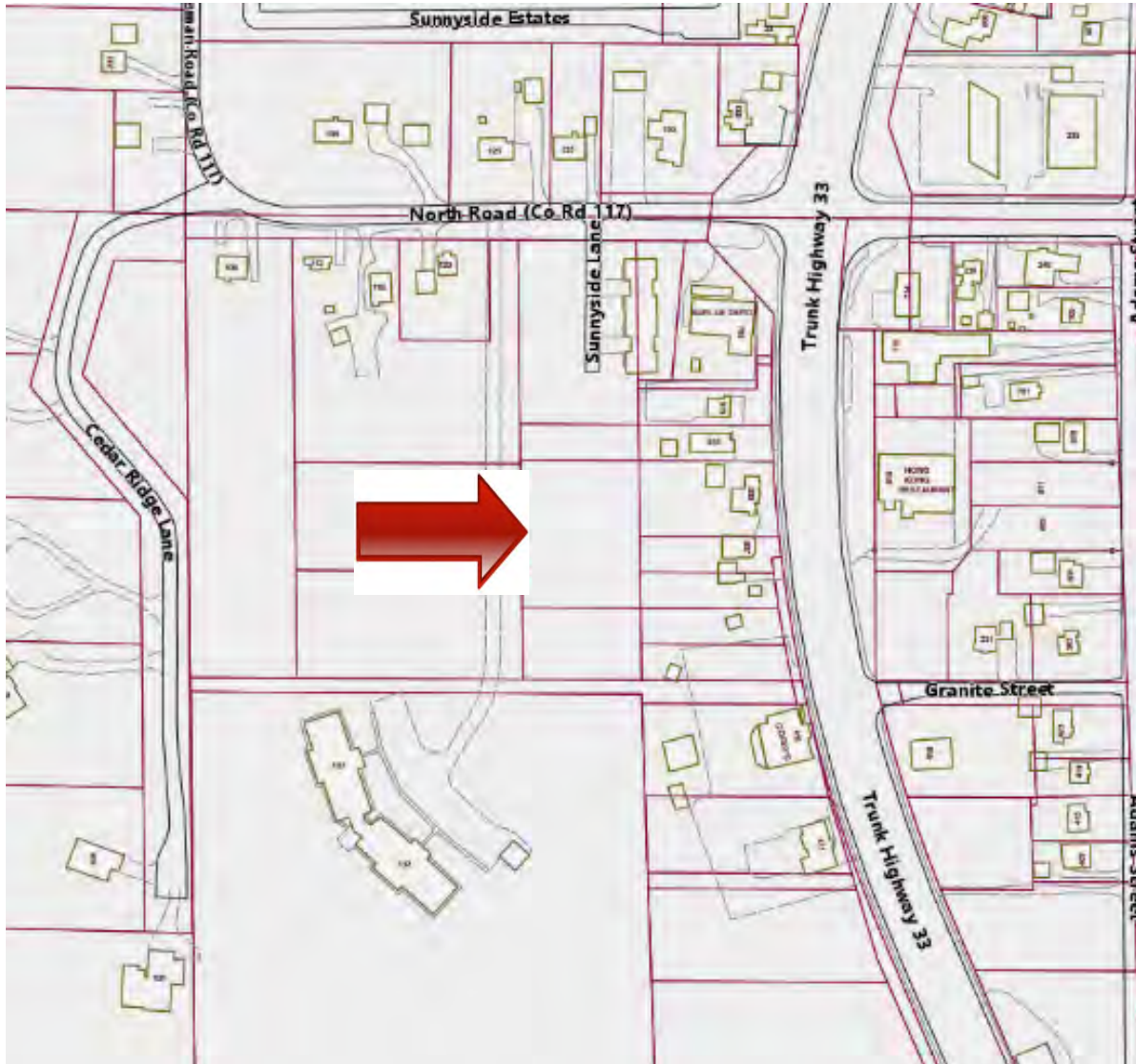
CITY OF CLOQUET

TERRI LYYTINEN
CHAIR

ATTEST: _____
Alan Cottingham
City Planner/Zoning Administrator

LOCATION MAP

Ken Maki



NO SCALE

LAND USE PLAN

This section summarizes and expands on the concepts and actions discussed in the inventory and analysis section, and the goals, objectives, and policies section of this chapter.

OVERVIEW OF FUTURE LAND USES

The following provides an overview of the future land uses designated on the Land Use Plan (see Figure 3-3: Land Use Plan). Detailed parcel data was not available when the Land Use Plan was prepared. Therefore, refer to the Land Use Plan as a general guide. The actual boundaries of the various land uses should generally correspond with lot lines and street centerlines.

Moderate-Density to High-Density Residential

The Comprehensive Plan continues to guide existing townhomes, mobile home parks, condominiums, and apartments for moderate-density to high-density residential use. The Plan does not specifically guide additional parcels for moderate to high-density residential use. Rather, it promotes sensitive integration of these uses into the city center, planned mixed residential, and the commercial/residential mixed-use areas described below.

Consistent with the City's current Zoning Ordinance, moderate to high-density residential use allows for a density of 5 to 32 dwelling units per acre. However, the City's Zoning Ordinance and Zoning Map will identify the maximum allowable density for specific parcels in the City.

Highway Commercial

The Comprehensive Plan guides two primary areas for highway commercial use: 1) an area along State Highway 33 south of the St. Louis River, and 2) an area along Highway 33 north of the St. Louis River. The Comprehensive Plan also guides existing scattered highway commercial use on Cloquet Avenue, Washington Avenue, and Big Lake Road for continued highway commercial use. The following provides an overview of the two primary areas for highway commercial use.

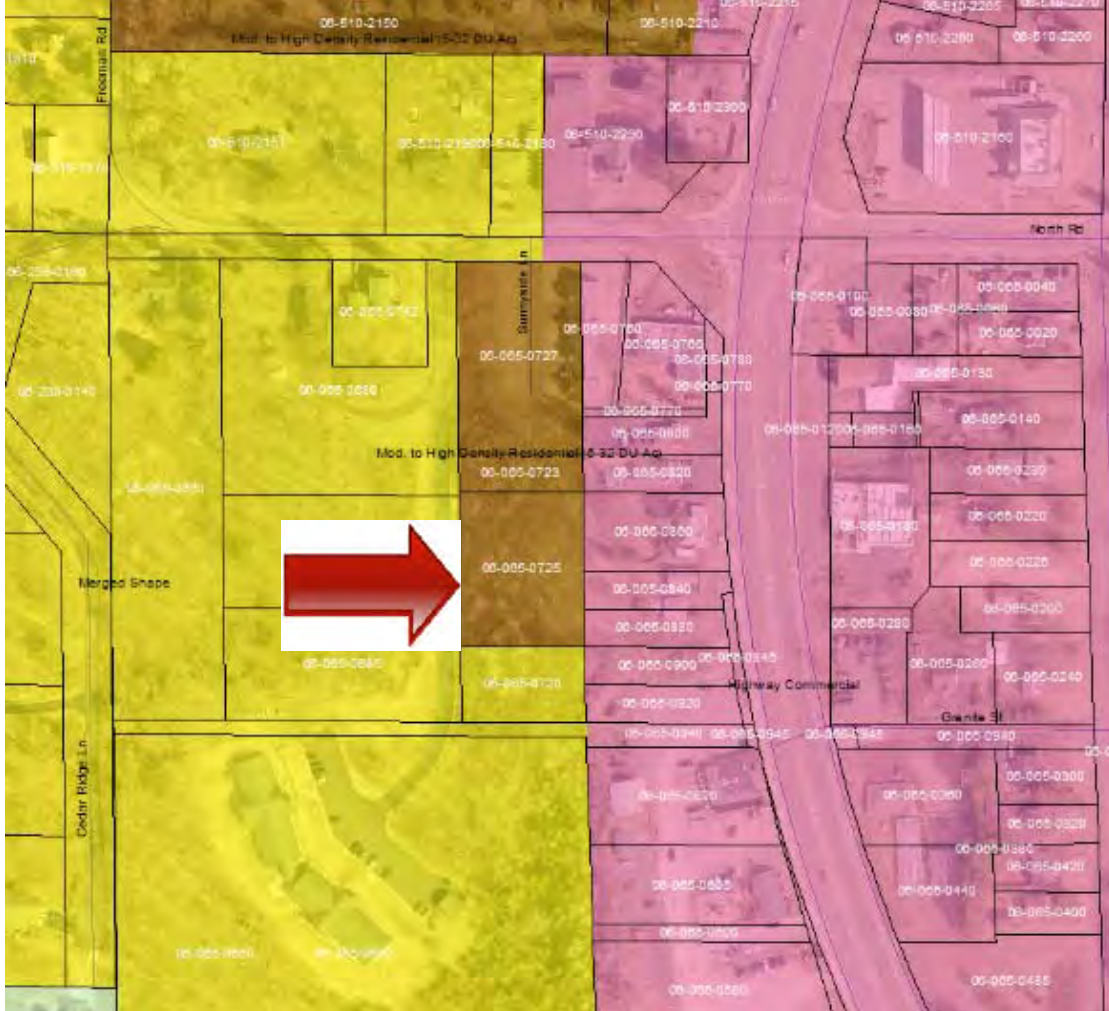
Highway Commercial South of the St. Louis River. Most existing highway commercial use in Cloquet is along Highway 33 south of the St. Louis River. This area includes a large discount department store, a grocery store/shopping center, a variety of restaurants and retail shops, motels, a car dealership, and a movie theater. The Comprehensive Plan supports and integrates the recommendations of Cloquet's 1998 Community Revitalization Plan to improve the existing highway commercial uses in this area. Those recommendations include improving vehicular and pedestrian circulation, integrating the natural landscape into the built environment, redeveloping distressed areas and areas with conflicting uses, and applying design guidelines or standards to existing and proposed development.

Specific recommendations for this area include the following:

- Work with developers and landowners to study the feasibility of relocating the existing concrete block plant and Minnesota Department of Natural Resources facility to more suitable locations in the city. Explore opportunities for commercial redevelopment of the sites.
- Work with the Minnesota Department of Transportation to improve vehicular and pedestrian circulation in the area, particularly at the intersection of Doddridge Avenue and State Highway 33.

AND USE MAP

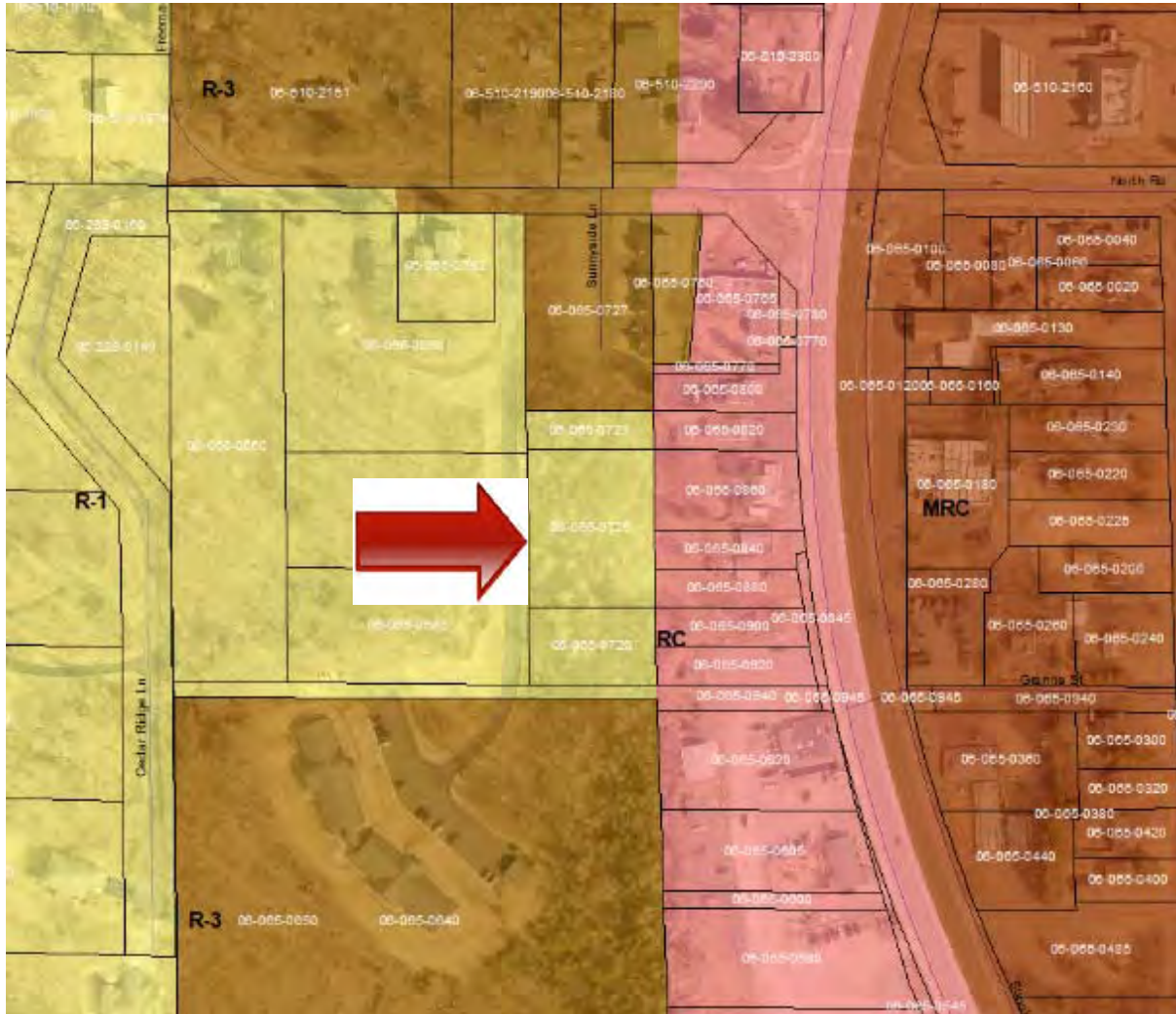
Ken Maki



NO SCALE

ZONING MAP

Ken Maki



NO SCALE