

## 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