

Cloquet City Council Work Session

Tuesday, July 18, 2017

Present: A. Bailey, D. Bjerkness, K. Kolodge, S. Langley, R. Maki, J. Rock, Mayor Hallback

Absent: None

Staff: J. Barclay, H. Hansen, C. Peterson, J. Palmer, M. Lukkarila

Other: V. Northrup, K. Dupuis, R. Smith, B. Helwig, J. Peterson

FDL Tribal Council Meet and Greet

- This is the first time there has been a joint meeting between the Fond du Lac Tribal Council and Cloquet City Council. Both groups agree it's a very positive step forward in relationship building and would like to continue meeting on a regular basis.
- There is already collaboration between the FDL and Cloquet Police Departments with drug enforcement.
- Ms. Northrup asked for feedback from the Council on displaying the FDL Tribal flag in the Council Chambers. This would be a very significant gesture from the City to show the willingness to build a stronger relationship with our neighbor. All are in agreement of the importance for the two communities to work and grow together.
- Ms. Northrup stated there are several employment opportunities at the casino and would like the opportunity to the displaced workers from Jarden Brands. Ms. Hansen will assist her in reaching out to those workers. Other employment opportunities with FDL are the propane company, the radio station, sand/gravel, and the convenience store, all of which are owned by the reservation.
- The reservation is seeing much growth in health and human services. There are locations in Duluth, Twin Cities, and Cloquet. An invitation was extended to the Council to tour the new care building in Duluth.
- Mayor Hallback and Mr. Dupuis will be in contact to establish meeting dates and agendas for future meetings.

PLA Discussion with EDA

- The EDA recommended a discussion with Council to discuss City assisted, privately financed projects in regards to the recently passed Ordinance on PLAs.
- Mr. Helwig stated that the City is stepping outside of their authority when extending the PLA requirements to privately funded projects. This is based on law from the Supreme Court and the Attorney General's opinion. PLAs are allowed to be required for City owned projects but cannot be required solely based on City regulation to extend to private projects. No other cities in the state have a PLA that extends to private projects. The risk to the City is a civil lawsuit.
- Discussion about TIFF money and whether it is considered City money. Explanation followed of the different financing options for a potential developer and the requirements to receive City financing. Mr. Helwig explained that there is no economic benefit for the City when using a PLA on a privately funded project.

- Councilor Bailey stated he feels there's a problem with issuing TIFF to a developer who then hires contractors from outside our area.
- Councilor Bjerkness said that by requiring private developers to have a PLA is hurting the growth of the community because developers see this as a roadblock.
- Mr. Micke feels that development is already stagnate with being close to Duluth and Hermantown, this PLA does not help.
- Mr. Peterson's concern is whether this requirement is legal or not. The EDA's goal is to bring development to the community and any roadblock to a developer does the City a disfavor. The goal of the EDA is to encourage developers to come to Cloquet. Developers are going elsewhere if the City does not provide economic development tools. It makes economic sense to help.
- Ms. Hansen highlighted projects that have pulled out or are now undecided due to the PLA requirement.
- Tim Andrew, Attorney with the Duluth Building and Trades, followed up on Mr. Helwig's comments by stating the City is a purchaser of the project by acting as a reasonable investor and has interest in the outcome of the success of the project. Therefore, it is appropriate City to require the PLA. Mr. Helwig this is in cases where the city is a financier, not a purchaser.
- Councilor Bjerkness commented on the projects that have pulled since the PLA ordinance was passed is not good for the City. The Council has a responsibility, the EDA advises and the Council needs to listen and respond. 4 projects have been lost in 2 months. EDA's recommendation is to not have the ordinance apply to private projects.
- Mr. Peterson read an email from Shelley Peterson stating her support for PLAs.
- Mr. Micke suggested sending the current ordinance to the Minnesota Attorney General for an opinion and all agreed. Mr. Helwig will follow up and report back with the opinion.

The meeting was adjourned at 6:55 p.m. and reconvened at 7:40 p.m. at the conclusion of the Regular meeting.

ATV Licensing Discussion

- Discussion of establishing a permitting process for ATVs to be driven on City streets due to the 2016 Minnesota Legislature change in law pertaining to the operation of special vehicle use on roadways within a municipality. This change requires a permitting process and a verification of insurance in order to operate on roadways within the City.
- Conversation followed on establishing a permitting procedure, who enforces, and street designation.
- With no opposition from Council, Mr. Palmer will further research a process and bring a recommendation back to Council.

Budget/CIP

- Mr. Barclay reviewed the existing budget and scheduled projects. Items discussed are as follows:
 - Current budget is over by \$200,000 if the \$5.8 million I-35/Hwy 33 project moves forward. Recommending going back to legislature to re-designate the money to infrastructure for the project. If approved, other projects scheduled through 2022 can be completed.
 - The Pinehurst Warming House project will be moved to 2019. Discussion on whether the pool's dressing/shower rooms can be used as the warming house if rubber mats are put down between the rink and warming house. This

approach will be tried this next winter before a decision on moving forward with the warming house is made.

- 14th Street improvement by the County. Mr. Peterson feels it is smart for the City to implement the water and sewer replacement project at the same time using sales tax dollars.
- Discussion on the development of a dog park. Council would like to see a community committee comprised those in favor of a dog park approach the Council before any decisions are made.
- Conversation of moving the facilities projects back one more year based on the CAFD moving into their new building 12/2019. This would put the police department at 2020 and Public Works to 2023. Current maintenance needs such as roof patching at the police department will need to be addressed if this is the timeline.
- The I-35/Frontage Road project was deleted due to nothing being developed at the DNR location.

There being no further business, the meeting adjourned at 9:05 p.m.

Respectfully submitted,

James Barclay
Interim City Administrator