



CITY OF CLOQUET
City Council Agenda - AMENDED
Tuesday, April 19, 2016
7:00 p.m.
City Hall Council Chambers

CITY COUNCIL WORK SESSION

5:30 p.m. Joint Meeting with Library Board
(Note: meeting at the Cloquet Library)

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
 - a. Approval of April 19, 2016 Council Agenda
4. **Approval of Council Minutes**
 - a. Special Work Session minutes from the March 29, 2016 meeting
 - b. Work Session minutes from the April 5, 2016 meeting
 - c. Regular Council minutes from the April 5, 2016 meeting
5. **Consent Agenda**

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

 - a. Resolution No. 16-33, Authorizing the Payment of Bills
6. **Public Hearings**

None.
7. **Presentations**
 - a. Mayor's Proclamation, April 23, 2016 as Young Life Day



CITY OF CLOQUET
City Council Agenda - AMENDED
Tuesday, April 19, 2016
7:00 p.m.
City Hall Council Chambers

8. Council Business

- a. 2015 End of Year Operating Transfers
- b. Director of Public Works/City Engineer Hiring Process
- c. Holmes Drive/TH33 Frontage Road Mill & Overlay
 - Resolution No. 16-34, A Resolution Ordering the Improvement and Preparation of Plans and Specifications for the Mill and Overlay of the Trunk Highway 33 Frontage Road /Holmes Drive/8th Street From Doddridge Avenue to Trunk Highway 33
- d. Conditional Use Permit, Nathan Radoush
 - Resolution No. 16-35, A Resolution Approving the Conditional Use Permit for Nathan Radoush for a Two Family Dwelling in the R1-Single Family Residence District
- e. Termination of Highway 33 Option Agreements
- f. City Council Goals Update

9. Public Comments

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

10. Council Comments, Announcements, and Updates

11. Adjournment

Cloquet City Council Special Work Session
Tuesday, March 29, 2016
5:30 p.m.

Present: Bjerkness, Kolodge, Maki, Rock, Wilkinson, Mayor Hallback

Absent: Langley

Staff: Fritsinger, Barclay, Klassen, Butcher

Introductions were made of those in attendance. Mr. Barclay gave a brief overview of his career background.

Mr. Fritsinger stated the reason for this special work session is to have good conversation on 3 major topics the City is dealing with at this time. They include the Scanlon/Cloquet merger study, Middle School adaptive reuse, and the Community Visioning process.

Scanlon/Cloquet Merger Study

Mr. Fritsinger gave a brief review of the Ehler's presentation made recently by Mark Ruff. The main questions are in regard to legal components and finances with a potential merger. Attorneys are red-lining the draft study now and a final study will be complete in the near future. Scanlon did vote to move forward and continue discussions. This meeting is for feedback only, no decisions are being made tonight.

Council thoughts/concerns:

- Council agreed what was presented by Mr. Ruff at the joint meeting with Scanlon was not enough information to make an opinion. There were many unanswered questions in regard to taxes and utility rates. These questions are in the attorney's hands now.
- Concern about capital projects on facilities. Mr. Rock feels a merger wouldn't be beneficial to Cloquet. Mr. Bjerkness stated Scanlon would have to become part of a larger facility plan.
- Discussion of Cloquet's tax rate and Scanlon's utility rate. Merging would bring both down.
- Mr. Fritsinger commented the broader governance doesn't make sense beyond the financial piece. Many components need to be explored further. The timeline of a merger is aggressive and a merger does not need to take place this year. There is currently not enough information for this strict timeline.
- Council is in agreement on questioning what the effects a merger would make on the Knife Falls Township. The attorneys are working on how that piece will phase in.
- Consensus from Council is not to move forward until the study results are reviewed and questions answered.

Cloquet Middle School Adaptive Housing Proposal

- The school district has accepted a proposal by Sherman and Associates for the adaptive reuse of the current middle school. Mr. Fritsinger gave a brief overview of what the City's role will be which includes taxes, zoning and permits, code inspection, internal challenges with property management, law enforcement, etc. The City has no role with Sherman seeking a financial partner.
- Ms. Butcher gave a summary of what the site proposes for apartments and ideas for the lack of parking, which is a major issue. The tentative timeline has the apartment ready for renters in early 2019.

- Discussion of demographics for the proposed 36 units.
- Holly contacted the Duluth Police Department regarding the types of calls they receive for the Sherman developments in Duluth. Most of their calls are self-initiated, not generated by calls. No different than any other calls we already have in our community. Sherman has an excellent reputation for property management.
- Mr. Kolodge commented he has concern over "walk throughs" made by the P.D. This raises a red flag, means they are anticipating activity. Mr. Bjerkness thinks police presence would be a deterrent for unwanted activity.
- Mr. Fritsinger stated the City's role in housing and economic development is to foster the needs and this project meets a number of the criteria. As the developer works on design concepts, any concerns will be taken seriously and changes made right from the beginning. Parking remains a prominent concern.

Community Visioning Proposals

- As directed by the Council, Mr. Fritsinger put together an RFP for a Community Vision Process. Five RFPs were received, ranging from \$35,000 to \$89,000. Now that we have responses, what does the Council see as the next step.
- Mr. Bjerkness questioned why this became a Council priority? Wilkinson responded that her recollection is it was to help align the public and Council. There is much concern of the negative direction the public has taken recently on a number of topics/projects the City is facing. It is understood that the public has a right and a need to be heard, but it hasn't been constructive. There needs to be a better way to form dialog.
- With the volume of projects currently going on, is this a bad time to develop a visioning process? Much to consider if it does move forward. It is not in the budget for this year, and if the Scanlon/Cloquet merger does move forward, that change many things.
- A community vision may be a bridge builder with large developers who want to invest in the community. How do we compel people to engage positively with all of the negativity currently being voiced.
- Mr. Maki agrees with being proactive. This is something to move towards and if left to just us to come up with the visioning process, it may not get done. We need to have someone who knows what they're doing. There is value in engaging the community.
- Mr. Kolodge feels it is important to get public feedback. There's a lot of money to spend and the timing now is hard. Uncertain if this is the right way to go.
- Mr. Bjerkness inquired about using the Comprehensive Plan as the guide. Our plan is now 10 years old, maybe we just update it?
- Mr. Kolodge questioned if we really need to do this. Mr. Fritsinger replied the staff needs to take into account expectations of the community. There is a gap in all areas of participation. We need people to help push, see things we're missing.
- Budget discussions begin in 6 weeks. This presents an opportunity. There still is time to think about it. Most of the companies will honor their proposal for 90 days.
- All in agreement to use an outside source to facilitate this process. Timing of project is to be determined.

Respectfully Submitted,

Brian Fritsinger
City Administrator

DRAFT

CLOQUET CITY COUNCIL WORK SESSION

Tuesday, April 5, 2016

Present: Bjerkness, Kolodge, Langley, Maki, Rock, Wilkinson, Mayor Hallback

Absent: None.

Staff: Fritsinger, Barclay, Klassen

Other: Alyson Leno, Cloquet Chamber; Jamie Lund, Pine Journal

Events Coordinator Overview

- Alyson Leno from the Cloquet Chamber of Commerce and Events Coordinator was present to give an overview of the 2015 activities she coordinated as Events Coordinator. Mr. Fritsinger noted the importance for the community to see the different events and activities Cloquet has to offer. Having an Events Coordinator gives the ability to lend more detail and time to planning events.
- Ms. Leno provided a recap of 2014-2015 financials. The two main events were the Fourth of July Fest offering many activities throughout the City and the Home for the Holidays in December. Both events are focused on family activities provided at no cost.
- Ms. Leno stated the committee is easy to sustain due to the fact with more people the tasks are easy to divide and less daunting.
- In addition to expenses, the City's contribution of labor/hours included garbage disposal, some set up, water/electrical, signage, street sweeping, and Christmas light display.
- There has been some discussion of inserting donation requests into the water bills for extra funds to help bring in additional activities to the events already taking place. The Council verbalized its support for this effort.
- Discussion of having a beer tent located at Pinehurst Park after the Sawdust 5k run. Mr. Rock voiced his concern over having beer available that early in the day.
- Ms. Leno stated she is planning on the same events for 2016 in addition to adding some new.
- Mr. Fritsinger stated we are in the early stages of learning what works and what doesn't related to the focus on events and asked for feedback from the Council. If we want to see this go beyond these 2 main events, more conversation is needed and we may need to look into promotions if we want larger events.

Bike Trail Update

Brief discussion on the status of the Munger Bike trail extension into Cloquet. Mark Roberts was not available to discuss details on the current status and future plans.

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

Respectfully Submitted,

Brian Fritsinger
City Administrator

Regular Meeting

DRAFT

Roll Call

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

Councilors Absent: None.

Pledge of Allegiance

AGENDA

MOTION: Councilor Langley moved and Councilor Wilkinson seconded the motion to approve the April 5, 2016 agenda. The motion carried unanimously (7-0).

MINUTES

MOTION: Councilor Kolodge moved and Councilor Rock seconded the motion to approve the minutes of the Work Session and Regular Meeting of March 15, 2016. The motion carried unanimously (7-0).

CONSENT AGENDA

MOTION: Councilor Bjerkness moved and Councilor Maki seconded the motion to adopt the consent agenda of April 5, 2016 approving the necessary motions and resolutions. The motion carried unanimously (7-0).

- a. Resolution No. 16-30, Authorizing the Payment of Bills and Payroll

PUBLIC HEARINGS

8TH Street Final Assessments

Mayor Hallback announced that now is the time and place for the Public Hearing on the proposed final assessments for the 2015 improvement of 8th Street from a point 450 feet north of Washington Avenue to Sahlman Avenue and also Sahlman Avenue from 7th Street to 9th Street. City Engineer Prusak reviewed the cost of the project and the proposed assessments. Jeff Schultz, 706 Sahlman Avenue, addressed the Council regarding his concerns with the assessments. With no further comments from the public, the hearing was closed.

The Council discussed the City's current interest rate being proposed at eight percent (8%). Staff provided the history of the policy using an eight percent (8%) rate. The Council debated the rate in comparison to other cities. Staff noted many other cities use an interest rate that reflects the bond rate plus something additional. The Council indicated that they would like the City's Code and policy to be amended to reflect something more comparable with other cities.

MOTION: Councilor Bjerkness moved and Councilor Kolodge seconded the motion to deny the objection and appeal of Albert Parish, 707 Sahlman Avenue, due to the property receiving benefit from the project and that proper prior notice of the assessment was provided to the property owner as required by Minnesota Statute. The motion was carried unanimously (7-0).

MOTION: Councilor Langley moved and Councilor Maki seconded the motion to deny the objection and appeal of Jeff Schultz, 706 Sahlman Avenue, due to the property receiving benefit from the project and the assessments being levied in conformance with Minnesota Statute. The motion was carried unanimously (7-0).

MOTION: Councilor Kolodge moved and Councilor Wilkinson seconded the motion to adopt **RESOLUTION NO. 16-31, A RESOLUTION ADOPTING ASSESSMENTS FOR THE IMPROVEMENT OF 8TH STREET FROM A POINT 450 FEET NORTH OF WASHINGTON AVENUE TO SAHLMAN AVENUE AND ALSO SAHLMAN AVENUE FROM 7TH STREET TO 9TH STREET**, subject to the interest rate being determined at a future date as part of the review of the City's Assessment Policy. The motion carried unanimously (7-0).

WHEREAS, In 2015, the City Council received an engineering study to reconstruct 8th Street from a point 450 feet north of Washington Avenue to Sahlman Avenue and also Sahlman Avenue from 7th Street to 9th Street, including the replacement of existing sanitary sewer and water mains; and

WHEREAS, The Cloquet City Council on April 7, 2015, held a hearing to consider the improvement of these sections of 8th Street and Sahlman Avenue; and

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

WHEREAS, Due notice was given that said special assessments would be considered by the City Council at its meeting to be held on April 5, 2016, and at said meeting and time all parties interested were given an opportunity to be heard; and

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

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

1. Such assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein is hereby found to be benefitted by the improvement in the amount of the assessment levied against it.
2. Said assessments shall be payable in equal annual installments extending over a period of ten (10) years and shall bear interest at a rate to be determined at a future date as part of a review of the City's Assessment Policy per annum from May 5, 2016. Property owners may prepay the entire assessment, or any portion of it, to the City of Cloquet without interest prior to May 5, 2016. Any principal not paid by November 30th of each year, will be certified along with accrued interest to the Carlton County Auditor for collection with the Real Estate Taxes payable over the period stated above.

West Taylor Avenue Final Assessments

Mayor Hallback announced that now is the time and place for the Public Hearing on the proposed final assessments for the 2015 improvement of West Taylor Avenue from South Oak Street, West approximately 1,300 Feet, or any changes thereto. City Engineer Prusak reviewed the cost of the project and the proposed assessments. With no further comments from the public, the hearing was closed.

MOTION: Councilor Bjerkness moved and Councilor Rock seconded the motion to adopt **RESOLUTION NO. 16-32, A RESOLUTION ADOPTING ASSESSMENTS FOR THE IMPROVEMENT OF WEST TAYLOR AVENUE FROM SOUTH OAK STREET, WEST APPROXIMATELY 1,300 FEET**, subject to the interest rate being determined at a future date as part of a review of the City's Assessment Policy. The motion carried unanimously (7-0).

WHEREAS, In April of 2013, the City Council received a petition signed by 10 individuals requesting the paving of West Taylor Avenue, from South Oak Street, west approximately 1,300 feet; and

WHEREAS, The Cloquet City Council on May 5, 2015, held a hearing to consider the improvement of this section of West Taylor Avenue; and

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

WHEREAS, Due notice was given that said special assessments would be considered by the City Council at its meeting to be held on April 5, 2016, and at said meeting and time all parties interested would be given an opportunity to be heard; and

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

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

1. Such assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein is hereby found to be benefitted by the improvement in the amount of the assessment levied against it.
2. Said assessments shall be payable in equal annual installments extending over a period of ten (10) years and shall bear interest at a rate to be determined at a future date as part of a review of the City's Assessment Policy per annum from May 5, 2016. Property owners may prepay the entire assessment, or any portion of it, to the City of Cloquet without interest prior to May 5, 2016. Any principal not paid by November 30th of each year, will be certified along with accrued interest to the Carlton County Auditor for collection with the Real Estate Taxes payable over the period stated above.

PRESENTATIONS

There were none.

OBEIDZINSKI DEFERRAL OF SPECIAL ASSESSMENT APPLICATION

MOTION: Councilor Bjerkness moved and Councilor Rock seconded the motion to approve the deferment of special assessments for Karen Obeidzinski, 708 Sahlman Avenue, as part of the 2015 8th Street reconstruction project. The motion carried unanimously (7-0).

FAMILY MEDICAL LEAVE POLICY AMENDMENT

MOTION: Councilor Maki moved and Councilor Wilkinson seconded the motion to approve the Family Medical Leave Act (FMLA) Policy which allows the flexibility for an employee to use up to 2 weeks of accumulated sick leave for an otherwise approved FMLA condition. The motion carried unanimously (7-0).

COMPREHENSIVE PLAN AMENDMENT (LAND USE PLAN) REZONING AND SITE PLAN FOR KWIK TRIP

MOTION: Councilor Bjerkness moved and Councilor Wilkinson seconded the motion to approve **RESOLUTION NO. 16-13(A), A RESOLUTION APPROVING THE COMPREHENSIVE PLAN AMENDMENT (LAND USE PLAN) FROM "LOW DENSITY RESIDENTIAL" TO "HIGHWAY COMMERCIAL"**. The motion carried unanimously (7-0).

WHEREAS, Kwik Trip is proposing a Comprehensive Plan Amendment (Land Use Plan) from "Low Density Residential" to "Highway Commercial"; and

WHEREAS, As required by ordinance, notification was advertised in the Pine Journal. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on February 9, 2016 at which time Zoning Case / Development Review No. 16-01 was heard and discussed; and

WHEREAS, the property of the proposed Comprehensive Plan Amendment (Land Use Plan) is located east of 900 Washington Avenue and is legally described as follows:

The Westerly 35 feet of the North 343.70 feet of the Northwest Quarter of the Northeast Quarter of the Northeast Quarter (NW ¼ of NE ¼ of NE ¼) of Section Twenty-six (26), Township Forty-nine (49), North of Range Seventeen (17), West of the Fourth Principal Meridian, 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 CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, that it approves Zoning Case 16-01 for a comprehensive plan amendment (land use plan) from "Low Density Residential" to "Highway Commercial" Subject to the sale and development of the property.

And

MOTION: Councilor Kolodge moved and Councilor Bjerkness seconded the motion to adopt **ORDINANCE NO. 453A, AN ORDINANCE TO AMEND CHAPTER 17 OF THE CITY CODE BY AMENDING THE ZONING MAP OF THE CITY OF CLOQUET FROM “R1- SINGLE FAMILY RESIDENTIAL” TO “RC- REGIONAL (HIGHWAY) COMMERCIAL”**. The motion carried (6-1), Councilor Rock opposed.

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

Section 1. The Zoning Map of the City of Cloquet is hereby amended to change the zoning designation of the following described property from R1 – Single Family Residential to RC – Regional (Highway) Commercial:

The Westerly 35 feet of the North 343.70 feet of the Northwest Quarter of the Northeast Quarter of the Northeast Quarter (NW ¼ of NE ¼ of NE ¼) of Section Twenty-six (26), Township Forty-nine (49), North of Range Seventeen (17), West of the Fourth Principal Meridian, Carlton County, Minnesota.

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

MOTION: Councilor Langley moved and Councilor Kolodge seconded the motion to approve **RESOLUTION NO. 16-14(A), A RESOLUTION APPROVING OF A SITE PLAN IN THE RC-REGIONAL (HIGHWAY) COMMERCIAL DISTRICT FOR KWIK TRIP, INC.** The motion carried (4-3), Councilor Rock, Councilor Maki and Mayor Hallback opposed.

WHEREAS, Kwik Trip, Inc. is proposing a Site Plan in the RC – Regional (Highway) Commercial District; and

WHEREAS, the property of the proposed Site Plan is located at 900 Washington Avenue and is legally described as follows:

That part of the Northeast Quarter of the Northwest quarter of the Northeast Quarter of Section 26, Township 49 North, Range 17 West, Carlton County, Minnesota, described as follows: Commencing at the northeast corner of said Section 26; thence on an assumed bearing of South 89 degrees 11 minutes 41 seconds West, along the north line of the Northeast Quarter of said Section 26 for a distance of 1333.77 feet to the northeast corner of the Northeast Quarter of the Northwest Quarter of the Northeast Quarter of said Section 26, said point being the Point of Beginning of the parcel herein described; thence continue South 89 degrees 11 minutes 41 seconds West, along the north line of said Northeast Quarter of the Northwest Quarter of the Northeast Quarter for a distance of 270.56 feet to the intersection with a line which bears North 04 degrees 49 minutes 55 seconds East from a point designated as B12 on the Minnesota Department of Transportation Right of Way Plat No. 09-5; according to the recorded plat thereof, Carlton County, Minnesota; thence South 04 degrees 49 minutes 55 seconds West 33.16 feet to said point B12, said point also being on the southerly right of way line of County State Aid Highway 16, also known as Washington Avenue; thence continue South 04 degrees 49 minutes 55 seconds West, along easterly line of said Minnesota Department of Transportation Right of Way Plat No. 09- 5 for a distance of 69.31 feet to a point designated as B13 on said Minnesota Department of Transportation Right of Way Plat No. 09-5; thence southwesterly for a distance of 164.71 feet, along said easterly line of Minnesota Department of Transportation Right of Way Plat No. 09-5, along a tangential curve, concave to the northwest, having a radius of 175.00 feet and a central angle of 53 degrees 55 minutes 42 seconds to a point designated as B14 on said Minnesota Department of Transportation Right of Way Plat No. 09-5; thence South 58 degrees 45 minutes 37 seconds West, along said easterly line of Minnesota Department of Transportation Right of Way Plat No. 09-5, a distance of 79.94 feet to a point designated as B15 on said Minnesota Department of Transportation Right of Way Plat No. 09-5; thence southwesterly for a distance of 68.09 feet, along said easterly line of Minnesota Department of Transportation Tight of Way Plat No. 09-5, along a non-tangential curve, concave to the southeast, having a radius of 175.00 feet, the chord of which bears South 47 degrees 33 minutes 52 seconds West and a chord length of 67.91 feet; thence North 89 degrees 21 minutes 46 seconds East 200.14 feet; thence continue North 89 degrees 21 minutes 46 seconds East 16.16 feet; thence South 02 degrees 06 minutes 14 seconds East 21.01 feet to the north line of the south 315.00 feet of said Northeast Quarter of the Northwest Quarter of the Northeast Quarter; thence North 89

degrees 21 minutes 46 seconds East, along the north line of the south 315.00 feet of the Northeast Quarter of the Northwest Quarter of the Northeast Quarter for a distance of 266.96 feet to the east line of said Northeast Quarter of the Northwest Quarter of the Northeast Quarter; thence North 00 degrees 27 minutes 10 seconds West, along said east line of the Northeast Quarter of the Northwest Quarter of the Northwest Quarter for a distance of 343.71 feet to the Point of Beginning. EXCEPT the northerly 33.00 feet thereof for right of way purposes.

AND

That part of the Northwest Quarter of the Northeast Quarter of the Northeast Quarter of Section 26, Township 49 North, Range 17 West of the Fourth Principal Meridian, Carlton County, Minnesota, described as follows: The West 35.00 feet of the North 343.70 feet of the Northwest Quarter of the Northeast Quarter of the Northeast Quarter of said Section 26, EXCEPT the North 33.00 feet thereof for right of way purposes.

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 16-01 for a site plan for Kwik Trip, Inc. subject to the following conditions:

1. The site plan shall be revised so the impervious surface does not exceed 70%.
2. An irrigation plan will need to be submitted prior to the building permit being issued.
3. A new landscape plan must be submitted prior to the building permit being issued.
4. The site plan shall be revised to show a sidewalk along Washington Avenue and constructed as part of this project.
5. Easements from the property to the southeast must be submitted for the storm water runoff before a building permit is issued.
6. The required easements, inspection and maintenance agreements, inspection and maintenance plan, financial guarantee and other items as required for the stormwater BMPs must be submitted before a building permit is issued
7. The administrative adjustment of the three parcels shall be filed with Carlton County prior to the building permit being issued.
8. Utility easements shall be provided over the water and sewer lines that extend across the Taco Johns parcel.
9. Copies of the access permit from Carlton County must be submitted prior to the issuance of the building permit.
10. Cross easement documents must be filed for the shared driveway with Zion Lutheran Evangelical Church.
11. The P.A. system must be shut off between the hours of 10 pm and 7 am.
12. The drainage from the driveway onto Holmes Drive must be collected prior to it reaching Holmes Drive.
13. The traffic improvements (4-way stop) to Washington Avenue must be completed prior to the Certificate of Occupancy being issued for the building.
14. Elimination of the diesel canopy and associated pumps from the site plan.
15. The “pork chop” right-in/right-out design at the western entrance off of Washington Avenue is constructed.

MOTION: Councilor Langley moved and Councilor Bjerckness seconded the motion to table **RESOLUTION NO. 16-29, A RESOLUTION REQUESTING CARLTON COUNTY TO POST WASHINGTON AVENUE FOR “NO PARKING” FROM 8TH STREET/HOLMES DRIVE TO 150 FEET EAST OF 12TH STREET**, to a future date to be determined, to discuss if changes to parking are necessary. The motion carried unanimously (7-0).

CLOQUET MIDDLE SCHOOL SITE PLAN REVIEW

MOTION: Councilor Bjerckness moved and Councilor Wilkinson seconded the motion to adopt **RESOLUTION NO. 16-27, A RESOLUTION APPROVING A SITE PLAN IN THE PI – PUBLIC/INSTITUTIONAL DISTRICT FOR ANDERSON-JOHNSON ASSOCIATES, INC. FOR ISD #94**, subject to the condition of a traffic and access study to be completed and findings of the study are implemented as necessary. The motion carried (5-2). Councilor Rock and Councilor Maki opposed.

WHEREAS, Anderson-Johnson Associates, Inc. is proposing a Site Plan in the Pi – Public/Institutional District for ISD # 94; and

WHEREAS, the property of the proposed Site Plan is located north of Washington Avenue, east of 18th Street and west of 22nd Street (PIN's 06-230-3520, 06-230-3530, 06-230-3560, 06-230-3580, 06-090-0780, 06-090-0820, 06-090-0841, 06-090-0861, 06-090-0881, 06-090-0901, 06-090-0920, 06-090-0961, 06-090-0981, 06-090-1001, 06-090-1021, 06-090-1041, 06-090-1061, 06-090-1081, 06-090-1101, 06-090-1141, 06-090-1220 and 06-090-1240) and is legally described as follows:

The Southeast Quarter of the Southwest Quarter (SE ¼ of SW ¼) of Section Twenty-four (24), Township Forty-nine (49), Range Seventeen (17), Carlton County, Minnesota, except that part platted as Wallace Addition to the City of Cloquet.

AND

The South One-half of Lots 21 and 22 Auditor's Subdivision Number 26, Carlton County, Minnesota.

AND

The South 330 feet of Lots 23 through 36 Auditor's Subdivision Number 26, Carlton County, Minnesota.

AND

Lots 39 and 40 Auditor's Subdivision Number 26, 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 16-03 for a site plan for Anderson-Johnson Associates, Inc. for ISD # 94 subject to the following conditions:

1. An irrigation plan will need to be submitted prior to the building permit being issued.
2. A new landscape plan must be submitted prior to the building permit being issued.
3. The required easements, inspection and maintenance agreements, inspection and maintenance plan, financial guarantee and other items as required for the stormwater BMPs must be submitted before a building permit is issued
4. The 22 parcels shall be consolidated into two parcels with Carlton County prior to the building permit being issued.
5. Copies of the access permit from Carlton County must be submitted prior to the issuance of the building permit.
6. A sign permit will be needed prior to the installation of any signage on the site.
7. The School District will pay for the relocation of the fire hydrants on Washington Avenue at 18th and 22nd Streets.
8. The Wetland Conservation Act requirements for filling the wetlands must be finalized prior to the building permit being issued.
9. Copies of the permits from the US Army Corp of Engineers must be submitted prior to issuance of the building permit.
10. Completion of traffic and access study and findings of the study are implemented as necessary.

SKYLINE BOULEVARD LANDSCAPE BID

MOTION: Councilor Kolodge moved and Councilor Langley seconded the motion to authorize the advertisement of bids to complete the Skyline Boulevard Landscape Improvement Project. The motion carried unanimously (7-0).

LAKE SUPERIOR WATERLINE HYDRAULIC STUDY PROFESSIONAL SERVICE AGREEMENT

MOTION: Councilor Rock moved and Councilor Kolodge seconded the motion to authorize the hiring of MSA Professional Services to complete an updated hydraulic study for the Lake Superior Waterline from Pump Station #2 to Cloquet in the amount of \$15,000. The motion carried unanimously (7-0).

PUBLIC COMMENTS

Roland Bromberg, 819 Washington Avenue, addressed the Council regarding the Kwik Trip project.

COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES

There were none.

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

Brian Fritsinger, City Administrator

Mayor's Proclamation

City of Cloquet

WHEREAS, Young Life was officially created in 1941 with an emphasis on showing kids and young adults that faith in God can be fun, exhilarating and life changing; and

WHEREAS, Young Life starts with adults who develop friendships and relationships with area youth; and

WHEREAS, The Cloquet Young Life ministry has developed a program for volunteerism and community outreach; and

WHEREAS, On Saturday, April 23, 2016 Young Life has committed to a community clean-up project that will involve local business sponsorships and the cleaning and picking up of city parks, trails, sidewalks and other property; and

WHEREAS, Such a community project helps develop future leaders from these volunteers and further allows the community to provide safe and clean recreation opportunities to its citizens.

NOW, THEREFORE, I, Dave Hallback, Mayor of the City of Cloquet, do hereby proclaim

Saturday, April 23, 2016 as Young Life Day in Cloquet, Minnesota.



Dave Hallback, Mayor
City of Cloquet



ADMINISTRATIVE OFFICES

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

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Nancy Klassen, Finance Director
Reviewed/Approved by: Brian Fritsinger, City Administrator
Date: April 11, 2016

ITEM DESCRIPTION: Year End Transfers for 2015

Proposed Action

Staff recommends the Council move to authorize the transfers for 2015 as detailed in the April 11, 2016 staff report.

Background/Overview

The council reviews and approves transfers for projects and other transactions yearly after the financial statements are finalized.

2015 Capital Improvements – Expenditures are made in certain funds then reimbursed by other funds.

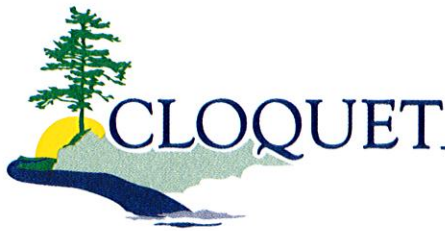
Transfer to the Revolving Capital Projects \$613,182.47 (street projects & brick sales)
from Permanent Improvement \$611,372.47 (street projects)
from Park \$1,500 (brick sales for Vet’s Park)
from Sewer \$310.00 (supplies expense)

2015 Capital Equipment – The transfer is for the utility portion of a dump truck purchased by the Street Department.

Transfer to Public Works Reserve \$27,000
from Water \$17,050
from Sewer \$9,950

Fund balance & future capital outlay – The General Fund is fully funded in accordance with the Fund Balance Policy. The Fund Balance Policy allows the Council to transfer amounts to a capital projects fund for a specific purpose or internal “savings” for the CIP. The City Administrator and Finance Director would like to direct the positive 2015 General Fund operating results to the following funds for budgeted fund balance purposes and to fund future building facilities planning.


Transfer to Building Facilities Plan Fund \$350,000
Transfer to Library Fund \$75,000
from General Fund \$425,000



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REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Brian Fritsinger, City Administrator 
Date: April 13, 2016

ITEM DESCRIPTION: Authorization of Director of Public Works/City Engineer Hiring Process

Proposed Action

Staff recommends that the City Council move to authorize the hiring process for the Director of Public Works/City Engineer position.

Background/Overview

The City has received notice of the pending retirement of its Public Works Director/City Engineer. This position currently serves as a department head overseeing both the functions of Public Works and Engineering. The retirement date is tentatively scheduled for June 3, 2016.

This is a non-union position and may or may not be filled as part of an external hiring process. Existing staff will be eligible to apply for the position as part of the process. In the case that the City decides to pursue an external process, there is a great deal of work involved and yet to take place. Authorization by Council simply allows staff to proceed with the process. The Council will make the final hiring decision at a later date.

Staff has discussed and analyzed the organizational structure of the Public Works and Engineering departments. While there are some changes and adjustments to be proposed in the future, there are no significant changes to the position or duties and responsibilities proposed at this time. As a result, staff would like to proceed with the hiring process.

Policy Objectives

The City Council is the final hiring authority of the City. The hiring of this position is consistent with previous actions of the Council and supports a variety of priorities and strategies as previously adopted by the City Council.

Financial/Budget/Grant Considerations

The position is funded and included in the 2016 adopted budget. Wages and benefits for this position will range from \$95,000 to \$136,000.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached


None.



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REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Caleb Peterson, Assistant City Engineer
Reviewed by: Brian Fritsinger, City Administrator 
Date: April 12, 2016

ITEM DESCRIPTION: Holmes Drive/TH 33 Frontage Road Mill & Overlay.

Proposed Action

Staff recommends the City Council move to adopt **RESOLUTION 16-34, ORDERING THE IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS FOR THE MILL AND OVERLAY OF THE TRUNK HIGHWAY 33 FRONTAGE ROAD/HOLMES DRIVE/8TH STREET FROM DODDRIDGE AVENUE TO TRUNK HIGHWAY 33.**

Background/Overview

As part of the City's 5-Year Capital Improvement Program (CIP) and approved budget, plans are proposed to mill and overlay the Trunk Highway 33 Frontage Road, otherwise known as Holmes Drive, from Doddridge Avenue south to the DNR building at Hwy 33. This section of roadway was originally constructed by the Minnesota Department of Transportation and turned back to the City in the mid 1980's. In recent years, the pavement surface has shown signs of considerable distress resulting in numerous potholes along the route. With no evidence of structural failure present, the recommended treatment is a simple mill and overlay of the pavement surface in order to provide improved ride quality.

Currently sidewalk exists along only portions of the route. As the only north/south pedestrian way with access to the business district along the Highway, completing this network was identified as a priority route in the Cloquet Community Trail Plan. As part of this project, staff is proposing to fill in most of the "gap" which currently exists between Arby's and McDonald Rental. The new walk will need to be 5 feet wide located directly behind the existing curb barring the acquisition of additional right-of-way. It should be noted that two problem areas currently exist along the corridor which will limit the ability to complete the entire sidewalk network as part of this project.

Arby's to L&M Entrance

The area south of Arby's along Frandsen Bank and the adjacent vacant lot have a number of obstructions directly behind the curb including: one power pole, a private parking lot light, a pylon sign and an abandoned street light foundation. Steep grades and a landscaping bed located directly behind the curb also provide an additional challenge. Given the Scope of excavation and retaining wall work which would be required in order to construct this portion of walk, staff feels this portion of the project would be best suited as part of future redevelopment or stand-alone project.



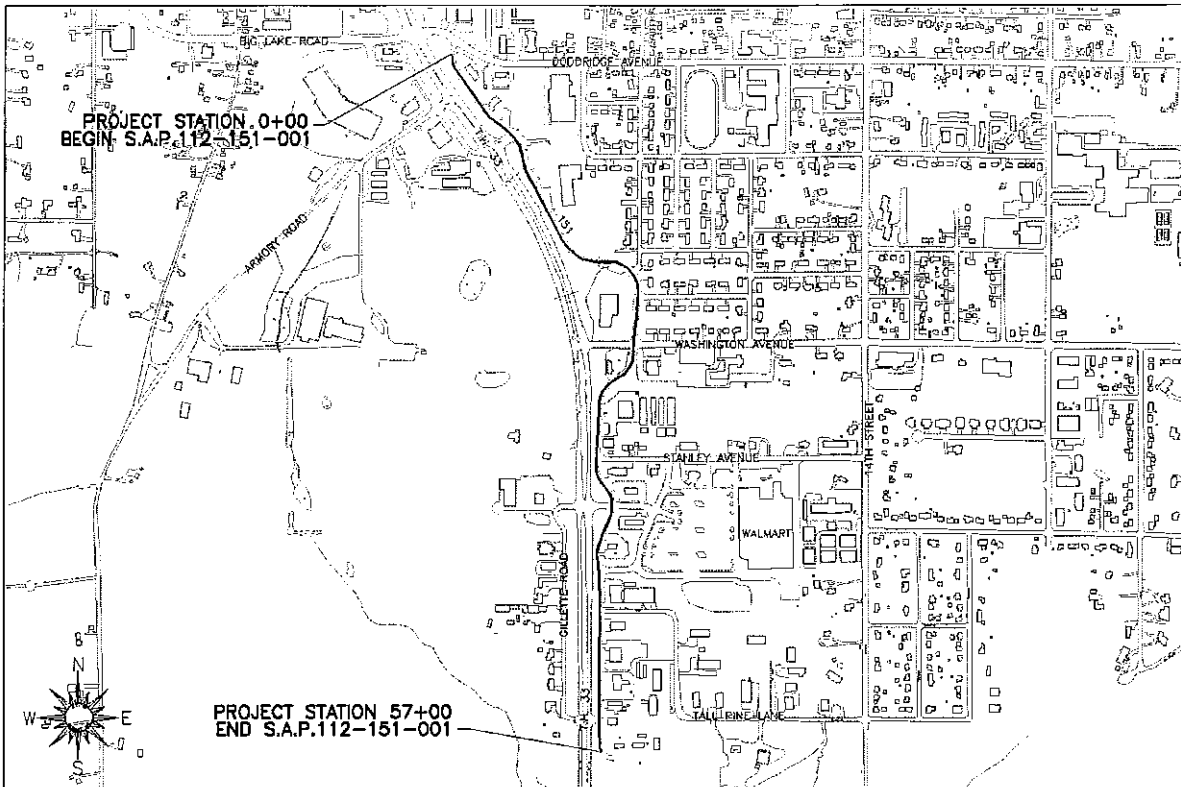
Tall Pine Lane to DNR

Currently no sidewalk exists south of Tall Pine Lane. Given the lack of curb and multiple drainage issues along this stretch of roadway, the addition of a sidewalk would not be feasible as part of the planned 2016 improvements.



City Code does not require assessments to be levied for this type of project and as such a formal public hearing is not required. All property owners and business along the route have been invited to attend one of two informal public information meetings scheduled for 9:00am and 6:00pm Thursday April 14th.

Proposed Project Map



Policy Objectives

To advance proposed capital improvement projects.

Financial/Budget/Grant Considerations

The approved 2016 Budget and Capital Improvement Plan (CIP) include an estimated cost for this project of \$360,000. The current engineer's estimate for the project is \$280,000 all of which is proposed to be funded using Municipal State Aid. City Code does not require the assessment of mill and overlay or sidewalk projects along State Aid Routes in the urban district.

Advisory Committee/Commission Action

N/A

Supporting Documentation Attached

Resolution 16-34

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

RESOLUTION NO. 16-34

**RESOLUTION ORDERING THE IMPROVEMENT AND PREPARATION OF PLANS
AND SPECIFICATIONS FOR THE MILL AND OVERLAY OF THE TRUNK
HIGHWAY 33 FRONTAGE ROAD/HOLMES DRIVE/8TH STREET FROM
DODDRIDGE AVENUE TO TRUNK HIGHWAY 33.**

WHEREAS, The City has made plans to mill and overlay the TH 33 Frontage Rd from Doddridge Avenue to TH 33; and

WHEREAS, The City Engineer has identified a need to maintain the aging and deteriorated roadway; and

WHEREAS, The sidewalk extensions proposed as part of the project were identified as a priority improvement in the City's adopted Community Trail Plan; and

WHEREAS, written notice was mailed to all adjoining property and business owners inviting them to participate in an informal public information meeting held on April 14, 2016.

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

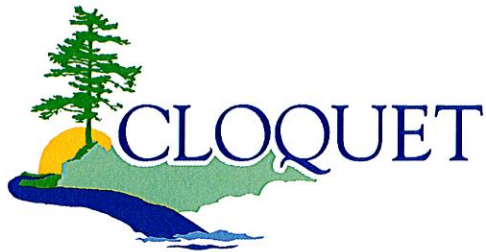
1. Such improvement is necessary, cost effective, and feasible as detailed by the City Engineer.
2. The City Engineer is hereby designated as the engineer for this improvement and shall prepare plans and specifications for the making of such improvement.
3. Such improvement is hereby ordered and the City Engineer is hereby authorized to solicit bids for construction.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET
THIS 19TH DAY OF APRIL, 2016.**

Dave Hallback, Mayor

ATTEST:

Brian Fritsinger, City Administrator




COMMUNITY DEVELOPMENT DEPARTMENT

1307 Cloquet Avenue • Cloquet MN 55720

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

www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Al Cottingham, City Planner/Zoning Administrator
Reviewed/Approved By: Brian Fritsinger, City Administrator 
Date: April 13, 2016

ITEM DESCRIPTION: ZONING CASE 16-04: CONDITIONAL USE PERMIT – NATHAN RADOUSH, TWO FAMILY DWELLING IN THE R1 – SINGLE FAMILY RESIDENCE DISTRICT

Proposed Action

Staff recommends the City Council move to adopt **RESOLUTION NO. 16-35, A RESOLUTION APPROVING THE CONDITIONAL USE PERMIT FOR NATHAN RADOUSH FOR A TWO FAMILY DWELLING IN THE R1 – SINGLE FAMILY RESIDENCE DISTRICT.**

Background/Overview

Nathan Radoush is proposing a conditional use permit to allow a two family dwelling in the R1 – Single Family Residence District. The property involved is located south of Grant Avenue and west of 22nd Street. Mr. Radoush would like to construct a new two family dwelling on the vacant lot to the southwest of the cul-de-sac.

A public hearing was held on Tuesday, April 12, 2016 to consider a conditional use permit for a two family dwelling in the Single Family Residence District. A legal notice was published in the Pine Journal on March 31, 2016 and property owners within 350 feet were sent notices of the public hearing.

Policy Objectives

The Zoning Ordinance states Conditional Use Permits may be granted when they comply with the following approval criteria: *(Staff comments in italic)*

- 1. Consistency with the Comprehensive Plan. The relationship of the proposed use to the goals, objectives, and policies of the City of Cloquet Comprehensive Plan.** *The proposed site is guided as Low Density Residential. For the purposes of the Comprehensive Plan, acceptable land uses include single-family detached residences, duplexes, twinhomes, religious institutions, parks, essential services, and other public and semi-public uses that can be sensitively integrated into a low-density residential neighborhood. This dwelling is proposed as a single story side by side structure.*

2. Compatibility. The compatibility of the proposed use with existing development within three hundred (300) feet of the proposed use and within five hundred (500) feet along the same street and development anticipated in the foreseeable future within the neighborhood and conditions that would make the use more compatible. *The property surrounding this site has single family homes to the north, south, east and west with a vacant lot directly to the east.*

3. Importance of services to the community. The importance of the services provided by the proposed facility to the community, if any, and the requirements of the facility for certain locations, if any, and without undue inconvenience to the developer, and the availability of alternative locations equally suitable. *There is a need for all types of housing within the community.*

4. Neighborhood protections. The sufficiency of terms and conditions proposed to protect and maintain the uses in the surrounding neighborhood. *They are proposing the driveway to access from the cul-de-sac extending south in the 21st Street right of way for a short distance and then turning west to the house.*

5. Conformance with other requirements of this Chapter. The conformance of the proposed development with all provisions of this Chapter. *The proposed location meets all of the requirements of the Zoning Ordinance. There will be adequate off street parking and an oversized garage for each unit.*

6. Other factor. Other factors pertinent to the proposed use, site conditions, or surrounding area considerations that the Planning Commission or the City Council feels are necessary for review in order to make an informed and just decision.

Financial/Budget/Grant Considerations

The Conditional Use Permit fee is \$400. The applicant has paid this fee to cover the cost associated with the application process.

Advisory Committee/Commission Action

The Planning Commission has recommended approval of the Conditional Use Permit subject to the condition in the attached resolution on a 6 – 0 vote.

Supporting Documentation Attached

- Resolution No. 16-35
- Location Map
- Site Plan & House Drawings

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

RESOLUTION NO. 16-35

**A RESOLUTION APPROVING THE CONDITIONAL USE PERMIT
FOR NATHAN RADOUSH FOR A TWO FAMILY DWELLING IN THE R1 – SINGLE FAMILY
RESIDENCE DISTRICT**

WHEREAS, Nathan Radoush is proposing a Conditional Use Permit for a two family dwelling in the R1 – Single Family Residence District; and

WHEREAS, As required by ordinance, notification was advertised in the Pine Journal and property owners within 350 feet were sent notice. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on April 12, 2016 at which time Zoning Case / Development Review No. 16-04 was heard and discussed; and

WHEREAS, the property of the proposed Conditional Use Permit is located south of Grant Avenue and west of 22nd Street and is legally described as follows:

Lot 1, Block 4, City of Cloquet South Side Addition and that part of adjacent vacated portion of Grant Avenue, Carlton County, Minnesota. and

WHEREAS, the Planning Commission reviewed the staff report and recommends approval of the Conditional Use Permit.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, that it approves Zoning Case 16-04 to allow a two family dwelling for Nathan Radoush in the R1 – Single Family Residence District subject to the following condition:

1. A Building Permit is issued prior to beginning any work.

PASSED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 19TH DAY OF APRIL, 2016.

Dave Hallback, Mayor

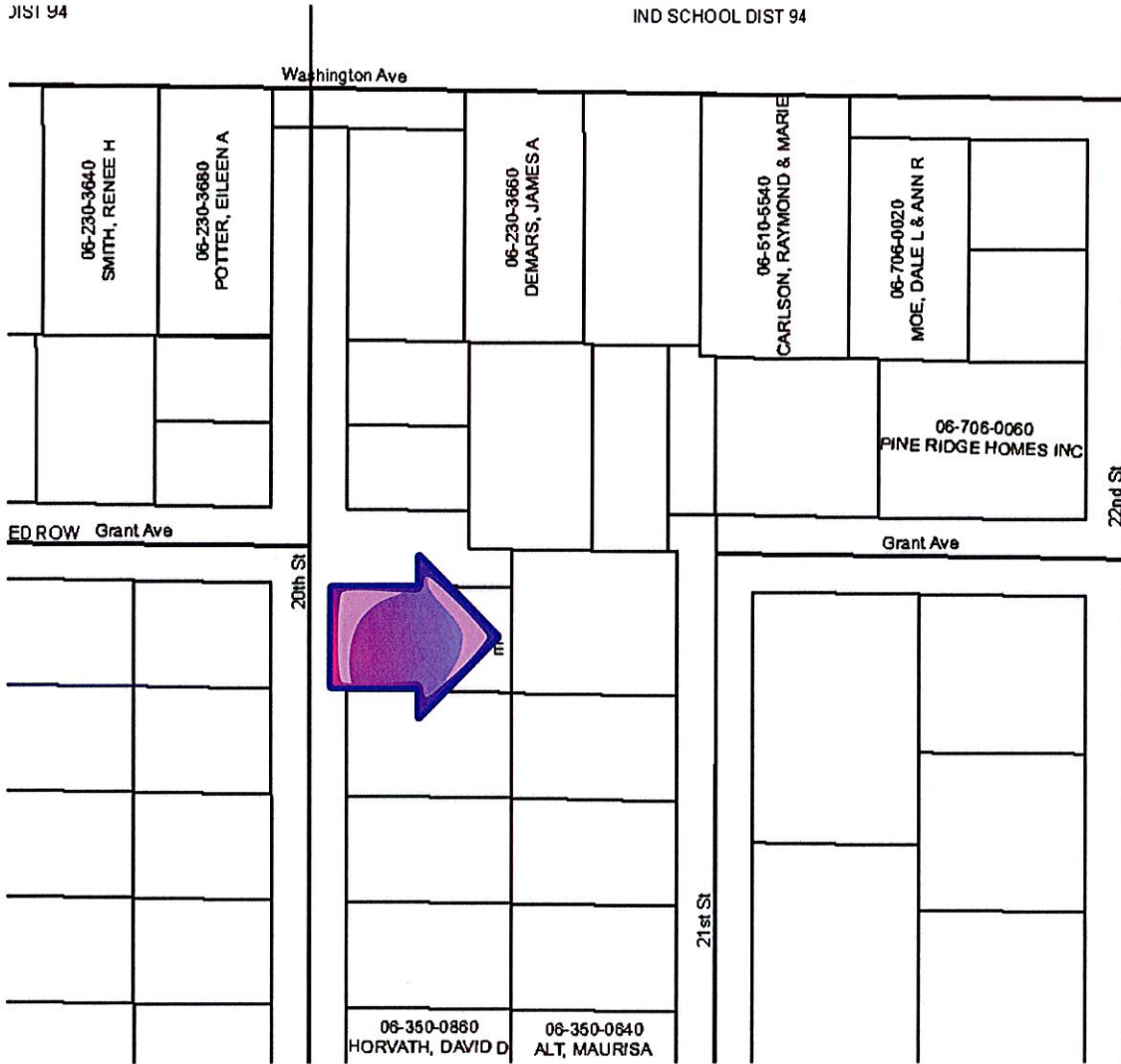
ATTEST:

Brian Fritsinger, City Administrator

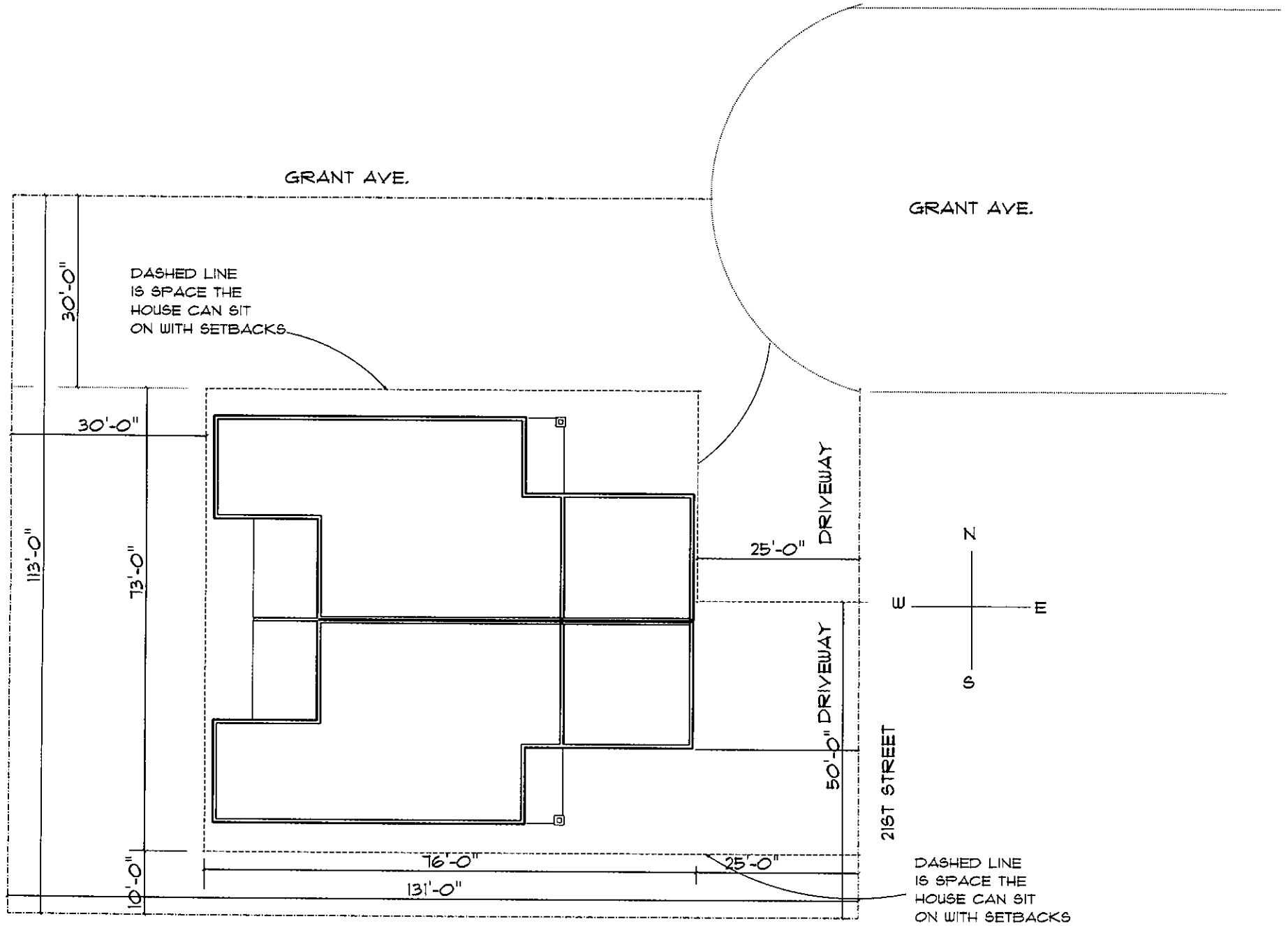
LOCATION MAP

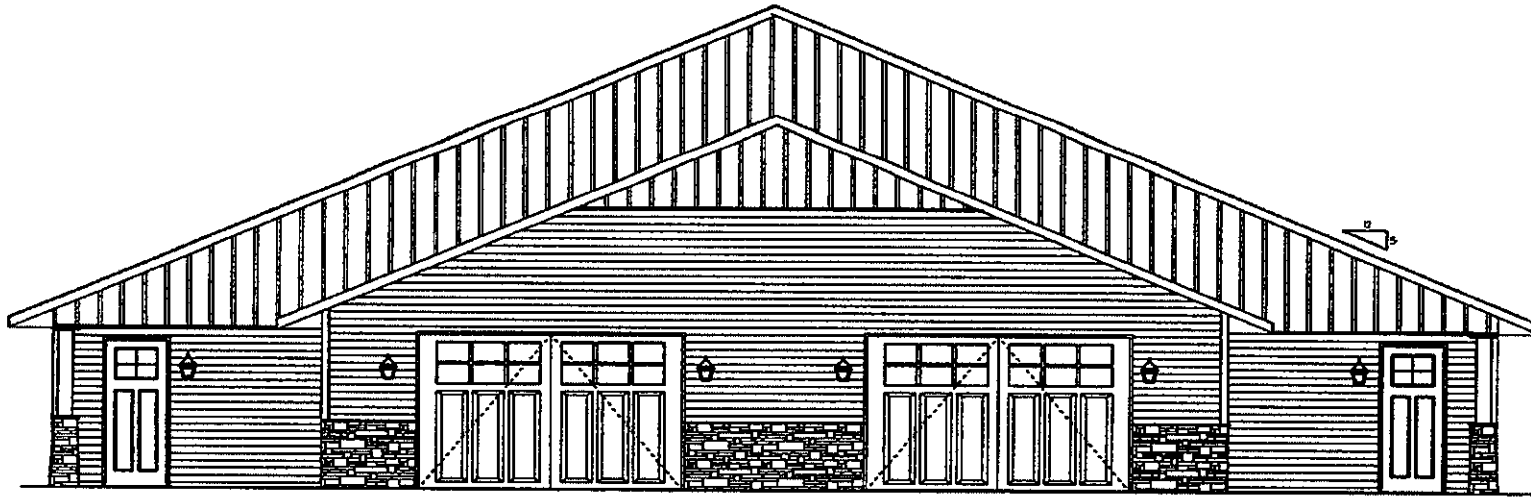
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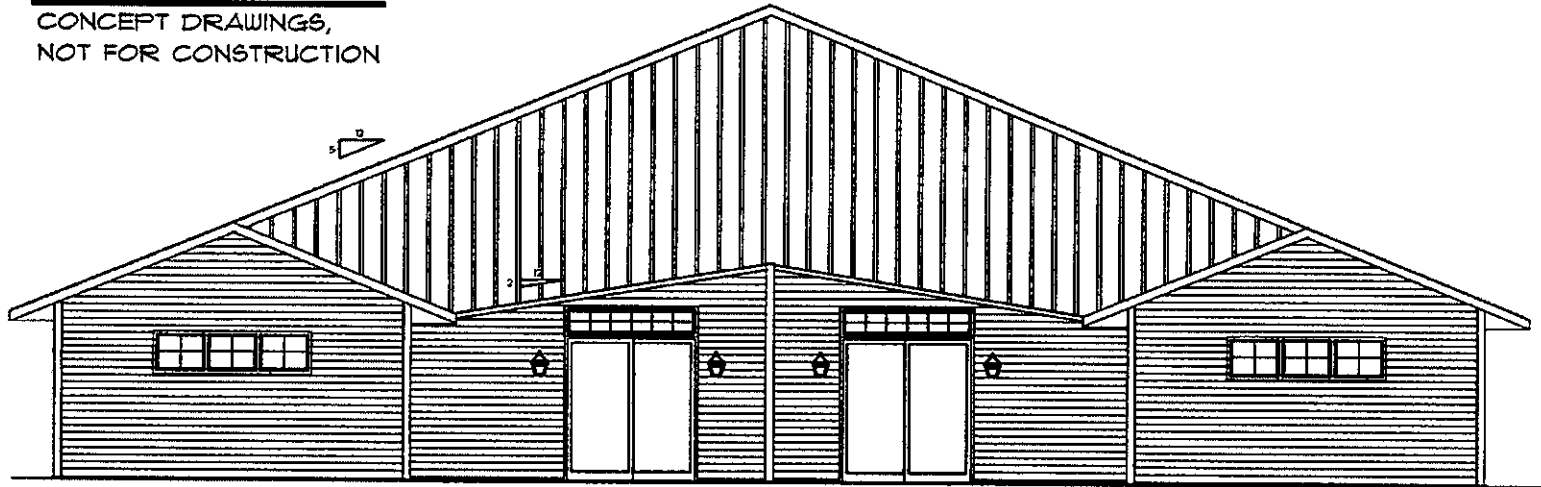
NO SCALE





FRONT ELEVATION

CONCEPT DRAWINGS,
NOT FOR CONSTRUCTION

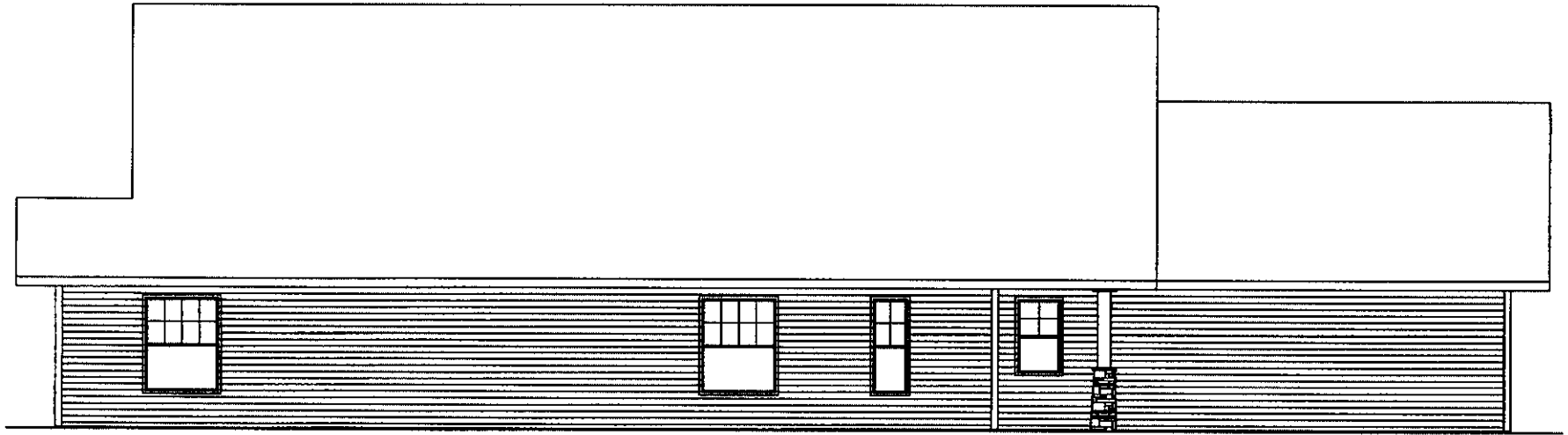


REAR ELEVATION

CONCEPT DRAWINGS,
NOT FOR CONSTRUCTION

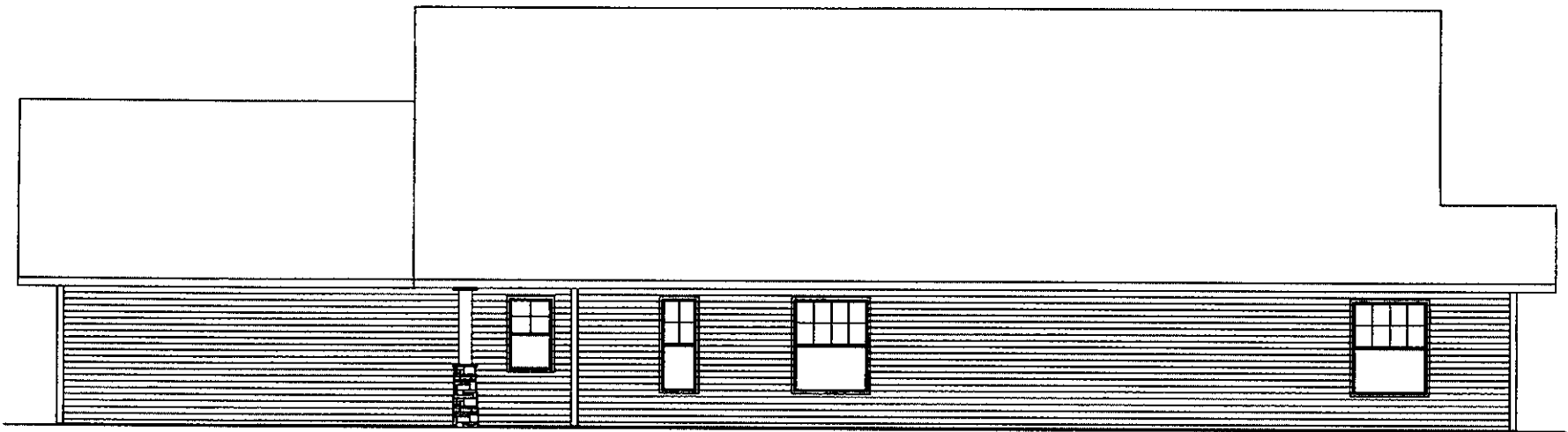
GENERAL NOTES
 ALL WORK TO BE DONE IN ACCORDANCE WITH LOCAL BUILDING CODES
 ALL REQUIRED BUILDING PERMITS TO BE OBTAINED
 A LICENSED GENERAL CONTRACTOR IS RESPONSIBLE FOR HAVING
 ALL PROJECT ENGINEERING DONE FOR THIS HOME
 A LICENSED GENERAL CONTRACTOR IS TO VERIFY ALL EXISTING SITE
 CONDITIONS PRIOR TO START OF CONSTRUCTION
 A LICENSED GENERAL CONTRACTOR IS TO VERIFY ALL PLAN DIMENSIONS
 AND MEASUREMENTS PRIOR TO START OF PROJECT, AND BEFORE ORDERING
 ANY SUPPLIES
 MS DESIGNS AND DESIGNER SHALL NOT BE HELD RESPONSIBLE FOR ANY WINDOW
 OR DOOR ROUGH OPENINGS, CONTRACTOR OR HOMEOWNER MUST VERIFY
 ALL ROUGH OPENINGS WITH TYPE OF WINDOWS AND DOORS BEFORE CONSTRUCTION
 BEGINS
 MS DESIGNS AND DESIGNER ARE NOT RESPONSIBLE FOR ANY DISCREPANCIES THAT
 RESULT IN ERROR OR OMISSION FROM THESE PLANS
 MS DESIGNS REQUESTS THAT ANY DISCREPANCIES OR OMISSIONS FOUND ON THESE
 DRAWINGS BEFORE CONSTRUCTION BEGINS BE REPORTED TO MS DESIGNS
 IMMEDIATELY FOR REVISIONS
 PLANS HAVE BEEN REVISED AND APPROVED BY THE HOMEOWNER OR CONTRACTOR
 HOMEOWNER(S) OR CONTRACTOR ARE AWARE THAT MS DESIGNS HAS DONE THEIR
 BEST TO FURNISH COMPLETE AND ACCURATE PLANS.
 BY SIGNING BELOW THE HOMEOWNER(S) OR CONTRACTOR RELEASES MS DESIGNS AND
 DESIGNER FROM ANY LIABILITY THAT MAY RESULT IN ERROR OR OMISSION ON
 SAID PLANS.

MS DESIGNS FOR RESIDENTIAL HOME DESIGNS <small>PHONE: 781-878-1076 / mdesigns_10@att.net</small>		SHEET INFO. CONCEPT DRAWINGS, NOT FOR CONSTRUCTION	
DRAWN BY: MINDY SONNEMAN JOB TYPE: TOWNHOME		DATE: 3-16-16	1
JOB NAME: NATHAN RADOUSH		REVISION:	



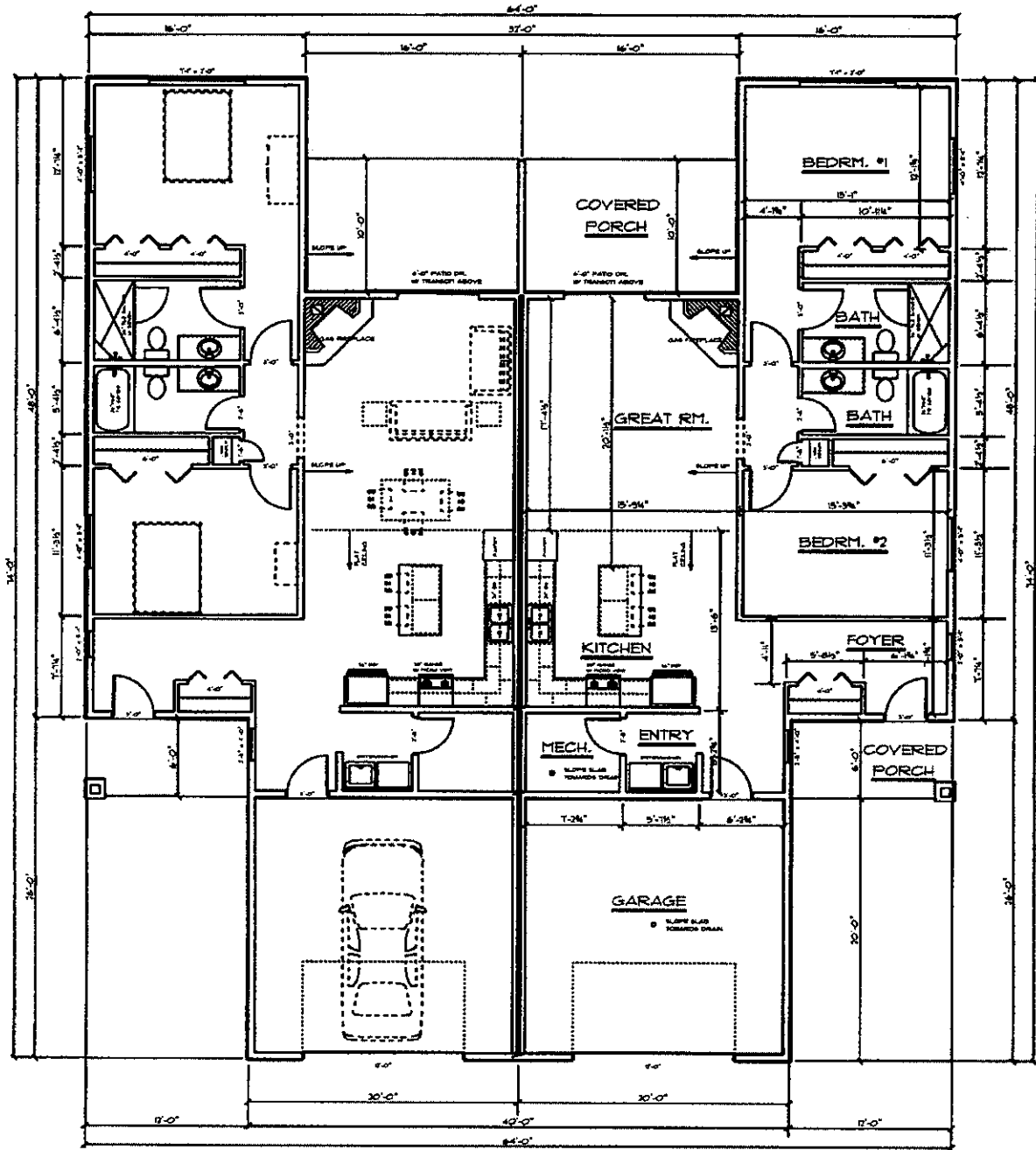
LEFT ELEVATION

CONCEPT DRAWINGS,
NOT FOR CONSTRUCTION

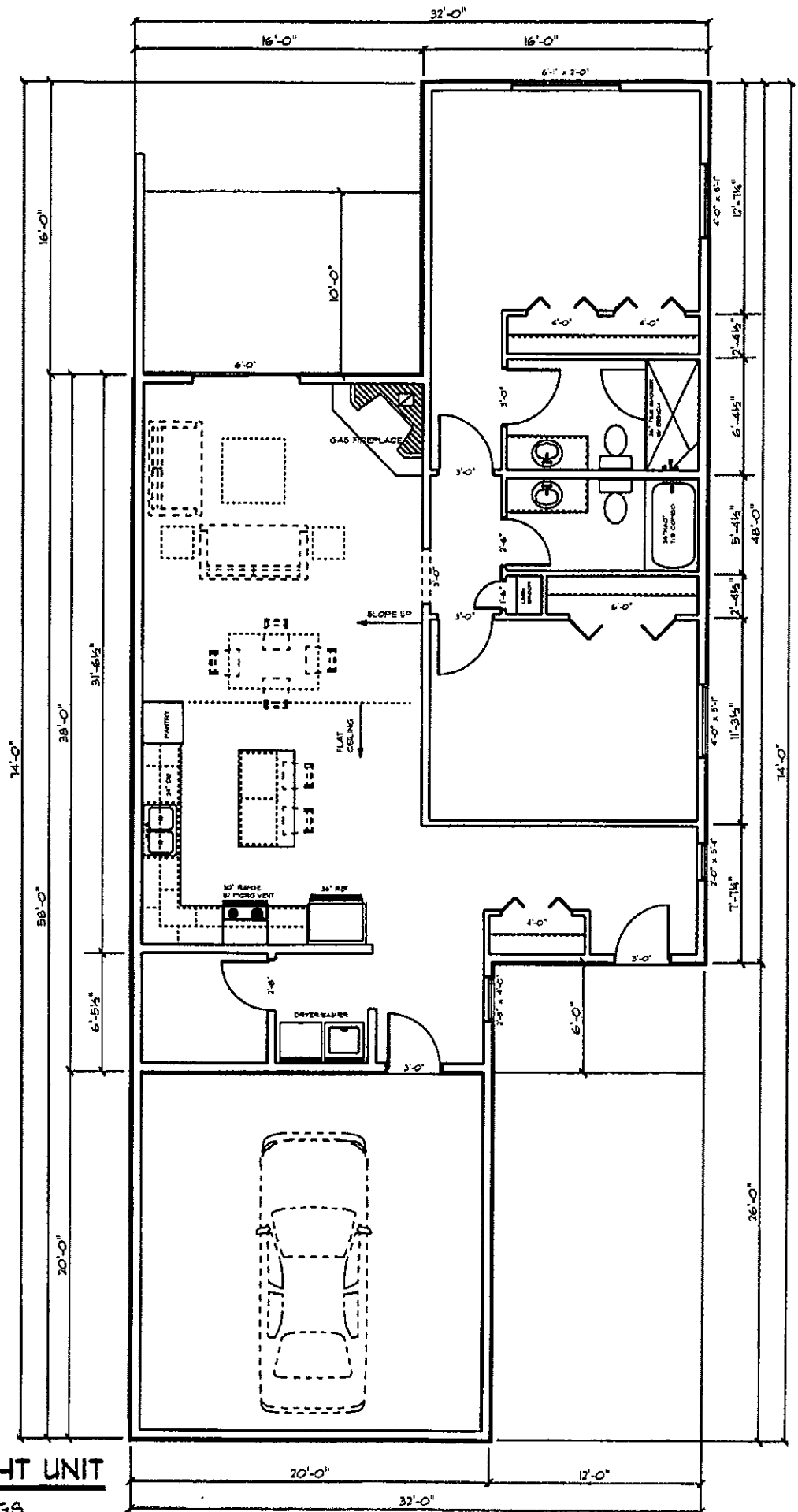


RIGHT ELEVATION

CONCEPT DRAWINGS,
NOT FOR CONSTRUCTION



MAIN LEVEL LAYOUT
 CONCEPT DRAWINGS,
 NOT FOR CONSTRUCTION



MAIN LEVEL RIGHT UNIT
 CONCEPT DRAWINGS,
 NOT FOR CONSTRUCTION



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To: Mayor and Cloquet City Council
From: Holly Butcher, Community Development Director
Reviewed by: Brian Fritsinger, City Administrator (signature)
Date: April 13, 2016

ITEM DESCRIPTION: HWY 33 RETAIL PROJECT AGREEMENTS

Proposed Action

Staff recommends the City Council provide formal written Notice of Termination of Option Agreements with the Nels Nelson and Cloquet DNR properties due to formal termination of the Preliminary Development Agreement by the Developer (Ryan Companies) with the City. Secondly, staff recommends written notice to the County Auditor related to the Letter of Understanding.

Background / Overview

PRELIMINARY DEVELOPMENT AGREEMENT

The Preliminary Development Agreement with Ryan Companies was three years in term through February 2017 during which they were to actively market the DNR / Nels Nelson site to the commercial retail industry and conduct various site due diligence work including:

- Marketing of the site to commercial retailers
- If one or more suitable anchor tenants are identified for the development, preparation of a site plan
- Engineering and other site analysis
- Preparation of financial plan related to acquisition, construction, and identification of any public financial participation
- Preparation of achitectural drawings
- City would negotiate a final Development Agreement with the Developer
- If a final site plan is approved by the Council, the City would encumber the DNR property and transfer ownership to the Developer and ownership of the Nelson property would be assigned to the Developer
- City processes for zoning and building would be initiated

The Agreement outlined terms under which the City would buy the DNR site and then transfer ownership to the Developer, as the DNR site by law can only be sold to another public agency. In the case of the Nelson property, the City would have assigned ownership to the Developer if an anchor tenant would have been found for the site.

A Preliminary Development Agreement has essentially been a marketing Agreement for the City's Developer to secure tenants. If successfully secured, the City would have entered into a formal Development Agreement with the Developer. The Option Agreements are structured in a manner that owners agree to not sell to someone else and agree to work with the City during the project period related to the Developer. Option Agreements work to the City's benefit in tying up property, also to a Developers benefit.

When it comes to Preliminary Development Agreements, they inherently provide the opportunity for the Developer to terminate the Agreements and walk away if they are unable to secure market interest. This logic also applies to Option Agreements since they also work in a manner that if they are not exercised within the effective period by the Developer, they also terminate.

In reviewing the Agreement, there is no specific provision that allows Ryan Companies to specifically terminate the Preliminary Development Agreement. However, Section 1 of the Agreement says that the Agreement is preliminary in nature and that the purpose of the Agreement is to provide time for Ryan Companies to refine its development proposal and to negotiate the terms of a full Development Agreement. It further states that neither party is obligated to enter into a Development Agreement unless it (Ryan Companies) determines to do so in its sole discretion. Section 9 states that if a Development Agreement has not been executed by the end of the term of the Agreement, which coincides with the Nels Nelson and DNR Option Agreements, the Preliminary Development Agreement terminates and neither party has any further obligations under the Agreement to the other party. In summary, what Ryan Companies is doing by providing the City with a Termination Notice is notifying the City that they have no intention to enter into a Development Agreement. Rather than wait until the end of the terms of the Option Agreements to terminate the Preliminary Development Agreement, they have terminated it now because they have been unsuccessful in their effort to develop the site. Lastly, Section 3 states that Ryan Companies will make the payments under the Nels Nelson Option but if it doesn't do so, the City may terminate the Preliminary Development Agreement. Their termination of the Preliminary Development Agreement will cease payments to the Nelsons which is a default of the Agreement and the City is not obligated to continue those payments.

NELSON AGREEMENT

The Nelson Agreement provides the City with a three-year Option Agreement during which carrying costs of their property are neutralized by the Developer **who is responsible for paying**

the taxes, insurance and utilities (\$8,000 annually). There is an option to extend this Agreement by one year, to cover a fourth year if the Developer is engaged in negotiations with a major anchor tenant for this commercial development. There is also a purchase Agreement price identified in the Agreement of \$1 million. The Nelsons require no relocation, further, it has been added to the Nelson Agreement that no future tenants are entitled to relocation benefits. The City has no obligation to pay for such delinquent taxes unless it agree's to do so under the terms of the Agreements in the future. The City can terminate the Agreement during the option term by written notice.

COUNTY AUDITOR LETTER OF UNDERSTANDING

Previously unpaid and delinquent property taxes exist on the Nelson property. As a result, the County and City have a Letter of Understanding Agreement related to the City's ongoing and active efforts related to finding a viable business use for the property.

With formal termination notice being received by the Developer, the City has informed the County Auditor of the property status and inability of the retail market to consider the site. The County Auditor has provided the City the remainder of 2016 to continue business discussions and if unsuccessful will plan to forfeit in late 2016.

DNR AGREEMENT

The DNR Option Agreement allows the City and Developer to market the property to the commercial retail industry for a period of three years with an option to extend to a fourth year if the Developer is engaged in negotiations with a major anchor tenant for this commercial development. The Agreement also requires the City to expend funds to investigate site characteristics and other due diligence activities. If an anchor tenant is identified for the site and approved by the City, under terms of the Agreement the DNR and City agree to a purchase price based on the state's property appraisal process outlined in Mn. Stat. 94.10(b). In the meantime, the DNR and City will begin preliminary work on establishing a viable relocation site in the Cloquet Business Park for the DNR, thus retaining the important job impact of the DNR within the City.

PROJECT STATUS UPDATE

To date, the developer has struggled to gain any traction or interest from the major or junior anchors to this site due to changes in the retail market and economy. Combined with unreasonably high land acquisition and relocation costs associated with the DNR property and high gas pipeline relocation costs on the Nels Nelson property have led to the end of the project opportunity with this developer.

CLOQUET DNR UPDATE

As the Council is aware, a critical 2015 work element related to the Hwy 33/I-35 Retail Marketing was the DNR Schematic Design Project which was conducted by LHB. As part of this project, it yielded the baseline cost of a new building for the Cloquet DNR. LHB's work was critical to Ryan Companies as it provided a clear financial picture of what would be required to relocate the Cloquet DNR (at the developers cost by building a new building for them) in addition to paying for their land (costs which would be applied toward their new building).

In summary, as shown to the City in the spring of 2015, the baseline costs at the lowest level acceptable to the Cloquet DNR was a new facility constructed in the Cloquet Business Park at a cost of \$3.7 million (with land acquisition costs directly applied to construction). In short, these cost requirements of the the DNR simply make the project unviable for the development community related to land acquisition / relocation costs. On March 2nd, City staff and EDA President Ross Peterson met with the DNR in St. Paul. The DNR confirmed it has no interest in looking at the project in any different manner and that their existing office complex is fine and will not trigger any different building plans in the near future initiated out of DNR.

RETAIL MARKET UPDATE

The second ongoing issue is Cloquet's market has been unable to gain traction from either major or junior retail anchor tenants to this site. City staff spoke directly this spring with: Cabelas, Lowes, Costco, Target, Kohls, and TJX (Marshalls, TJ Maxx, Home Goods). In short the retail market continues to contract and be interested in co-location in regional shopping mall areas (e.g. Miller Hill Mall area in a centralized shopping hub).

Staff also reached out to developers who work on outlet mall projects who expressed the concern if Cloquet's existing retail corridor is enough of retail concentration to successfully support an outlet mall. The comment was related to stand alone style outlets (e.g. North Branch) which were constructed 15 years ago with no other nearby retail and are not developed in that way anymore.

When outlets first came online 15 years ago, due to competition concerns, they had to locate 100 miles from major mall areas so not to impact competition with malls. Those restrictions are no longer in place and outlets and malls co-locate and do well in proximity with other retail concentration.

Being the horizon is not promising, Ryan Companies has no viable development leads and no interest to continue to pay on the existing Option Agreements. As a result, Ryan Companies has notified the City that it has terminated their Preliminary Development Agreement with the City effective 3/31/16. As a result of this termination, it in turn affects all other agreements related to the project including:

- DNR Option Agreement (DNR)
- Nelson Option Agreement (Nelson)
- Carlton County Auditor Letter of Understanding (LOU)

Policy Objectives

Retail development is one aspect of the Cloquet economy. The specific redevelopment of this site has been identified in the Comprehensive Plan and has been a priority project of the Cloquet EDA (Strategic Plan) and City Council (annual Council Retreat Action Plans) for the past six years.

Financial/Budget/Grant Considerations

None.

Advisory Committee/Commission Action

At their April 13th meeting, the Cloquet Economic Development Authority (EDA) voted 7-0 to recommend to Council that formal written termination notice be provided to the DNR and Nels Nelson family. In the short term, the Nels Nelson parcel does still present the opportunity for the owners and staff to continue discussions with area businesses in need of expansion opportunities. The EDA will continue to prioritize efforts in this regard.

Supporting Documents Attached

- Ryan Companies Termination Notice Effective 3/31/16

WWW.RYANCOMPANIES.COM

RYAN COMPANIES US, INC.
50 South Tenth Street, Suite 300
Minneapolis, MN 55403-2012



612-492-4000 *tel*
612-492-3000 *fax*

March 28, 2016

City of Cloquet, Minnesota
1307 Cloquet Avenue
Cloquet, Minnesota 55720-1656
Attn: Mayor and City Administrator

Re: Notice of Termination of Preliminary Development Agreement dated February 18, 2014,
(the "Agreement"), by and between the City of Cloquet, Minnesota (the "City"), and
Ryan Companies US, Inc. ("Ryan")

Dear Sirs:

Please be advised that Ryan hereby terminates the Agreement. We appreciate the opportunities under the Agreement, and regret that a viable deal could not come together.

Should you have any questions regarding this notice, please contact me or Audra Williams, our internal counsel in this matter.

Sincerely,

Tony Barranco
Vice President, Development
Ryan Companies US, Inc.


C: H. Butcher, via e-mail
A. Williams, via e-mail



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

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Brian Fritsinger, City Administrator 
Date: April 6, 2016

ITEM DESCRIPTION: City Council Goals Update

Proposed Action

Staff recommends that the City Council review and discuss the status of the efforts to complete the various goals and strategies as established for 2016-2018 by the City Council.

Background/Overview

Attached the City Council will find the Implementation Steps resulting from the 2015 City Council/Department Head Retreat where goals and strategies were developed and adopted. While it has been some time, staff wanted to provide an update to the goals. The Council continues to review the implementation strategies per discussion at the retreat, whereby the goals will be added as an item to each City Council meeting simply for the purpose of keeping the goals and strategies in front of everyone. It will provide opportunity for discussion or clarification for all parties involved or simply acknowledgement of any accomplishments.

All priorities are up to date in terms of status and/or completion.

Policy Objectives

The City adoption of priorities and goals is important to the City as a tool to assist with the development of long range service plans. This in turn allows the City to allocate resources and plan for any financial implications related to the pursuit of such goals. Regular review of the goals and making those goals available for the public's information can assist the City with efforts related to transparency, engaging the public and to identify potential parties that may be able to assist with related efforts.

Financial/Budget/Grant Considerations

None.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Summary 2016-2018 Goals and Strategies Implementation Steps

Strategic Priority 1: Financial Stability

Key Outcome Indicator: LGA Usage; Target 50% by 12/2020

Initiative B: Develop LGA Operational Reduction Strategy

Actions	Measure of Success	Who's Responsible	Target Date
History of LGA changes.	Worksheet showing City's LGA certified and actually received.	Finance Director	COMPLETE
Determine current % of operating budget covered by LGA.	Calculation of current %.	Finance Director	5-30-2016
Forecast LGA and other operational items.	Worksheet/graph with forecast.	Finance Director	5-30-2016
Develop options to shift LGA revenue away from operating budget.	Worksheet showing options.	Finance Director	5-30-2016
Monitor and adjust yearly or sooner if necessary.	Options incorporated into budget schedules.	Finance Director	Yearly during budget process

Strategic Priority 1: Financial Stability

Key Outcome Indicator: Forecasted Budget; Target: Operating Budget Within 10% of Adopted Budget

Initiative C: Create/Establish a Budget Monitoring Plan

Actions	Measure of Success	Who's Responsible	Target Date
Establish draft procedures for monitoring and reporting budget to actual results.	Draft document outlining the procedures for reporting budget variances.	Finance Director	11-30-2016
Review draft with City Administrator and Department Heads.	Draft presented at department head meeting.	City Administrator Finance Director Other Department Heads	1-30-2017
Budget entered into system more accurately by month.	Budget in system timed to actual month closer.	Finance Director	1-30-2017
Department Heads responsible for monitoring their budgets and explaining variance to the Finance Department.	Department Heads are reporting variances to Finance for inclusion in the monthly financial report to the City Administrator.	Department Heads	1-30-2017
Quarterly departments report to Council for over/under budget items for their departments if determined to be significant variances.	Quarterly reports to Council by Department Heads for significant variances.	Department Heads	End of Quarter 1, 2017 (May 2017) and quarterly thereafter.

Strategic Priority 2: Economic Development

Key Outcome Indicator:

Retention Rate Target: No Net Business Loss

Initiative A: Develop a Comprehensive Business Retention/Outreach Program

Actions	Measure of Success	Who's Responsible	Target Date
Conduct ongoing BRE Visits (city, chamber, county)	Visit 3 businesses quarterly (1/month).	Kelly Zink Holly	09-30-2015 ONGOING
Conduct business exit interviews to ID issues experienced	Develop exit interview. Monitor media/local beat to analyze who is or has gone out of business, then ID who will take the lead in contacting the business to inquire / schedule exit interview.	Holly Kelly Connie	09-30-2015
Survey major businesses to ID supply chain vendors who may be interested in starting a business in Cloquet.	Initiate / outreach to different companies identified that are currently not here but were identified as a supply vendor need.	Holly EDA	12-31-2015 ONGOING
Ensure that Cloquet land and building opportunities are online	Quarterly scan Northland Connection property listings to ensure their accuracy.	Holly EDA	ONGOING
Ensure that regional economic development partners are aware of opportunities in Cloquet (e.g. APEX, Northspan, Entrepreneur Fund etc.)	Ongoing quarterly communications with agency contacts.	Holly EDA	9-30-2015 ONGOING

Strategic Priority 2: Economic Development

Key Outcome Indicator: Downtown Reinvestment Target: 10% Reduction Storefront Vacancies; 15 Storefront Renovations

Initiative C: Conduct Outreach to Downtown Property Owners

Actions	Measure of Success	Who's Responsible	Target Date
Hold property owner input sessions for Cloquet Avenue properties	ID major barriers needs and opportunities for Cloquet Avenue District and educate property owners on existing City programs and other tools or possibilities to accomplish goals (e.g. SSDs)	Holly EDA	9-30-2015
Hold property owner input sessions for West End Business properties	ID major barriers needs and opportunities for the West End Business District. Educate property owners on existing City programs and other tools or possibilities to accomplish goals (e.g. SSDs)	Holly EDA	9-30-2015
Review all Downtown barriers and needs identified in the input sessions with the EDA and Council.	Plan developed to encourage future revitalization and reinvestment in the downtown commercial areas by private interests.	Holly EDA City Council	6-30-2016

Strategic Priority 3: Community Vision

**Key Outcome Indicator: Focused Community Vision Target:
Community Approved Vision In Place by 8/2016**

Initiative A: Develop a Comprehensive Community Vision Process

Actions	Measure of Success	Who's Responsible	Target Date
Develop a community vision team or committee (Chamber of Commerce/City/Community/Business members/EDA)	Team in Place City Council appoint teams	City Council	11-30-2015
Identify our current stakeholders and who may be missing from team	Stakeholders identified	Community Vision Team	12-31-2015
Seek out unidentified, prospective stakeholders—look for buy-in	Verify stakeholders	Community Vision Team	1-30-2016
Review current processes in effect to draw and build on the methods.	Analysis of current processes used by the City, if any	Community Vision Team	2-28-2016
Compose a list of how we are currently connecting with the community	Analysis of current processes used by the City, if any	Community Vision Team	2-28-2016
Seek out other cities with similar characteristics and review what processes they are currently using	List of other Cities and techniques they use to engage the public identified	Community Vision Team	2-28-2016
Develop a strategy to engage community to gather input	City Council approve a strategy	City Council	3/30/2016

Strategic Priority 4: Effective Governance

Key Outcome Indicator: Collaboration With Neighboring Communities and Local Governments; Target: Major Analysis with Scanlon completed by July 15, 2015 and BLASD JPA Resolves July 1, 2015

Initiative D: Develop Collaborative Approaches with Neighboring Communities/Local Governments

Actions	Measure of Success	Who's Responsible	Target Date
The City Council Create an Internal Ad Hoc Merger Committee	The committee membership is identified by the Council.	City Council	5-01-2015 COMPLETE
Obtain Proposal for Preliminary Merger Consultation Services	The City has obtained at least one proposal for this service from a qualified firm.	Brian	6-05-2015 COMPLETE
Present Merger Consultation Proposal to the Scanlon City Council	The Scanlon Council has received and taken action on the proposal.	Scanlon Mayor Johnson	7-01-2015 COMPLETE
Present Merger Consultation Proposal to the Cloquet City Council	The Cloquet Council has received and taken action on the proposal.	Brian/City Council	7-01-2015 COMPLETE
Complete the Preliminary Merger Analysis	The consultant has completed an analysis of the critical issues related to the merger and presented such findings to the City Council	Consultant/Brian/ City Council/Al C Department Heads	9-01-2015 4-01-2016
Meet with BLASD to Identify the Final Proposed Project	The City Council has met with BLASD and agreed to a final project concept.	Brian/Jim P/ City Council	6-15-2015 COMPLETE
Approval of a Joint Powers Agreement Between BLASD and City of Cloquet	A JPA has been approved and executed by both organizations.	Brian/Jim P/ City Attorney/ City Council	12-31-2015

Strategic Priority 5: Infrastructure & Facilities

Key Outcome Indicator: Police Facility; Target: Ground Broken 12/31/18

Initiative B: Develop Police Facility Project Plan for a 3-5 Year Build

Actions	Measure of Success	Who's Responsible	Target Date
City Council Review/Accept Final BKV Facilities Study	City Council acceptance of study	City Council Brian	8-04-2015 COMPLETE
Decision on Project Timing	City Council decision on project priority and timing	City Council	12-31-15
Funding Strategy	An acceptable funding strategy is presented to the City Council	Nancy Brian	9-2016
RFP Architect	City Council authorize and select architect	Brian City Council	3-2017
Building Design and Layout Committee Established	Committee established to work with architect on design	Committee	4-2017
Draft Plans Reviewed by City Council	Concept plan presented and accepted by the City Council	Committee/Brian City Council	6-2017
Final Plans Approved and Bid	City Council approves plan and authorizes bid	City Council Brian	12-2017
Bid Awarded and Ground Broken	Construction Started by 12-31-18	City Council Brian	12-2018
Project Completed	Project Completed by 12-31-19	City Council Brian	12-2019

Strategic Priority 5: Infrastructure & Facilities

Key Outcome Indicator: Public Works Facility; Target: Phase 1 Completed 12/31/21

Initiative C: Develop a Public Works Facility Project Plan for a 3.5 Year Build

Actions	Measure of Success	Who's Responsible	Target Date
City Council Review/Accept Final BKV Facilities Study	City Council acceptance of study	City Council Brian	8-04-2015 COMPLETE
Decision on Project Timing	City Council decision on project priority and timing	City Council	12-31-2015
Funding Strategy	An acceptable funding strategy is presented to the City Council	Nancy Brian	9-2016
RFP Architect	City Council authorize and select architect	Brian City Council	3-2020
Building Design and Layout Committee Established	Committee established to work with architect on design	Committee	4-2020
Draft Plans Reviewed by City Council	Concept plan presented and accepted by the City Council	Committee/Brian City Council	6-2020
Final Plans Approved and Bid	City Council approves plan and authorizes bid	City Council Brian	12-2020
Bid Awarded and Ground Broken	Construction started by 12-31-17	City Council Brian	12-2021
Projects Completed	Construction of Phase 1 Completed 12-31-18	City Council Brian	12-2022

Strategic Priority 6: Operational Effectiveness

**Key Outcome Indicator: Policy and Procedures Manual;
Target: Policy and Procedure Manuals in All Departments
Updated and Adopted**

Initiative A: Create a Policy & Procedure Manual Process for Organization

Actions	Measure of Success	Who's Responsible	Target Date
Research and Update Policies from other Cities, State Standards, etc.	Each department has conducted research of other similar departments to identify those policies/procedures that they use in those departments	Brian/ Department Heads/ Other Supervisors	10-31-2016
Identify Policies/Procedures Needed for all City Departments	The Department Heads have identified a list of mutually required policies/procedures	Brian/ Department Heads/ Other Supervisors	10-31-2016
Identify Policies/Procedures Unique to individual Departments	Each department has identified those policies and procedures that are unique to their department	Brian/ Department Heads/ Other Supervisors	10-31-2016
Identify a Schedule for Approval and Implementation	A realistic schedule for action is identified and agreed upon	Brian/ Department Heads/ Other Supervisors	12-31-2016

