



**CITY OF CLOQUET  
AMENDED  
City Council Agenda  
Tuesday, May 17, 2016  
7:00 p.m.  
City Hall Council Chambers**

**CITY COUNCIL WORK SESSION**

5:30 p.m. Residential Rental Housing Licensing  
6:30 p.m. Scanlon-Cloquet Consolidation Study Discussion

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
  - a. Approval of May 17, 2016 Council Agenda
4. **Approval of Council Minutes**
  - a. Work Session minutes from the May 3, 2016 meeting
  - b. Regular Council minutes from the May 3, 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. 16-44, Authorizing the Payment of Bills
  - b. Renewal of 2016-2017 Liquor and Related Business Licenses
  - c. Resolution No. 16-47, VFW Post 3979 Bingo at Veterans Park
6. **Public Hearings**

None.
7. **Presentations**

None.



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**8. Council Business**

- a. VFW Temporary On-Sale Liquor License/Street Dance/Live Music June 17-18, 2016
- b. City Engineer Hiring Process and Appointment
- c. Summer Seasonal Appointments
- d. FDL Ski Trail Agreement
- e. City Hall Security Improvement Authorization
- f. Resolution No. 16-45, A Resolution Awarding Holmes Drive Mill and Overlay Bid
- g. Resolution No. 16-46, A Resolution Awarding the Carl Street and South Highway 33 Frontage Road Improvement Bid
- h. Fauley/Veterans Park Project Approval and Bid Authorization
- i. Ordinance No. 456A, An Ordinance to Amend Chapter 17 of the Municipal Code Pertaining to OM-Office/Manufacturing District
- j. Resolution No. 16-39, A Resolution Approving the Conditional Use Permit for Friends of Animals, Humane Society in the OM-Office/Manufacturing District
- k. Resolution No. 16-41, A Resolution Approving a Preliminary Site Plan for Commonwealth Development Corporation on Behalf of Cloquet Housing and Redevelopment Authority, 950 14<sup>th</sup> Street
- l. Resolution No. 16-42, A Resolution Expressing Support of the Cloquet Housing and Redevelopment Authority Workforce Housing Project
- m. Labor Day Celebration
- n. July 4<sup>th</sup> Celebration
- o. Avenue C Restaurant (Rivdogg LLC) Economic Development Loan

**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**

**12. Adjournment**



## REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Al Cottingham, City Planner/Zoning Administrator  
Reviewed: Brian Fritsinger, City Administrator  
Date: May 11, 2016

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**ITEM DESCRIPTION:** Rental Housing Ordinance

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In 2013 the Planning Commission and City Council discussed the possibility of having a Rental Housing Ordinance to regulate the quality of rental units. This led to the creation of and the appointment of a Rental Housing Task Force in early 2014. The Task Force was comprised of landlords, tenants and residents.

The Task Force met four times over the course of four months and reviewed Ordinances from other communities along with the Federal Housing Quality Standards (HQS). They discussed exterior appearance of the units and determined not to address appearance in the requirements since there was not anything that controlled the appearance of owner occupied dwellings. After reviewing the different Ordinances from other communities it was determined to move forward with the HQS in a somewhat revised format since the HQS really addressed the health and safety aspect of the tenants and that was what the Task Force felt we should be looking at. One of the items discussed as part of developing our Ordinance was whether or not there should be a registration and inspection fee associated with it. The Task Force found and recommended that in the beginning stages of implementating a rental housing licensing program there should be no fee and just require the registration of all units. The Task Force recommended that at a later date the city could consider imposing a registration and inspection fee. Initially, inspections would continue to be done only on a complaint basis.

Later in 2014 the Planning Commission discussed the draft Ordinance and made some minor changes and then held a public hearing on October 14, 2014 and recommended approval of the Ordinance. This was then forwarded to the City Council who approved the Ordinance with an effective date of March 1, 2015. A copy of the Rental Housing Ordinance is attached for your reference. The adopted Ordinance is consistent with the key components identified above.

During the discussions with the City Council at the time the Ordinance was adopted the Council indicated that the City should consider moving forward with the registration fees and mandatory inspection of units in a few years. The Ordinance has been in effect for over a year now and per the previous direction of the Council it is appropriate to meet and discuss the policy intentions of the Council. Due to the potential budget implications of implementing registration fees and mandatory inspections the Council should provide some direction prior to and as part of the development of the 2017 budget.

**Section 10.7: Rental Housing Regulations**

**10.7.1 Purpose.** The city recognizes the need for an organized, systematic inspection program of residential rental housing within the City of Cloquet in order to ensure that rental dwelling units meet city and state housing safety, health, fire, building and zoning codes, and to provide a more effective system for compelling the correction of code violations and the proper maintenance of rental housing within the city. This registration program is intended to protect and promote the health, safety and general welfare of the entire community. Under these regulations inspections will be done on a complaint basis with inspection guidelines being spelled out in Section 10.7.7, and with enforcement to be made only against the owner of rental housing found to be in violation.

**10.7.2 Definitions.** For the purposes of this section, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

**Subd. 1. Dwelling unit** means any room or group of rooms located within residential housing and forming a separate single habitable unit intended for residential occupancy by a single family.

**Subd. 2. Family** means an individual or two or more persons related by blood, marriage or adoption, living together as a single housekeeping unit in a dwelling unit; or a group of not more than four persons who need not be related by blood, marriage or adoption, living together as a single housekeeping unit in a dwelling unit.

- A. For purposes of this article "related" shall be interpreted herein to include any owner of record and an owner's natural children, adopted children, foster children, spouse, other blood relations, any significant other and any other dependent minors, residing with that owner as a family unit; "significant other" means romantic partner;
- B. For purposes of this article "related" shall also be interpreted herein to include a tenant's natural children, adopted children, foster children, spouse, other blood relations, any significant other and any other dependent minors, residing with the tenant as a family unit; "significant other" means romantic partner.

**Subd. 3. Person** means any natural person, the person's heirs, executors, administrators, or assigns, and also includes a business entity such as a firm, partnership, company or corporation, or its successors or assigns, or the agent of any of the aforesaid.

**Subd. 4. Rental dwelling unit** means a dwelling unit occupied by a person or persons in the status of tenant(s), under the terms of a contract or lease, whether oral or written, whereby nonpayment of a periodic payment or nonperformance of a periodic service means the occupants may be evicted without the necessity of either a statutory mortgage foreclosure procedure, a statutory termination of contract for deed procedure or a statutory repossession procedure.

**Subd. 5. Rent** means any compensation given for use of the premises, either monetary or "in lieu of" payments, such as but not limited to utilities, upkeep, repair, or the provision of services, but does not include payment of shared housing by a family member.

**Subd. 6. Residential Housing** means any structure or building, or portion thereof, including a "manufactured home (mobile home)", containing at least one dwelling unit which is intended to be used for residential occupancy, and which includes bathroom and kitchen facilities permanently installed.

**Subd. 7. Tenant**, except as otherwise provided herein, means any person who occupies and uses as their primary residence a dwelling unit furnished to that person for payment of rent to another.



**10.7.3. Applicability and exceptions.**

**Subd. 1.** The provisions of this article shall apply to all residential housing occupied for rent and the rental dwelling units contained therein, including rented single-family dwellings and duplexes, manufactured homes, and rental dwelling units in owner-occupied dwellings.

**Subd. 2.** The provisions of this article shall not apply to jails, hospitals, parish houses, parsonages, manses and rectories, dwelling units in a cooperative or condominium building, hotels, motels, or facilities licensed by the State of Minnesota, nor to any dormitory owned and operated by an educational institution.

**10.7.4. Registration permit required.** No person shall occupy, allow to be occupied, or let to another for occupancy, any rental dwelling unit in the City of Cloquet, without first having obtained a registration permit from the city under the terms of this section. Dwelling units constructed or converted to rental usage after the effective date of this article shall not be occupied for human habitation prior to issuance of a registration permit by the city. An application for registration shall be made upon forms furnished by the city for such purpose and shall require the minimum information required under Section 10.7.5.

**10.7.5. Application for registration permit; register of occupancy.**

**Subd. 1.** The owner of each rental dwelling unit shall make written application to the city for registration of the rental dwelling unit(s). A new owner shall be required to register units within ten days after acquiring them. Application for registration shall be made upon forms furnished by the city and shall specifically set forth the following information:

- A. The name, address and telephone number of the owner of the rental dwelling unit(s); if an entity, the name of the entity, and the name, address, telephone number and email address of the president, chief manager, or managing partner; and the name, address, telephone number and email address of any property management company acting as landlord on their behalf.
- B. The street address of each rental dwelling unit.
- C. Number and types of rental dwelling units within a dwelling.
- D. The maximum number of occupants permitted for each rental dwelling unit.
- E. At least one name, emergency telephone number, and address of the person authorized to make or order made repairs and/or services to the building as required and necessary to protect the health, safety and welfare of the occupants, or who is able to contact the person so authorized.
- F. A site drawing showing designated off-street parking areas for each existing rental dwelling unit, which areas comply with the city's off-street parking requirements.

**Subd. 2.** Every permit holder, or their resident agent, shall maintain a current register of all tenants and other persons with a lawful right of occupancy to each rental dwelling unit. The register shall be kept current at all times and shall be provided for inspection by the city within a reasonable time.

**Subd. 3.** The city shall be promptly notified of any change of the resident agent, and any change in the names, addresses, and other information concerning the persons listed in the last registration application filed with the city. A window sticker will be provided.

**10.7.6. Posting of registration.** Each registration permit issued by the city shall be displayed in a conspicuous spot near the front entrance of a single unit rental dwelling, or in a public corridor, hallway or lobby of residential housing containing multiple rental dwelling units, and shall be visible to all residents. Only one registration need be posted for each separate apartment building.

**10.7.7. Performance Requirements and Acceptability Standards.** Below are the performance requirements and acceptability criteria that will be evaluated during an inspection. A discussion of how inspectors should interpret the requirements and tenant preference options follows.

**Subd. 1. Sanitary Facilities.**

**A. Performance Requirement**

1. The dwelling unit must include sanitary facilities within the unit.
2. The sanitary facilities must be in proper operating condition and be adequate for personal cleanliness and disposal of human waste.
3. The sanitary facilities must be usable in privacy.
4. A shared bathroom is permitted in a boarding house situation.

**B. Acceptability Criteria**

1. The bathroom must be located in a separate room and have a flush toilet in proper operating condition.
2. The unit must have a fixed basin (lavatory) with a sink trap and hot and cold running water in proper operating condition.
3. The unit must have a shower or tub with hot and cold running water in proper operating condition.
4. The facilities must utilize an approved public or private disposal system, including a locally approved septic system.

**C. Related Inspections for Sanitary Facilities.**

1. The bathroom must be contained within the dwelling unit, afford privacy (usually meaning a door, although no lock is required), and be for the exclusive use of the occupants.
2. All public or private waste disposal systems servicing the unit or facilities must be either state or local agency approved.
3. The tub/shower, toilet, and basin/lavatory must have a proper sewer trap, drain, and vents to prevent the escape of sewer gases or severe leakage of water. Drains must not be clogged and the toilet must flush. Hot and cold water must be available at the tub, shower, and lavatory taps. The definition of hot water (temperature) required at the lavatory, tub, or shower should be determined from local health standards or applicable local code.
4. The inspector must determine if the bathroom facilities are free of hazards, such as damaged or broken fixtures and plumbing leaks, which may endanger the occupants.

## EXAMPLE:

What are bathroom hazards that may endanger occupants?

- Broken ceramic, metal, or glass fixtures that may pose a hazard. This includes towel racks, soap dishes, medicine cabinets, and mirrors as well
- A leaking hot water faucet may pose a scalding threat.

5. Only one bathroom is required to meet these requirements. Additional bathrooms do not have to contain all plumbing fixtures (tub/shower, toilet or lavatory), but if present, they must not create any unsanitary conditions, be properly plumbed, and be free of sewer gases.
6. Other room standards that apply to bathroom facilities, such as illumination and electricity, are discussed under those performance requirements.

**Subd. 2. Food Preparation and Refuse Disposal.****A. Performance Requirement.**

1. The dwelling unit must have suitable space and equipment to store, prepare, and serve food in a sanitary manner.

**B. Acceptability Criteria.**

1. The dwelling unit must have an oven and a stove or range. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished to both subsidized and unsubsidized tenants in the same building or premises. On gas stoves no pilot light is allowed; they must be electronic ignition.
2. The dwelling unit must have a refrigerator supplied by either the owner or tenant.
3. All required equipment must be in proper operating condition. According to the lease, equipment may be supplied by either the owner or the tenant.
4. The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approved public or private system.
5. The dwelling unit must have space for storage, preparation, and serving of food.
6. Facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary, are required.

- C. Related Inspections for Food Preparation and Refuse Disposal.
1. Hot plates are not acceptable substitutes for stoves or ranges. The oven must heat and all burners on the stove or range must work. All stove or range knobs must be present. The stove or range must be free of hazardous gas hook-ups, gas leaks, or electrical hazards.

EXAMPLE:

What temperature must a refrigerator maintain to keep food from spoiling?

Above 32° F, but generally below 40° F.

Consider how often the refrigerator will be opened. Proper temperatures are difficult to maintain if the refrigerator is frequently opened during warm weather, door seals are removed or broken, or the door sits open.

2. The sink must have hot and cold running water from the faucets and a proper working sink drain with gas trap. It must also be hooked to an approved water and sewer system.
3. Space for storage, preparation, and serving of food must be present. Built-in space, equipment, table(s), or portable storage facilities are acceptable.
4. Waste and refuse storage facilities are determined by local practice and may include trash cans or dumpster facilities.
5. Other room standards apply to the food preparation area and are discussed under those specific requirements below.

**Subd. 3. Space and Security.**

- A. Performance Requirement.
1. The dwelling unit must provide adequate space and security for the tenant.
- B. Acceptability Criteria.
1. At a minimum, the dwelling unit must have a living room, a kitchen and a bathroom, except in a boarding house.
  2. The dwelling unit must have at least one bedroom or living/sleeping room for every two persons. Other than very young children (up to age 5), children of opposite sex may not be required to occupy the same bedroom or living/sleeping room.
  3. Dwelling unit windows that are accessible from the outside must be lockable.
  4. Exterior doors to the unit must be lockable with a deadbolt.

- C. Related Inspections for Space and Security.
1. A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space.
  2. Unit windows located on the first floor, at the basement level, on a fire escape, porch, or other outside space that can be reached from the ground and that are designed to be opened must have a locking device. (Windows with sills less than six feet off the ground are considered accessible.) Traditional window locks, those provided by storm/screen combination windows, window pins, and nails are acceptable. Windows leading to a fire escape or required to meet ventilation requirements may not be permanently nailed shut.
  3. Doors leading to the outside and common hallways must be equipped with a deadbolt; fire escapes, porches and other openings accessible from the ground must have locks. No specific type of lock is required.
  4. Window and door surfaces (including the door frame) must be in sufficient condition to support the installation and proper operation of window and door locks.

**Subd. 4. Thermal Environment.**

- A. Performance Requirement.
1. The dwelling unit must be able to provide a thermal environment that is healthy for the human body.
- B. Acceptability Criteria.
1. There must be a safe system for heating the dwelling unit, such as electric baseboard, radiator, or forced air systems. In order to ensure a healthy living environment appropriate for the climate the system must be able to provide adequate heat either directly or indirectly to each room.
  2. The heating system must be in proper operating condition.
  3. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.
- C. Related Inspections for Thermal Environment.
1. The inspector must define "a healthy living environment" for the local climate. Local or state codes will help the inspector determine when and how much heat is adequate. For example, an inspector may define a heating system capable of maintaining an interior temperature of 65° between October 1 and May 1 as adequate.
  2. Adequate heat is required in all rooms used for living; the heat source does not have to be located in each room as long as the heat can pass to the appropriate space and meet the definition of adequate. Portable electric room heaters or kitchen stoves with built-in heating units are not acceptable as a primary source of heat for units.



3. Improper operating conditions, including all conditions that may be unsafe, such as broken or damaged source vents, flues, exhausts, gas or oil lines that create a potential fire hazard or threats to health and safety are not permitted. Heating unit safety devices must be present, and the heating equipment must have proper clearance from combustible materials and location of oil storage tanks. There must be proper gas and oil connections. Local plumbing, fire, or mechanical codes are instructive in providing details about acceptable materials for furnace and water heater hookups and required clearances. Seek assistance from local code enforcement offices to determine health and safety standards for equipment hook-up and clearance requirements.
4. Heating system inspections are often required by local or state authorities, especially for large multi-family buildings. If the heating system has passed inspection from the inspecting authority within the past two years, the inspector may accept this as proof of heating equipment safety.
5. Working cooling equipment refers to a central ventilation system, evaporative cooling system, room or central air conditioning. These systems are not required, but if present, must be operating safely so as not to create a potential fire hazard or other threat to health and safety.

#### **Subd. 5. Illumination and Electricity.**

##### **A. Performance Requirement.**

1. Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants.
2. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances.
3. Electrical fixtures and wiring must not pose a fire hazard.
4. GFI's must be installed in all kitchens, bathrooms and by any water outlet.

##### **B. Acceptability Criteria.**

1. There must be at least one egress window in the living room and in each sleeping room.
2. The kitchen area and the bathroom must have a permanent ceiling or wall-mounted fixture in proper operating condition.
3. The kitchen must have at least one electrical outlet in proper operating condition.
4. The living room and each sleeping space must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

C. Related Inspections for Illumination and Electricity.

1. The inspector must be satisfied that the electrical system is free of hazardous conditions, including: exposed, uninsulated, or frayed wires, improper connections, improper insulation or grounding of any component of the system, overloading of capacity, or wires lying in or located near standing water or other unsafe places.
2. Outlets must be properly installed in the baseboard, wall, or floor. Hanging light fixtures or outlets from electric wiring, missing cover plates on switches and outlets, badly cracked outlets or cover plates, exposed fuse box connections and overloaded circuits are unacceptable.

**Subd. 6. Structure and Materials**

A. Performance Requirement.

1. The dwelling unit must be structurally sound.
2. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.

B. Acceptability Criteria.

1. Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.
2. The roof must be structurally sound and weather-proof.
3. The foundation and exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
4. The condition and equipment of interior and exterior stairs, halls, porches, and walkways must not present the danger of tripping and falling.
5. Elevators must be working safely.

C. Related Inspections for Structure and Materials.

1. The inspector must examine each of the elements listed in the acceptability criteria to determine that each is structurally sound, will not collapse, and does not present a danger to residents through falling or missing parts, or tripping hazards. The inspector must determine that the unit is free from water, excessive air, and vermin infiltration.
2. Handrails are required when four or more steps (risers) are present, and protective railings are required when porches, balconies, and stoops are thirty inches off the ground.
3. The elevator servicing the unit must be working. A current city or state inspection certificate suffices to determine working condition of the elevator.

4. Manufactured homes must have proper tie-down devices capable of surviving wind loads common to the area.

**Subd. 7. Interior Air Quality.**

- A. Performance Requirement.
  1. The dwelling unit must be free of air pollutant levels that threaten the occupants' health.
- B. Acceptability Criteria.
  1. The dwelling unit must be free from dangerous air pollution levels from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.
  2. There must be adequate air circulation in the dwelling unit.
  3. Bathroom areas must have one openable window or other adequate ventilation.
  4. Any sleeping room must have at least one window. If the window was designed to be opened, it must be in proper working order.
- C. Related Inspections for Interior Air Quality.
  1. The inspector must be satisfied that air pollutants such as gas leaks, industrial outputs, and heavy traffic would not present a health hazard.
  2. Air circulation should be checked to determine adequate ventilation. Air conditioning (A/C) provides adequate circulation as do ceiling and vent fans.
  3. The windows must adequately protect the unit's interior from the weather. Windows designed to open must not be painted or nailed shut. The ventilating bathroom fan in the bathroom must operate as intended.

**Subd. 8. Water Supply**

- A. Performance Requirement.
  1. The water supply must be free of contamination.
  2. Testing of well water is required yearly.
- B. Acceptability Criteria.
  1. The dwelling unit must be served by an approved public or private water supply that is sanitary and free from contamination.
- C. Related Inspections for Water Supply.
  1. The inspector should be satisfied that the water supply is approved by the State or local jurisdiction.
  2. Clean water must be distributed to all unit fixtures and waste water must leave the unit to an approved area without presence of sewer gas and backups.

3. Plumbing fixtures and pipes must be free of leaks and threats to health and safety.
4. Water-heating equipment must be installed safely and must not present any safety hazards to families. All water heaters must be free of leaks, have temperature/pressure relief valves, and a discharge line. Unless safety dividers or shields are installed, water heaters must not be located in bedrooms or living areas where safety hazards may exist. Fuel-burning equipment must have proper clearance from combustible materials and be properly vented.

**Subd. 9. Lead-Based Paint.** The Lead-Based Paint Poisoning Prevention Act as amended (42 U.S.C. 4821 - 4846) and the Residential Lead-Based Paint Hazard Reduction Act of 1992 and implementing regulations 24 CFR Part 35 Subparts A, B, M, and R apply to the housing choice voucher program.

A. Acceptability Criteria.

1. The requirements apply to dwelling units built prior to 1978 that are occupied or can be occupied by families with children under six years of age, excluding zero bedroom dwellings.
2. During initial and annual inspections of pre-1978 units that are occupied or will be occupied by families with children under six years of age, the inspector must conduct a visual assessment for deteriorated paint surfaces and the owner must stabilize deteriorated surfaces. Applicable areas include painted surfaces within the dwelling unit, exterior painted surfaces associated with the dwelling unit, and common areas of the building through which residents must pass to gain access to the unit and areas frequented by resident children under six years of age, including play areas and child care facilities.
3. For units occupied by environmental intervention blood lead level (lead poisoned) children under six years of age, a risk assessment must be conducted (paid for by the building owner), and the owner must complete hazard reduction activities if lead hazards are identified during the risk assessment.

**Subd. 10. Access**

A. Performance Requirement.

1. Use and maintenance of the unit must be possible without unauthorized use of other private properties.
2. The building must provide an alternate means of exit in case of fire.

B. Acceptability Criteria.

1. The unit must have private access.
2. In case of fire, the building must contain an alternate means of exit such as fire stairs, or windows, including use of a ladder for windows above the second floor.

C. Related Inspections for Access.

1. The inspector must determine that the unit has private access without unauthorized passage through another dwelling unit or private property.

- C. Related Inspections for Smoke and Carbon Monoxide Detectors.
1. Local codes, such as housing or fire codes, often address responsibilities between owners and tenants for installation and maintenance of smoke detector batteries. At initial inspection smoke detectors must have good batteries and be operable. The inspector may follow local codes to determine if missing or dead smoke detector batteries constitute a tenant or owner-caused failure in occupied units.
  2. Consultation with the local fire officials is recommended regarding acceptable types and location of smoke detectors.



2. The emergency (alternate) exit from the building (not the unit) may consist of fire stairs, a second door, fire ladders, or exit through windows. The emergency exit must not be blocked. It must be appropriate for the family and considered adequate by local officials. Guidance from the local fire agency is advisable.

**Subd. 11. Sanitary Condition.**

- A. Performance Requirement.
  1. The dwelling unit and its equipment must be in sanitary condition.
- B. Acceptability Criteria.
  1. The dwelling unit and its equipment must be free of vermin and rodent infestation.
- C. Related Inspections for Sanitary Condition.
  1. The inspector must ensure that the unit is free of rodents and heavy accumulations of trash, garbage, or other debris that may harbor vermin. Infestation by mice, roaches, or other vermin particular to the climate must also be considered. The unit must have adequate barriers to prevent infestation.

**Subd. 12. Smoke and Carbon Monoxide Detectors.**

- A. Performance Requirements.
  1. At least one battery-operated or hard-wired smoke detector in proper operating condition must be present on each level of the dwelling unit, including basements but excluding crawl spaces and unfinished attics.
  2. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standards (NFPA) 74 or its successor standards.
  3. If a hearing-impaired person is occupying the dwelling unit, the smoke detectors must have an alarm system designed for hearing-impaired persons as specified in NFPA 74.
  4. All units shall have an approved carbon monoxide alarm within 10 feet of each sleeping room. Carbon monoxide alarms must either be hardwired into the electrical wiring, directly plugged into a non-switched outlet or battery powered.
- B. Acceptability Criteria.
  1. The inspector must ensure that the location of smoke and carbon monoxide detectors conforms with local and/or State Fire Marshall's requirements.
  2. The inspector must determine that smoke and carbon monoxide detectors are located and installed in accordance with NFPA Standards. All smoke and carbon monoxide detectors must be in operating condition.

## CLOQUET CITY COUNCIL WORK SESSION

Tuesday, May 3, 2016

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

**Absent:** Maki

**Staff:** Fritsinger, Barclay, Peterson

**Others:** Dan Hinzman and Michael Krick from SEH, Jason Drew and Cathy Shelton from Picture This Granite, Richard Chase, Aaron Johnson, Gary Dahl, John Badger, Jamie Lund, Pine Journal

### Fauley and Veterans Park Project Update

Mr. Fritsinger stated the focus item of tonight's discussion is the Veterans' memorial wall. Mr. Peterson gave a brief background and current status review of the parks project.

- Council approved \$945,000 for the project and funding for striping and fencing to direct ATVs will come from CIP. The base bid is \$900,000 but will be flexible with the addition of lighting and fencing.
- The memorial wall schedule is to draft the design in May, finalize in June and be ready to bid. Construction on the wall is estimated for fall of 2016.
- Caleb is working on the Landscape Partnership Program for another MNDOT grant. A resolution is required for the application and is on tonight's Council agenda.
- Ms. Shelton stated the draft artwork for the wall includes everything that was requested but anything can be added/changed based on feedback. The group agreed the angular shape of the wall would work best for the artwork being depicted. Discussion of representation of all branches of the military, POWs, and 148<sup>th</sup> Fighter Wing.
- It is not recommended to have running water over the wall as originally planned because the artwork will wear over time. The Vets group would like to take the artwork back to the group and get their feedback on the artwork. It was also agreed by all that the Cloquet logo should be removed from the wall.
- Mr. Hinzman next gave a brief overview of the rest of the park plan. Lighting is slated as an alternative. Mr. Peterson stated the electrical pieces of the plan are core infrastructure and is important to make it into the plan. The decorative features with lighting will be what catches the eye and is a critical piece for park events. Unless bids come in high, award the bid and move ahead making it part of this project.
- Discussion on landscape bids. Mr. Peterson stated there will not be any issues with bidding the landscaping because of the schedule in October. The City Council supported the design/bid/build approach.

### Skate Park

- Mr. Peterson discussed the process of the Bid-Build concept of the skate park. He is not comfortable going that direction because of the lack of control and the expense if changes need to be made. The Council needs to be comfortable with a detailed plan before we move forward. This is going to be a controversial park going into a neighborhood and we need to have control and defend the design. If the Council is in agreement with the bid/design/build concept, he will meet with the design firm and start the process to come up with a design. The preliminary phase is going to be the most critical part. It is also important to have the kids be involved, but not in control.

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

Respectfully Submitted,

Brian Fritsinger  
City Administrator



Regular Meeting

Roll Call

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

Councilors Absent: Maki

Pledge of Allegiance

### AGENDA

**MOTION:** Councilor Rock moved and Councilor Langley seconded the motion to approve the May 3, 2016 agenda. The motion carried unanimously (6-0).

### MINUTES

**MOTION:** Councilor Langley moved and Councilor Wilkinson seconded the motion to approve the minutes of the Work Session and Regular Meeting of April 19, 2016. The motion carried unanimously (6-0).

### CONSENT AGENDA

**MOTION:** Councilor Kolodge moved and Councilor Langley seconded the motion to adopt the consent agenda of May 3, 2016 approving the necessary motions and resolutions. The motion carried unanimously (6-0).

- a. Resolution No. 16-36, Authorizing the Payment of Bills and Payroll
- b. Approval of New Liquor License for ARK Enterprises, LLC (Southgate Family Pizzeria)
- c. Approval of Optional Liquor 2AM License Renewal – Moose Lodge 1274

### PUBLIC HEARINGS

There were none.

### PRESENTATIONS

Mayor Hallback read a proclamation proclaiming May 14, 2016 to be observed as “Stamp Out Hunger” Food Drive Day.

### APPOINTMENT OF POLICE OFFICERS

**MOTION:** Councilor Bjerkness moved and Councilor Rock seconded the motion to approve the probationary appointments of Andrew Wappes effective May 8, 2016 and Benjamin Waller effective May 9, 2016 to the position of Police Officer. The motion carried unanimously (6-0).

### AUTHORIZATION OF POLICE OFFICER HIRING PROCESS

**MOTION:** Councilor Bjerkness moved and Councilor Rock seconded the motion to authorize the hiring process for Police Officer positions. The motion carried unanimously (6-0).

### DISPOSAL OF 2011 POLICE VEHICLE

**MOTION:** Councilor Kolodge moved and Councilor Wilkinson seconded the motion to authorize the sale through auction of a 2011 Ford Crown Victoria squad car, VIN #2FABP7BVXBX1651651. The motion carried unanimously (6-0).

### DRUG AND ALCOHOL TESTING POLICY

**MOTION:** Councilor Rock moved and Councilor Kolodge seconded the motion to approve the attached amended Drug and Alcohol Testing Policy for Commercial Drivers (DOT Policy) and Drug and Alcohol Testing and Drug Free Workplace Act Policy for Non-Commercial Drivers (Non-DOT Policy) dated 4/18/2016. The motion carried unanimously (6-0).

**AMENDED JOINT POWERS AGREEMENT REGARDING THE CLOQUET CABLE COMMISSION**

**MOTION:** Councilor Wilkinson moved and Councilor Langley seconded the motion to approve the amended Joint Powers Agreement regarding the ongoing operation of the Cloquet Cable Commission between the cities of Scanlon, Carlton and Thomson Township. The motion carried unanimously (6-0).

**SECTION 2.3.01 OF THE CITY CODE AS IT RELATES TO THE CABLE TV COMMISSION**

**MOTION:** Councilor Rock moved and Councilor Kolodge seconded the motion to adopt **ORDINANCE NO. 455A, AN ORDINANCE DELETING SECTION 2.3.01 OF THE CITY CODE AS IT RELATES TO THE CABLE TV COMMISSION.** The motion carried unanimously (6-0).

**AWARDING BID FOR 2016 SKYLINE BOULEVARD LANDSCAPING IMPROVEMENTS**

**MOTION:** Councilor Kolodge moved and Councilor Wilkinson seconded the awarded contract for Skyline Boulevard landscape improvements to Hoffman & McNamara for the low bid amount of \$61,914.00. The motion carried unanimously (6-0).

**AWARDING BID FOR 2016 3<sup>RD</sup> STREET RECONSTRUCTION PROJECT**

**MOTION:** Councilor Kolodge moved and Councilor Langley seconded the motion to adopt **RESOLUTION NO. 16-38, A RESOLUTION AWARDING 3<sup>RD</sup> STREET RECONSTRUCTION BID.** The motion carried unanimously (6-0).

**WHEREAS,** The City has completed an engineering study to reconstruct 3<sup>rd</sup> Street from Cloquet Avenue to Carlton Avenue; and

**WHEREAS,** A resolution of the Council adopted on February 2, 2016, set a public hearing on the proposed improvement; and

**WHEREAS,** A hearing was held on March 1, 2016 at which time all persons desiring to be heard were given an opportunity to be heard thereon and the City Council ordered the improvement; and

**WHEREAS,** The City of Cloquet advertised and received the following bids for the project:

<u>Bidder</u>	<u>Bid Amount</u>
Hammerlund Construction, Inc.	\$ 958,000.00
Utility Systems of America, Inc.	\$ 984,215.85
Ulland Brothers, Inc.	\$ 978,400.00

**AND WHEREAS,** The apparent low bid from Hammerlund Construction, Inc. was found to meet the minimum bid requirements.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA,** That the bid from Hammerlund Construction, Inc. in the amount of \$958,000.00 is hereby accepted.

**MN/DOT COMMUNITY ROADSIDE LANDSCAPING PARTNERSHIP PROGRAM**

**MOTION:** Councilor Langley made the moved and Councilor Rock seconded the motion to approve MN/DOT Community Roadside Landscaping Partnership Program. The motion carried unanimously (6-0).

**PUBLIC COMMENTS**

There were none.

**COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES**

Councilor Bjerkness reminded of the HRA public informational meeting May 4, 2016 at 6:30 p.m. at Aspen Arms. He also reminded the public of the Enbridge public informational meeting on May 5, 2016.

Councilor Wilkinson gave a reminder of the May 10<sup>th</sup> public informational meeting on the SKB Landfill.

**CLOSED MEETING**

Mayor Hallback announced that the City Council would now adjourn into a closed meeting as permitted under M.S. 13D.05, Subd. 3 for the purpose of discussing the potential purchase of real estate located at 218 St. Louis Avenue and the SW corner of 8<sup>th</sup> Street and Avenue B.

Mayor Hallback reopened the regular meeting and on a motion duly carried by a unanimous yea vote of all members present on roll call, the Council adjourned.

---

Brian Fritsinger, City Administrator






**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**

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To: Mayor and City Council  
From: Brian Fritsinger, City Administrator   
Date: May 10, 2016

---

**ITEM DESCRIPTION:** Approval of Liquor License and Related Business License Renewals

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**Proposed Action**

Staff recommends the City Council move to renew the various liquor and business licenses identified on the attached 2016-2017 license renewal list subject to submittal of all licensing requirements.

**Background/Overview**

The State of Minnesota requires that businesses licensed to sell liquor renew their various licenses each year. In Cloquet, such licenses expire on June 30 of each year. These renewals are required to be submitted to the State 30 days prior to their expiration for review and final approval.

Further, the Council is being asked to approve several other business licenses required under the Cloquet Municipal Code.

Staff has solicited renewals from each of our current license holders. Most have completed the necessary paperwork and submitted the required information. Staff has found everything in order. Those licenses that are ready to be renewed by the Council are indicated on the attached list.

**Are there any significant license change requests?**

There are no significant license changes requested with any of our renewals this year.

**Policy Objectives**

Approval of license renewals are required in Chapter 6 of Municipal Code and State law.

**Financial/Budget/Grant Considerations**

The City's fee schedule requires each license holder to pay set fees for each renewal. The total fees received by the City for alcohol licenses are required to be consistent with the level of service to administer and enforce local liquor laws.

**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- 2016-2017 License Renewal List

**RENEWALS - MAY 17, 2016 MEETING**

**2016 - 2017 Licenses**

<u>Parcel Code</u>	<u>Licensee</u>	<u>Trade Name</u>	<u>Licensed Location Address</u>	<u>On Sale Intox. Liquor (13)</u>	<u>Sunday</u>	<u>2 A.M. Closing</u>	<u>Off Sale Intox. Liquor (12)</u>	<u>Wine</u>	<u>On Sale 3.2% Malt Liquor</u>	<u>Off Sale 3.2% Malt Liquor</u>	<u>Tobacco</u>	<u>Public Dance</u>	<u>Bowling Alley</u>	<u>Consumption &amp; Display Permit.</u>	<u>Amusement</u>				
06-705-0184	Durga Motels Inc.	Americinn Lodge & Suites	111 Big Lake Rd												1				
06-660-0020	Apple Minnesota LLC	Applebee's Neighborhood Grill & Bar	1405 Hwy 33 S	7	7										7				
06-630-0040	B & B Market Inc	B & B Market	506 Big Lake Rd								2								
06-290-2780	American Legion 262	Carl Anderson Post	1216 Cloquet Ave	1-Club															
06-510-5180	Carmen & Mike Inc.	Carmen's Dry Dock West Bar & Restaurant	1410 West Prospect Ave	2	2										2				
06-085-0020	Cloquet Country Club Inc	Cloquet Country Club	400 Country Club Dr	2-Club	2-Club														
06-230-1100																			
06-230-1200																			
06-295-0030																			
06-510-5330																			
	Leonard Beck	Cloquet Labor Temple	1403 Ave C									1							
06-705-0020	Miner's Inc	Cloquet Super One Foods	707 Hwy 33 S							3	18								
06-540-8635	LB3, Inc.	Cloquet/Duluth KOA Campground	1381 Kampground Rd												5				
06-347-0020	Gary Stowell Enterprises Inc.	Cold One Liquor	906 Hwy 33 S				10				4								
06-347-0040																			
06-347-0060																			
06-230-2662	Family Dollar Store #4739	Family Dollar Store	604 Hwy 33 S								15								
06-290-0480	Cloquet Bar & Lounge Inc	Cloquet Bar & Lounge	914 Cloquet Ave	3	3		3								3				
06-290-0500																			
06-720-0020	County Seat Theater of Carlton		2035 Hwy 33 S					3											
06-720-0040																			
06-720-0060																			
06-720-0080																			
06-110-0020	Holiday Stationstores Inc	Holiday Stationstore	1420 Cloquet Ave							2	6								
06-110-0040																			
06-065-0160	Hong Kong Restaurant of Cloquet Inc	Hong Kong Restaurant	616 Sunnyside Dr	5	5														
06-065-0180																			
06-510-2230	Kwik Trip Inc.	Kwik Trip #247	235 North Rd							4	23								
06-510-2160																			
06-640-0020	Brenner-Pollard Inc	Lemon Tree Liquor	1212 Hwy 33 S				5				9								
06-305-0020	Lonpaul Inc.	Cloquet Labor Temple Bar & Lounge	1403 Ave C	9	9										17				
06-305-0040																			
06-305-0060																			
06-305-0080																			
06-045-1960	LOOM Lodge 1274	Moose Lodge	702 Cloquet Ave	3-Club	3-Club	Expires 6/5/17									3-Club				
06-290-0040	Lumberjack Lounge Inc	Lumberjack Lounge	1016 Cloquet Ave	6	6	Expires 10/1/16						4			6				
06-748-0020	Murphy Oil USA Inc	Murphy USA #6961	1310 Hwy 33 S								14								
	MUY Pizza Mn	Pizza Hut	701 Hwy 33 South																
06-120-0540	Northeastern Saloon & Grille Inc.	Northeastern Saloon & Grille	115 St Louis Ave	1	1	Expires 12/5/16						7							
06-120-0560																			
06-120-0780																			
06-275-1460	PEPS1819 LLC	Pedro's Grill & Cantina	915 Cloquet Ave	13	13														
06-065-0540	Sammy's Pizza of Cloquet Inc	Sammy's Pizza of Cloquet	305 Sunnyside Dr					1	1										

**RENEWALS - MAY 17, 2016 MEETING**

**2016 - 2017 Licenses**

<u>Parcel Code</u>	<u>Licensee</u>	<u>Trade Name</u>	<u>Licensed Location Address</u>	<u>On Sale Intox. Liquor (13)</u>	<u>Sunday</u>	<u>2 A.M. Closing</u>	<u>Off Sale Intox. Liquor (12)</u>	<u>Wine</u>	<u>On Sale 3.2% Malt Liquor</u>	<u>Off Sale 3.2% Malt Liquor</u>	<u>Tobacco</u>	<u>Public Dance</u>	<u>Bowling Alley</u>	<u>Consumption &amp; Display Permit.</u>	<u>Amusement</u>
06-065-0840 06-065-0880	Richard A Kari Inc	Sunnyside Liquor	607 Sunnyside Dr				8				17				
	Rivdogg	Ave C	207 Ave C	4	4										
06-705-0020	Super One Liquor LLC	Super One Liquor	707 Hwy 33 S Ste 1				6				13				
06-045-5180	TA Operating LLC	Minit Mart #551	401 Broadway								24				
06-230-1665	TA Operating LLC	Minit Mart #557	201 Doddridge Ave								25				
06-065-0520	TA Operating LLC	Minit Mart #560	308 Sunnyside Dr								26				
06-200-0720	The Tap on 33 Inc	The Tap	342 Lake Ave						3						9
06-045-3260 06-045-3280	VFW 3979	Hebert Kennedy Post	210 Arch St	11	11							3			11
06-748-0020	Wal-Mart Stores Inc	Wal-Mart Supercenter #1929	1308 Hwy 33 S								20				13
06-748-0020	Wal-Mart Stores Inc.	Wal-Mart Supercenter #1929 (liquor box)	1308 Hwy 33 S				9				21				
06-510-5572	P&J Myers LLC	Washington Ave. Laundry & Car Wash	1802 Washington Ave												14
06-230-1662	Walgreen Co.	Walgreens #15439	215 Doddridge Ave								22				




## ADMINISTRATIVE OFFICES

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email: admin@ci.cloquet.mn.us  
www.ci.cloquet.mn.us

### REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Brian Fritsinger, City Administrator   
Date: May 16, 2016

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**ITEM DESCRIPTION:** Temporary On-Sale Liquor License – VFW Post 3979

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#### Proposed Action

Staff recommends the City Council move to approve the application for the VFW Post 3979 for the issuance of a Temporary On-Sale Liquor License for a fund raising event to be held at the VFW, 210 Arch Street, on June 17 and 18, 2016. In issuing the license, the Council must clarify the need for security and security fees. The license is subject to final approval by the Commissioner of Public Safety.

#### Background/Overview

Attached the City Council will find an application for a Temporary On-Sale Liquor License from the VFW. The VFW is seeking a license for a two day fundraising event to be held on Friday, June 17 and Saturday, June 18, 2016.

The event is proposed to be held in the City's municipal parking lot adjacent to the VFW as well as a portion of Vine Street. The parking lot and that portion of Vine Street will be fenced off to enclose the festivities. The VFW will also have a band and food vendors within the fenced in area. Festivities on the 17<sup>th</sup> will be from 6:00 p.m. to 11:00 p.m. and on the 18<sup>th</sup> from 3:00 p.m. to 11:00 p.m.

#### Key Issues

- Insurance – The VFW should provide a certificate of insurance providing evidence of coverage within the City's parking lot/public street and further identify the City as an additional insured.
- Security – The City Code requires 2 police officers at any event obtaining a Temporary License. Currently, the City charges \$50/hour under its 2016 Fee Schedule. The applicant has asked for the City to waive the fee for security. The City Council has amended the requirement based upon individual circumstances in the past. The Chief of Police has historically supported the application of City Code as written for consistency. The need for security due to the potential for underage drinking at outside events is the primary rationale for this requirement.
- Service Area – Again, under the temporary licensing section of the City Code, the licensee is to provide a fenced in area to keep underage youth out of the drinking area.
- Hours – The hours of the event were described above. The City has no regulations related to the hours.
- Noise – The City has no specific requirements related to outdoor music events. As such, the Council can address this independently of any Code requirements, similar to the issue of hours.

To Mayor and Council  
VFW Temporary On-Sale Liquor License  
May 16, 2016  
Page 2

**Policy Objectives**

M.S. 340A.404 addresses the sale of alcohol and beer while City Code Section 6.3 also addresses the licensing of alcohol within City limits. Under these rules, a Club is allowed to obtain a permit for such purposes.

**Financial/Budget/Grant Considerations**

The cost of two security/police officers for the event under Code would be \$1,300.

**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- April 28, 2016 Letter of Request from Hebert-Kennedy Post 3979
- Application





**April 28, 2016**

**City of Cloquet  
Attn: City Council  
1307 Cloquet Avenue  
Cloquet, MN. 55720**

**Subject: Request for Permission to set up a VFW Block Party  
on June 17 & 18, 2016.**

**Dear Members of the Cloquet City Council,**

**It is requested that the Veterans of Foreign Wars {VFW} have permission to set up a Beer Tent in the VFW parking lot located at 210 Arch Street on Friday June 17 {6 p.m. to 11 p.m.} and Saturday June 18 {3 p.m. to 11 p.m.. To also have live music set up for entertainment. It is also requested to close off Vine Street for pedestrian safety during this event. Thank you for your consideration for approval. If you need further information or have any questions, please contact me at 218-879-2447 {VFW} or 218-393-0116 {Cell}.**

**Sincerely,**

  
**Shawn Bernhardt  
Bar Manager**

**Hebert-Kennedy VFW Post 3979**



Minnesota Department of Public Safety  
 Alcohol and Gambling Enforcement Division  
 445 Minnesota Street, Suite 222, St. Paul, MN 55101  
 651-201-7500 Fax 651-297-5259 TTY 651-282-6555  
**APPLICATION AND PERMIT FOR A 1 DAY  
 TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE**

Name of organization Date organized Tax exempt number  
*Hebert-Kennedy V.F.W. Post 3979* [ ] [ ]

Address City State Zip Code  
*210 Arch St* *Cloquet* *MN* *55720*

Name of person making application Business phone Home phone (cell)  
*Shawn Bernhardt* *218-879-2447* [ ]

Date(s) of event Type of organization  
*June 17, 18 - 2016*  Club  Charitable  Religious  Other non-profit

Organization officer's name City State Zip Code  
*Aaron Johnson* *Cloquet* *MN* *55720*

Organization officer's name City State Zip Code  
*Troy Smith* *Cloquet* *MN* *55720*

Organization officer's name City State Zip Code  
*MARK Goad* *Cloquet* *MN* *55720*

Organization officer's name City State Zip Code  
*Gary Dahl* *Cloquet* *MN* *55720*

Location where permit will be used. If an outdoor area, describe.  
*210 Arch St. Cloquet, MN. 55720 Rear City Parking lot.*

If the applicant will contract for intoxicating liquor service give the name and address of the liquor license providing the service.  
*Hebert-Kennedy V.F.W. Post 3979  
 210 Arch St.  
 Cloquet, MN. 55720*

If the applicant will carry liquor liability insurance please provide the carrier's name and amount of coverage.

APPROVAL

APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL AND GAMBLING ENFORCEMENT

*Cloquet*  
 City or County approving the license

*5/17/16*  
 Date Approved

Fee Amount

Permit Date

Date Fee Paid

City or County E-mail Address

*[Signature]*  
 Signature City Clerk or County Official

City or County Phone Number

Approved Director Alcohol and Gambling Enforcement

CLERKS NOTICE: Submit this form to Alcohol and Gambling Enforcement Division 30 days prior to event.

**ONE SUBMISSION PER EMAIL, APPLICATION ONLY.  
 PLEASE PROVIDE A VALID E-MAIL ADDRESS FOR THE CITY/COUNTY AS ALL TEMPORARY PERMIT APPROVALS WILL BE SENT  
 BACK VIA EMAIL. E-MAIL THE APPLICATION SIGNED BY CITY/COUNTY TO [AGE.TEMPORARYAPPLICATION@STATE.MN.US](mailto:AGE.TEMPORARYAPPLICATION@STATE.MN.US)**




**ADMINISTRATIVE OFFICES**

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www.ci.cloquet.mn.us

**REQUEST FOR COUNCIL ACTION**

---

To: Mayor and City Council  
From: Brian Fritsinger, City Administrator   
Date: May 17, 2016

---

**ITEM DESCRIPTION:** City Engineer / Director of Public Works Appointment

---

**Proposed Action**

Staff recommends that the City Council move to approve the one year probationary appointment of Caleb Peterson to the position of City Engineer / Director of Public Works effective June 6, 2016 and to authorize the City Administrator to initiate an external hiring process for the Assistant City Engineer position.

**Background/Overview**

In April 2016, the City Council authorized the hiring process of a City Engineer / Director of Public Works. This position serves as a department head overseeing both the functions of Public Works and Engineering.

This opening was created due to the pending retirement of Jim Prusak on June 3, 2016. The City opted to follow an internal posting process rather than external hiring process. The City posted the position and solicited letters of interest and resume. One internal candidate, Caleb Peterson, expressed interest and was interviewed by a panel of three.

Mr. Peterson has served as the City's Assistant City Engineer for eight years and prior to that served in a similar capacity with the City of Waseca. The panel unanimously agreed to recommend Mr. Peterson for the position.

Should the City Council approve the appointment of Mr. Peterson, it will create a vacancy in his current position. Staff has analyzed a series of organizational options and supports the continuation of a department structure including an Assistant City Engineer. The Council should consider authorizing staff to proceed with the hiring process.

**Policy Objectives**

The City Council is the hiring authority of the City as determined by City Code and State law. The City Council must act to appoint this individual to complete the hiring process.

**Financial/Budget/Grant Considerations**

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

**Advisory Committee/Commission Action**

An interview panel has recommended Mr. Peterson for the position.

**Supporting Documentation Attached**

- None






**ADMINISTRATIVE OFFICES**

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**REQUEST FOR COUNCIL ACTION**

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

---

**ITEM DESCRIPTION:** Summer Seasonal Appointments

---

**Proposed Action**

Staff recommends that the City Council move to approve the appointments of Sean Kedrowski, Trace Drechsler, Joshua Keith and Austin Parenteau as temporary Summer Seasonal Public Works employees and Patrick Kemper and Anthony Klassen as temporary Summer Engineering Interns.

**Background/Overview**

Each year the City hires a variety of summer seasonal employees including laborers in the Street, Parks, and Utilities Departments as well as engineering interns working with Civil Engineering. These employees assist with a wide variety of work as a result of the need to maintain and repair a wide variety of items.

The City has advertised for these positions through its website, Pine Journal ads and local colleagues. Several of these individuals are returning seasonal employees having previously worked for the City. The City still has 2 positions to fill and will continue to search for candidates.

**Policy Objectives**

The City Council is the hiring authority for the City as determined by City Code and State law. The City Council must act to appoint these individuals to complete the hiring process.

**Financial/Budget/Grant Considerations**

All of the temporary summer seasonal Public Works positions were included in the 2016 budget. Hourly wage rates will vary by position and years of service with the City.

**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- None.




## DEPARTMENT OF PUBLIC WORKS

1307 Cloquet Avenue; Cloquet, MN 55720  
Phone: (218) 879-6758 Fax: (218) 879-6555  
Street - Water - Sewer – Engineering - Park  
www.ci.cloquet.mn.us

### REQUEST FOR COUNCIL ACTION

---

To: Mayor and City Council  
From: Caleb Peterson, Assistant City Engineer  
Reviewed by: Brian Fritsinger, City Administrator   
Date: April 26, 2016

---

**ITEM DESCRIPTION:** FDL Ski Trail Agreement

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#### **Proposed Action**

Staff recommends the City Council move to approve the agreement with FDL for operation and maintenance of the Pine Valley west ski trail.

#### **Background/Overview**

The City of Cloquet has operated the very popular Pine Valley West Ski Trail for a number of years. In 2013 a portion of the land which on which the trail runs was purchased by FDL. Since that time the City has entered into an agreement with FDL for continued use of the property as a ski trail.

The current agreement has expired and needs to be renewed. In order to accommodate the requests of the many trail users, Section 10 was added to the agreement outlining the terms of potential trail improvements on the FDL owned parcel.

#### **Policy Objectives**

Parks Master Plan Policy 7.3: Partnerships with other jurisdictions and non-government entities shall be sought to achieve extensions of the City's trail network.

#### **Financial/Budget/Grant Considerations**

N/A.

#### **Advisory Committee/Commission Action**

The Parks Commission voted unanimously to recommend approval of the agreement with FDL at their regular April meeting.

#### **Supporting Documentation Attached**

- Land Use Permit Agreement
- Trail Map

# LAND USE PERMIT AGREEMENT

This Agreement, by and between the Fond du Lac Band of Lake Superior Chippewa, 1720 Big Lake Road, Cloquet, Minnesota 55720 ("FDL"), and the City of Cloquet, 1307 Cloquet Avenue, Cloquet, MN ("the City"), shall be governed by the following terms and conditions:

1. **Subject Parcels and Purpose.** FDL grants a permit to the City for the use of the following Permitted Property:  

Pine Valley Ski Trail located in the South Half of Section 27, Township 49N, Range 17W. (See Exhibit A, attached.)

The City is permitted to enter upon the Permitted Property only for maintenance and use of a cross country ski trail.
2. **Term.** The term of this Land Use Permit Agreement is the 2016 to 2019 ski seasons, commencing on May 1, 2016 and continuing through May 31, 2019.
3. **Termination.**
  - 3.1 This Land Use Permit Agreement is subject to cancellation by FDL at any time upon written notice.
  - 3.2 The City covenants that at the termination of this Land Use Permit Agreement by lapse of time or otherwise, it shall remove its personal property, restore the Permitted Property to its original condition, and desist entry upon the Permitted Property.
4. **No Rent or License Fee.** The City shall owe FDL no rent or license fee under this Land Use Permit Agreement.
5. **Duties of FDL.** FDL shall allow access to the Permitted Property by the City, its authorized representatives and the general public for the purposes of maintenance and use of a cross country ski trail.
6. **Duties of the City.**
  - 6.1 The City shall allow access by FDL and FDL Band Members to the entire Pine Valley Ski Trail at no charge or fee during the life of this Land Use Permit Agreement.
  - 6.2 The City shall not use the Permitted Property at any time for any purpose outside the scope of this Land Use Permit Agreement.
  - 6.3 The City shall not assign, sublet, or otherwise transfer its interest in this Land Use Permit Agreement without the prior written consent of FDL.
  - 6.4 The City shall make no alterations, additions, or changes in the Permitted Property without the advance consent of FDL.
7. **Insurance.**
  - 7.1 **Property Damage.** It shall be the duty of the City and FDL to maintain insurance or self-insurance on their own property, both real and personal. Notwithstanding anything apparently to the contrary in this Land Use Permit Agreement, the City and FDL hereby release on another and their respective partners, officers, employees and property manager from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for loss or damage covered by said insurance, even if such loss or damage shall have been caused by the fault or negligence of the other party,

or anyone for whom such party may be responsible.

7.1 **Liability.** The City and FDL agree that each party will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof.

8. **Compliance with Applicable Laws; Right to Inspect Sites.** The City shall comply with all federal, tribal or state laws applicable to its use of subject parcels. FDL reserves the right to inspect the subject parcels at any reasonable time to ensure compliance with this section.

9. **Jurisdiction of Fond du Lac Tribal Court.** Any dispute arising under this Land Use Permit Agreement shall be subject to the jurisdiction of the Fond du Lac Tribal Court, which shall apply, in its sole discretion, applicable federal or tribal law in the resolution of such disputes.

10. **Trail Maintenance.**

10.1 During the summer of 2016 the City proposes to perform minor grading of the trail in order to eliminate irregularities in the existing surface which make skiing difficult. Any disturbed soil requiring restoration will be reseeded.

10.2 Prior to the performance of any grading work a member of FDL Resource Management staff will meet onsite to review the proposed scope of work. Any concerns and/or recommendations shall be mutually resolved in writing prior to the actual land disturbance.

**FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA**

  
\_\_\_\_\_

DATE: 4-13/16

\_\_\_\_\_, Chairperson

  
\_\_\_\_\_

DATE: 4-13-16

\_\_\_\_\_, Sec./Treas.

**THE CITY OF CLOQUET**

\_\_\_\_\_

DATE: \_\_\_\_\_

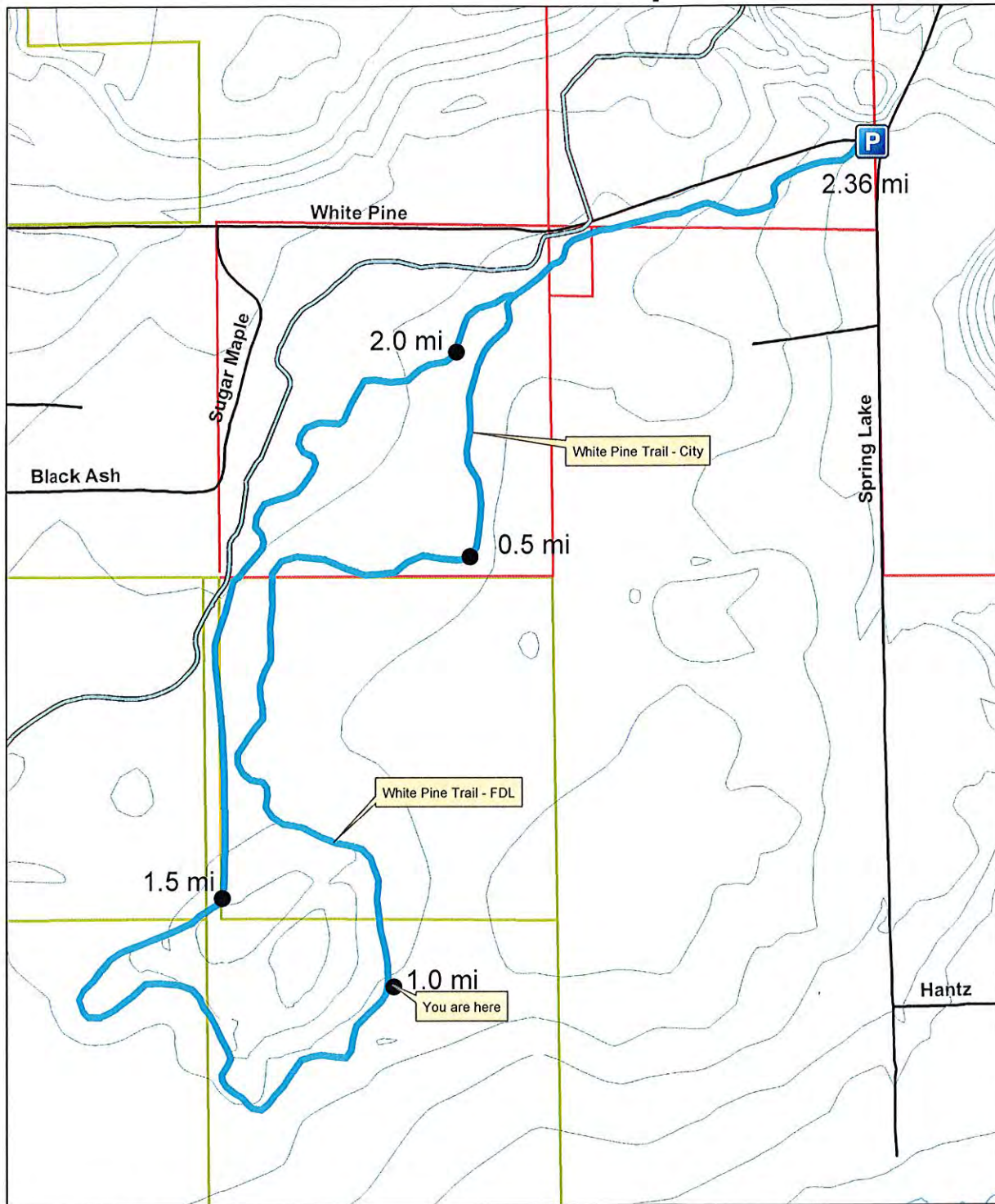
Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_



# Pine Valley Trail System

## White Pine Loop



0.25 0.125 0 0.25 Miles

### Legend

-  White Pine Loop
-  Snowmobile trail
-  10 foot contours
-  City Owned Lands
-  Fond du Lac Lands

Welcome to the White Pine Trail  
Please be courteous

- Classic skiers use set tracks
- Skate skiers use trail center
- Hikers and snowshoers use side opposite classic tracks
- Single file
- Remove dog poop from trail
- No motorized vehicles








## 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: Brian Fritsinger, City Administrator   
Date: April 29, 2016

---

**ITEM DESCRIPTION:** City Hall Security System Upgrade

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#### **Proposed Action**

Staff recommends that the City Council move to accept the proposal from Per Mar Security in the amount of \$24,925 to upgrade the security system at City Hall.

#### **Background/Overview**

The current building security system at City Hall was installed by Per Mar Security at the time of the building's construction in 1990. Since that time, there have been a number of issues which have led to the need to upgrade.

First, the age of the current system is such that the maintenance of the system is problematic due to the challenge in obtaining parts. Second, the City's agreement with the Northeast Service Cooperative to rent out a portion of our building has required an update to allow shared access. Third, societal changes and those impacts on public employees dictate upgrades to enhance protection to our employees both within and outside the building.

In looking at upgrades to the system, staff contacted both Per Mar Security and Arrowhead Radio and Security (ARS) for quotes. The updated quote from Per Mar was determined to best fit the needs of the City and was the most cost effective proposal. The proposal from ARS was \$21,130 not including cameras.

The upgrade would involve the following critical changes:

- Relocation of keypad/reader to west entrance
- Upgraded motion sensors
- Three new panic buttons (Council Chambers, Administration and Inspections)

The system is designed to move a card key or fob system to further restrict public access within the building from private work areas. One other proposed change is the addition of three security cameras. This includes one camera in the lobby and cameras on the north and west sides to monitor the entrances and employee parking areas. The addition of these cameras, at the cost of \$6,335, was not planned for as part of the City's project budget. In light of security challenges around the county, it was determined that the cameras would be important additions to the security staff and public.

To Mayor and Council  
City Hall Security System Update  
April 29, 2016  
Page 2

**Policy Objectives**

The upgrade would provide increased security related to the building, its contents, and people within the building

**Financial/Budget/Grant Considerations**

The adopted 2016 budget and Capital Improvement Plan included \$23,000 to upgrade this system.

**Advisory Committee/Commission Action**

The City's Safety Committee has been actively involved in the discussion to upgrade security at City Hall for the safety of the employees and public.

**Supporting Documentation Attached**

- Per Mar Security Proposal



May 5, 2016

Cloquet City Hall  
Attn: James, Brian & Steve

Subject: Access, Burg, and Door Release ( Aiphone ) Cameras

Gentlemen,

Thank you very much for allowing Per Mar Security the opportunity to submit a proposal for an upgrade and expansion to your system. We sincerely appreciate the chance to be of continued service to you.

Per Mar has gained specific expertise through providing security solutions to home and businesses for 60 years. We are one of the largest full service security companies in the nation, and maintain 25 branch offices in the Midwest. We are known throughout the region as a customer-orientated, financially sound provider of security services. You can be assured that the service we provide to you will be in accordance with Per Mar's meticulous standards.

**You would benefit by selecting Per Mar Security based upon the following:**

<b>Reputation:</b>	Per Mar has been providing security solutions since 1953.
<b>Expertise:</b>	Per Mar technicians have been factory trained on the installation and operation of burglar, fire alarm, CCTV, and access control systems.
<b>Monitoring:</b>	Per Mar has a UL Listed and FM Approved Central Monitoring Station. In the event of a burglary or fire, Per Mar will notify the appropriate authorities immediately. Help is just a phone call away, 24-hours a day, 365 days a year.
<b>Service and Support:</b>	Per Mar offers a variety of service agreements for your security system.



After Speaking with you and reviewing the plans for upgrade, I am pleased to propose the following solution:

**Access**

- 3 HID Thinline readers
- 1 1200LB Mag Locks
- 1 REX Push Button Exit
- 2 SMP7 Power Supplies
- 2 IStar Edge 4 Door Panels
- 4 R8-7400 Strikes
- 1 C-Cure Site Server
- 2 HID Readers with key pad

Outright Price \$15,250.00 and \$35.00 monthly software agreement

Optional 24 x7 monthly Maintenance \$135.00

**Burg Upgrade**

- 1 Commercial Burg Fire Panel
- 1 8 Zone Expander
- 3 Portable Once Button Panics
- 3 360 Degree Motion Detectors
- 1 Wireless Transceiver Module

Outright Price \$2050.00 and \$48.05 Monthly monitoring and maintenance

**iPhone -**

- 2 LEF3 Master Stations
- 2 LED Door Stations
- 2 Power Supplies

Outright Price \$1290.00

Optional 24x7 monthly Maintenance \$11.86



### Cameras -

- 1 PTZ 5Mp Camera
- 1 PTZ Keyboard
- 1 360 Degree 5 MP Camera
- 1 Wide Angle 2MP Camera

Outright Price                      \$6335.00

Optional 24x7 monthly Maintenance \$59.00

Thank you for choosing Per Mar for all of your security needs.  
Sincerely,

**Edward Vice**  
Security Consultant  
Per Mar Security  
Office: 218-722-1630  
Cell: 218-269-6681  
evice@permarsecurity.com

### Per Mar Pledge of Service

1. To provide a custom designed electronic protection system that meets your unique needs.
2. To provide 24-hour a day Central Station monitoring services through a combination of state of the art technology and trained, experienced personnel.
3. To provide 24-hour a day service, and guarantee that you will always speak with a person – not a tape recorder or voicemail.

When you deal with Per Mar you are purchasing a customized security solution and peace of mind. That is why we are...One Company, One call, One Solution.



**ADMINISTRATIVE OFFICES**

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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 (P)  
Date: May 10, 2016

---

**ITEM DESCRIPTION:** Awarding Bid for Holmes Drive Improvement

---

**Proposed Action**

Staff recommends that the City Council move to adopt **RESOLUTION NO. 16-45, A RESOLUTION AWARDING HOLMES DRIVE MILL & OVERLAY BID.**

**Background/Overview/Feasibility**

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. City Code does not require assessments to be levied for this type of project and as such a formal public hearing was not required. All property owners and business along the route were invited to attend one of two informal public information meetings held on Thursday April 14<sup>th</sup>. On April 19<sup>th</sup> Council passed a resolution ordering the improvement and directing the City Engineer to solicit bids for the project. Bids were advertised beginning April 21<sup>st</sup> and were received and opened on May 5<sup>th</sup>. Four bids were received as follows:

<b><u>Bidder</u></b>	<b><u>Bid Amount</u></b>
Northland Constructors, LLC	\$ 274,269.60
Ulland Brothers, Inc.	\$ 276,645.55
Hardrives, Inc.	\$ 289,209.16
Sinnott Contracting, LLC	\$ 334,759.82
Engineer's Estimate	\$ 346,200.00

**Policy Objectives**

To advance proposed capital improvement projects in accordance with State law.

**Financial/Budget/Grant Considerations**

The approved 2016 Budget and Capital Improvement Plan (CIP) include an estimated cost for this project of \$360,000. The project is proposed to be funded using Municipal State Aid.

**Advisory Committee/Commission Action**

N/A

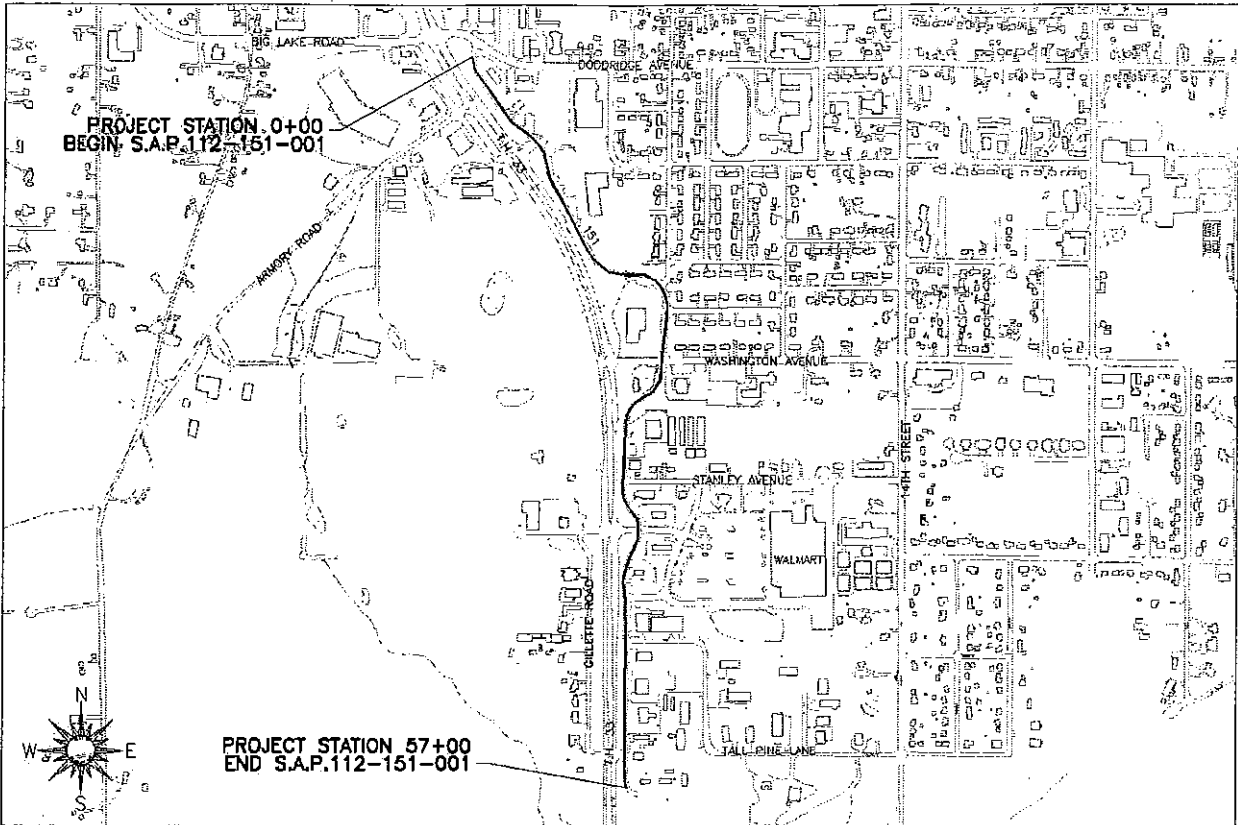
**Supporting Documentation Attached**

- Bid Tabulation
- Resolution No. 16- 45



To Mayor and Council  
Awarding Bid for Holmes Drive Improvement  
May 10, 2016  
Page 2

### Proposed Project Map



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

**RESOLUTION NO. 16-45**

**A RESOLUTION AWARDDING HOLMES DRIVE  
MILL AND OVERLAY BID**

**WHEREAS**, The City has completed an engineering study to mill and overlay Holmes Drive from Doddridge Avenue to Trunk Highway 33; and

**WHEREAS**, Public information meetings were held on April 14, 2016 at which time all persons desiring to be heard were given an opportunity to be heard thereon; and

**WHEREAS**, A resolution of the Council adopted on April 19th, 2016, ordered the improvement and directed the City Engineer to solicit bids for the project; and

**WHEREAS**, The City of Cloquet advertised and received the following bids for the project:

<u>Bidder</u>	<u>Bid Amount</u>
Northland Constructors, LLC	\$ 274,269.60
Ulland Brothers, Inc.	\$ 276,645.55
Hardrives, Inc.	\$ 289,209.16
Sinnott Contracting, LLC	\$ 334,759.82

**AND WHEREAS**, The apparent low bid from Northland Constructors, LLC. was found to meet the minimum bid requirements.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, That the bid from Northland Constructors, LLC. in the amount of \$274,269.60 is hereby accepted.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET  
THIS 17<sup>th</sup> DAY OF MAY, 2016.**

\_\_\_\_\_  
Dave Hallback, Mayor

ATTEST:

\_\_\_\_\_  
Brian Fritsinger, City Administrator



Holmes Drive - Doddridge Avenue to Hwy 33  
 Bituminous Mill, Bituminous Paving, and Sidewalk Construction

Cloquet City Project No. 1066  
 S.A.P. 112-151-001

Bid Tabulation

BID LETTING DATE: Thursday, May 5, 2016  
 RECOMMEND AWARD TO: Northland Constructors of Duluth, LLC  
 4843 Rice Lake Road  
 Duluth, MN 55803

ENGINEERS ESTIMATE

**BID TABULATION SUMMARY**  
 City of Cloquet, Minnesota

**Bidder**  
 Northland Constructors of Duluth, LLC  
 Ulland Brothers, Inc.  
 Hardrives, Inc.  
 Sinnott Contracting, LLC

**Total Bids**  
 \$ 274,269.60  
 276,645.55  
 289,209.16  
 334,759.82

Engineer's Estimate \$ 346,203.50

CONTRACT ITEM	UNIT	QUANT.	ENGINEERS ESTIMATE		Northland Constructors of Duluth, LLC		Ulland Brothers, Inc.		Hardrives, Inc.	
			UNIT BID	AMOUNT	UNIT BID	AMOUNT	UNIT BID	AMOUNT	UNIT BID	AMOUNT
MOBILIZATION	LUMP SUM	1	25,000.00	25,000.00	5,000.00	5,000.00	8,000.00	8,000.00	10,868.09	10,868.09
REMOVE CONCRETE PAVEMENT	SQ. YD.	66	8.50	561.00	18.50	1,221.00	19.00	1,254.00	50.83	3,354.78
REMOVE BITUMINOUS PAVEMENT	SQ. YD.	83	3.00	249.00	16.00	1,328.00	16.00	1,328.00	37.72	3,130.76
SAWING BITUMINOUS PAVEMENT	LIN. FT.	398	2.00	796.00	2.10	835.80	3.00	1,194.00	3.23	1,285.54
MILL BITUMINOUS SURFACE (2.0")	SQ. YD.	17952	3.00	53,856.00	1.35	24,235.20	1.40	25,132.80	1.41	25,312.32
BITUMINOUS MATERIAL FOR TACK COAT	GALLON	917	3.00	2,751.00	2.20	2,017.40	2.00	1,834.00	2.50	2,292.50
TYPE SP12.5 WEARING COURSE MIXTURE (3,C)	TON	2210	80.00	176,800.00	47.00	103,870.00	45.00	99,450.00	50.56	111,737.60
ADJUST VALVE BOX	EACH	8	100.00	800.00	800.00	6,400.00	800.00	6,400.00	492.29	3,938.32
ADJUST FRAME AND RING CASTINGS	EACH	11	200.00	2,200.00	1,100.00	12,100.00	1,100.00	12,100.00	654.32	7,197.52
EXTERNAL MANHOLE CHIMNEY SEAL	EACH	9	300.00	2,700.00	270.00	2,430.00	265.00	2,385.00	416.03	3,744.27
4" CONCRETE SIDEWALK REMOVAL & REPLACEMENT	SQ. FT.	534	5.00	2,670.00	7.80	4,165.20	8.00	4,272.00	12.93	6,904.62
4" CONCRETE SIDEWALK	SQ. FT.	8355	3.50	29,242.50	6.80	56,814.00	7.00	58,485.00	6.79	56,730.45
CONCRETE CURB & GUTTER DESIGN B624, REMOVE & REPLACE	LIN. FT.	325	15.00	4,875.00	43.00	13,975.00	43.35	14,088.75	40.95	13,308.75
CONCRETE CURB DESIGN V6	LIN. FT.	60	5.00	300.00	17.00	1,020.00	17.00	1,020.00	23.71	1,422.60
6" CONCRETE DRIVEWAY PAVEMENT	SQ. YD.	26	45.00	1,170.00	62.00	1,612.00	62.00	1,612.00	53.89	1,401.14
8" CONCRETE DRIVEWAY PAVEMENT	SQ. YD.	40	75.00	3,000.00	68.00	2,720.00	68.00	2,720.00	61.43	2,457.20
TRUNCATED DOME	SQ. FT.	128	35.00	4,480.00	36.00	4,608.00	36.00	4,608.00	38.80	4,966.40
TRAFFIC CONTROL	LUMP SUM	1	5,000.00	5,000.00	4,800.00	4,800.00	3,500.00	3,500.00	2,802.14	2,802.14
FLAG PERSON	HOUR	100	55.00	5,500.00	68.00	6,800.00	90.00	9,000.00	50.00	5,000.00
STORM DRAIN INLET PROTECTION	EACH	18	125.00	2,250.00	125.00	2,250.00	100.00	1,800.00	242.49	4,364.82
COMMON TOPSOIL BORROW	CU. YD.	50	35.00	1,750.00	41.00	2,050.00	40.00	2,000.00	43.11	2,155.50
SODDING, TYPE LAWN	SQ. YD.	448	6.00	2,688.00	4.40	1,971.20	4.50	2,016.00	4.58	2,051.84
4" SOLID LINE YELLOW EPOXY (GROUND IN)	LIN. FT.	9980	0.75	7,485.00	0.66	6,586.80	0.70	6,986.00	0.70	6,986.00
CROSSWALK EPOXY GROUND IN	SQ. FT.	840	12.00	10,080.00	6.50	5,460.00	6.50	5,460.00	6.90	5,796.00
				\$ 346,203.50		\$ 274,269.60		\$ 276,645.55		\$ 289,209.16

Holmes Drive - Doddridge Avenue to Hwy 33  
 Bituminous Mill, Bituminous Paving, and Sidewalk Construction  
 Cloquet City Project No. 1066  
 S.A.P. 112-151-001

ENGINEERS ESTIMATE

Sinnott Contracting, LLC

CONTRACT ITEM	UNIT	QUANT.	UNIT		UNIT		UNIT		UNIT	
			BID	AMOUNT	BID	AMOUNT	BID	AMOUNT	BID	AMOUNT
MOBILIZATION	LUMP SUM	1	25,000.00	25,000.00	8,600.00	8,600.00				
REMOVE CONCRETE PAVEMENT	SQ. YD.	66	8.50	561.00	17.00	1,122.00				
REMOVE BITUMINOUS PAVEMENT	SQ. YD.	83	3.00	249.00	5.10	423.30				
SAWING BITUMINOUS PAVEMENT	LIN. FT.	398	2.00	796.00	3.60	1,432.80				
MILL BITUMINOUS SURFACE (2.0")	SQ. YD.	17952	3.00	53,856.00	1.41	25,312.32				
BITUMINOUS MATERIAL FOR TACK COAT	GALLON	917	3.00	2,751.00	5.00	4,585.00				
TYPE SP12.5 WEARING COURSE MIXTURE (3,C)	TON	2210	80.00	176,800.00	78.85	174,258.50				
ADJUST VALVE BOX	EACH	8	100.00	800.00	280.00	2,240.00				
ADJUST FRAME AND RING CASTINGS	EACH	11	200.00	2,200.00	430.00	4,730.00				
EXTERNAL MANHOLE CHIMNEY SEAL	EACH	9	300.00	2,700.00	505.00	4,545.00				
4" CONCRETE SIDEWALK REMOVAL & REPLACEMENT	SQ. FT.	534	5.00	2,670.00	8.30	4,432.20				
4" CONCRETE SIDEWALK	SQ. FT.	8355	3.50	29,242.50	5.50	45,952.50				
CONCRETE CURB & GUTTER DESIGN B624, REMOVE & REPLACE	LIN. FT.	325	15.00	4,875.00	38.00	12,350.00				
CONCRETE CURB DESIGN V6	LIN. FT.	60	5.00	300.00	44.00	2,640.00				
6" CONCRETE DRIVEWAY PAVEMENT	SQ. YD.	26	45.00	1,170.00	89.00	2,314.00				
8" CONCRETE DRIVEWAY PAVEMENT	SQ. YD.	40	75.00	3,000.00	94.75	3,790.00				
TRUNCATED DOME	SQ. FT.	128	35.00	4,480.00	34.85	4,460.80				
TRAFFIC CONTROL	LUMP SUM	1	5,000.00	5,000.00	3,200.00	3,200.00				
FLAG PERSON	HOUR	100	55.00	5,500.00	95.00	9,500.00				
STORM DRAIN INLET PROTECTION	EACH	18	125.00	2,250.00	114.00	2,052.00				
COMMON TOPSOIL BORROW	CU. YD.	50	35.00	1,750.00	42.50	2,125.00				
SODDING, TYPE LAWN	SQ. YD.	448	6.00	2,688.00	4.55	2,038.40				
4" SOLID LINE YELLOW EPOXY (GROUND IN)	LIN. FT.	9980	0.75	7,485.00	0.70	6,986.00				
CROSSWALK EPOXY GROUND IN	SQ. FT.	840	12.00	10,080.00	6.75	5,670.00				
				\$ 346,203.50		\$ 334,759.82		\$ -		\$ -




**ADMINISTRATIVE OFFICES**

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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: Caleb Peterson, Assistant City Engineer  
Reviewed by: Brian Fritsinger, City Administrator   
Date: May 10, 2016

---

**ITEM DESCRIPTION:** Awarding Bid for the Reclamation of Frontage Rd and Carl Street

---

**Proposed Action**

Staff recommends that the City Council move to adopt **RESOLUTION NO. 16-46, A RESOLUTION AWARDING THE CARL STREET AND SOUTH HIGHWAY 33 FRONTAGE ROAD IMPROVEMENT BID.**

**Background/Overview/Feasibility**

As part of the City's 5-Year Capital Improvement Program (CIP) and approved budget, plans were made to reclaim the South Highway 33 Frontage Road from Moorhead Road to Highway 33 during 2015. On August 18, 2015, the City Council held a public hearing on the proposed Pavement Improvement to Frontage Road, which is in the immediate neighborhood of Carl Street. Following that public hearing, the City Engineer was directed to proceed with this improvement. On August 21, the City Administrator's Office received a petition signed by four of seven property owners along Carl Street, requesting a bituminous overlay of their block from the South Highway 33 Frontage Road, west to Walter Street. The City Engineer supported this project and thought it best to combine this work with the frontage road improvement. Due to the timing, it was recommended both pavement improvements be bid as one project in 2016.

Public hearings on both proposed improvements were held before the City Council as required by State Statute. At the conclusion of both hearings a resolution was passed ordering the improvements and directing the City Engineer to solicit bids for the project. Bids were advertised beginning April 14<sup>th</sup> and were received and opened on May 5<sup>th</sup>. Three bids were received as follows:

<b><u>Bidder</u></b>	<b><u>Bid Amount</u></b>
Northland Constructors, LLC.	\$ 231,271.59
Ulland Brothers, Inc.	\$ 240,659.20
Hardrives, Inc.	\$ 274,189.38
Engineer's Estimate	\$ 464,300.00

**Policy Objectives**

To advance proposed capital improvement projects in accordance with State law.



To Mayor and Council  
Awarding Bid for the Reclamation of Frontage Rd and Carl St.  
May 10, 2016  
Page 2

**Financial/Budget/Grant Considerations**

The approved CIP and budget include an estimated cost for this project of \$385,000 to be levied from the City's Permanent Improvement Fund.

**Advisory Committee/Commission Action**

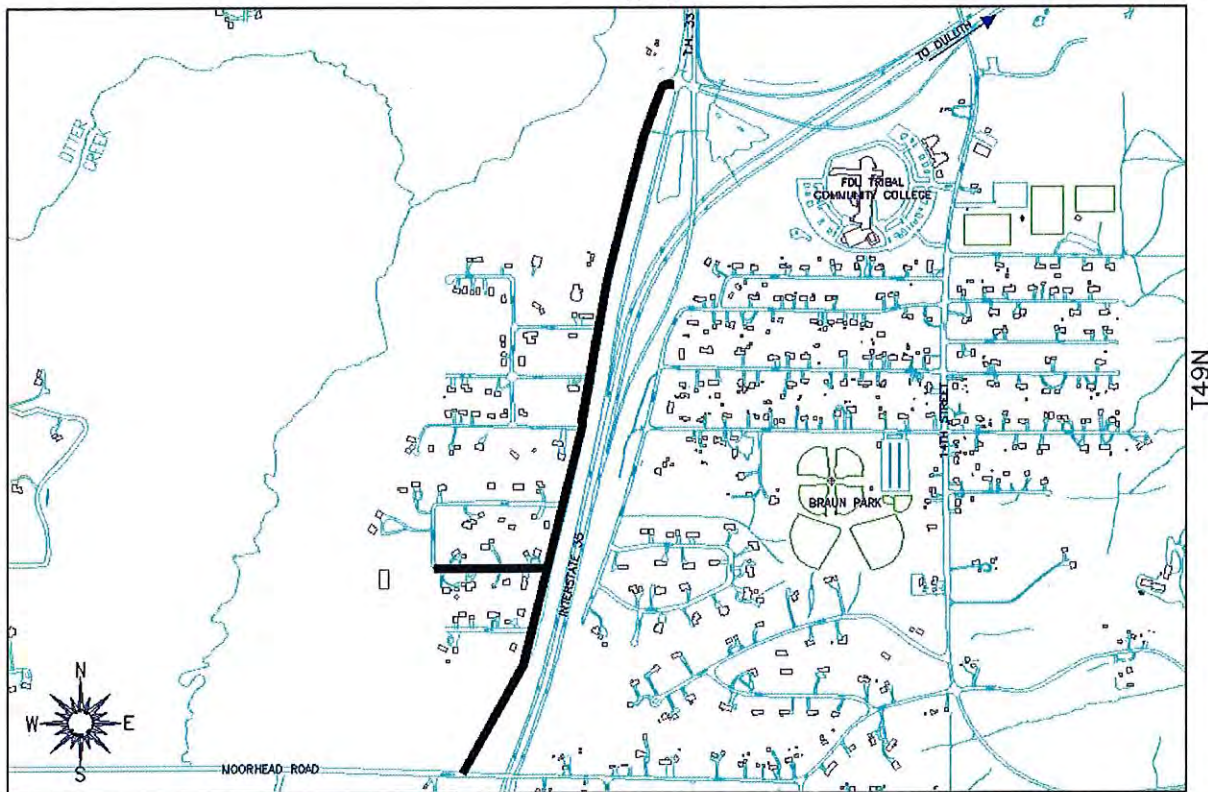
N/A

**Supporting Documentation Attached**

- Bid Tabulation
- Resolution No. 16-46

**Proposed Project Map**

R17W



**South TH33 Frontage Road & Carl Street Reclamation**

**BID TABULATION SUMMARY**  
City of Cloquet, Minnesota

Bidder	Total Bids
Northland Constructors of Duluth, LLC	\$ 231,271.59
Ulland Brothers, Inc	240,659.20
Hardrives, Inc	274,189.38

Cloquet City Project No. 1052

**Bid Tabulation**

Engineer's Estimate \$ 510,784.18

BID LETTING DATE: Thursday, May 5, 2016  
RECOMMEND AWARD TO: Northland Constructors of Duluth, LLC  
4843 Rice Lake Road  
Duluth, MN 55803

ENGINEERS ESTIMATE Northland Constructors of Duluth, LLC Ulland Brothers, Inc Hardrives, Inc

CONTRACT ITEM	UNIT	QUANT.	UNIT		UNIT		UNIT		UNIT	
			BID	AMOUNT	BID	AMOUNT	BID	AMOUNT	BID	AMOUNT
MOBILIZATION	LUMP SUM	1	20,000.00	20,000.00	5,000.00	5,000.00	3,300.00	3,300.00	9,686.27	9,686.27
FULL DEPTH RECLAMATION	SQ YD	22856	2.00	45,712.00	0.80	18,284.80	1.20	27,427.20	0.84	19,199.04
BITUMINOUS MATERIAL FOR TACK COAT	GALLON	1053	3.50	3,685.50	2.30	2,421.90	2.00	2,106.00	1.34	1,411.02
TYPE SP12.5 WEARING COURSE MIXTURE (3.C)	TON	4681	80.00	374,480.00	39.00	182,559.00	39.25	183,729.25	47.30	221,411.30
TRAFFIC CONTROL	LUMP SUM	1	3,500.00	3,500.00	6,000.00	6,000.00	3,450.00	3,450.00	3,431.64	3,431.64
FLAG PERSON	HOURL	100	55.00	5,500.00	69.00	6,900.00	92.00	9,200.00	50.00	5,000.00
SEDIMENT CONTROL LOG, TYPE COMPOST LOG	LIN FT	100	5.00	500.00	3.70	370.00	6.75	675.00	6.43	643.00
EROSION CONTROL SUPERVISOR	LUMP SUM	1	1,200.00	1,200.00	500.00	500.00	1,000.00	1,000.00	2,983.91	2,983.91
4" SOLID LINE YELLOW-EPOXY (GROUND IN)	LIN FT	1470	0.75	1,102.50	0.70	1,029.00	0.75	1,102.50	0.80	1,176.00
4" BROKEN LINE YELLOW-EPOXY (GROUND IN)	LIN FT	930	0.75	697.50	0.71	660.30	0.75	697.50	0.80	744.00
4" SOLID LINE WHITE-EPOXY (GROUND IN)	LIN FT	10629	0.75	7,971.75	0.71	7,546.59	0.75	7,971.75	0.80	8,503.20

Est. Cons.	\$ 464,349.25	\$	231,271.59	\$	240,659.20	\$	274,189.38
10% Cont	\$ 46,434.93						
Total Est.	\$ 510,784.18						
ENGINEERS ESTIMATE			Northland Constructors of Duluth, LLC		Ulland Brothers, Inc		Hardrives, Inc

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

**RESOLUTION NO. 16-46**

**A RESOLUTION AWARDED CARL STREET  
AND SOUTH HIGHWAY 33 FRONTAGE ROAD IMPROVEMENT BID**

**WHEREAS**, The City has completed an engineering study to reclaim Carl Street from the South Highway 33 Frontage Road to Walter Avenue and the South Highway 33 Frontage Road from Moorhead Road to Highway 33; and

**WHEREAS**, A resolution of the Council adopted on February 2, 2016, set a public hearing on Carl Street and a resolution of the Council adopted on July 21, 2015, set a public hearing on the South Highway 33 Frontage Road improvements; and

**WHEREAS**, Public hearings were held on both projects at which time all persons desiring to be heard were given an opportunity to be heard thereon and the City Council ordered the improvements; and

**WHEREAS**, The City of Cloquet advertised and received the following bids for the project:

<u>Bidder</u>	<u>Bid Amount</u>
Northland Constructors, LLC.	\$ 231,271.59
Ulland Brothers, Inc.	\$ 240,659.20
Hardrives, Inc.	\$ 274,189.38

**AND WHEREAS**, The apparent low bid from Northland Constructors, LLC was found to meet the minimum bid requirements.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, That the bid from Northland Constructors LLC in the amount of \$231,271.59 is hereby accepted.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET  
THIS 17<sup>th</sup> DAY OF MAY, 2016.**

\_\_\_\_\_  
Dave Hallback, Mayor

ATTEST:

\_\_\_\_\_  
Brian Fritsinger, City Administrator




## DEPARTMENT OF PUBLIC WORKS

1307 Cloquet Avenue; Cloquet, MN 55720  
Phone: (218) 879-6758 Fax: (218) 879-6555  
Street - Water - Sewer - Engineering - Park  
www.ci.cloquet.mn.us

### REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Caleb Peterson, Assistant Engineer  
Reviewed By: Brian Fritsinger, City Administrator   
Date: May 11, 2016

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**ITEM DESCRIPTION:** Authorization to Bid Veterans and Fauley Park Improvements

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#### **Proposed Action**

Staff recommends that the City Council move to authorize the solicitation of bids for planned park improvements at Veterans and Fauley Parks.

#### **Background/Overview**

As part of the adopted CIP and budget, plans were made to improve Veterans and Fauley Parks in 2016. Over the past few months the City's engineering consultant Short Elliot Hendrickson (SEH) has been working with the Council, Park Commission, staff and various park users to refine the scope of the project and complete final construction documents. The improvements were identified as part of the recently adopted Riverfront Master Plan which was listed as a priority of the larger Park Master Plan. A brief outline of project scope can be found below:

#### **Veterans Park**

- Veterans Memorial Wall
- Cloquet Avenue entry plaza
- Interior sidewalk network
- Electrical capacity and lighting upgrades
- Landscaping

#### **Fauley Park**

- Landscape and drainage improvements
- Rerouting of the 4-wheeler trail
- Train lighting
- Interior sidewalk network

To Mayor and Council  
Veterans and Fauley Park Bid Authorization  
May 11, 2016  
Page 2

### **Policy Objectives**

Policy 1.3 – Improvements to parks shall follow a process that engages park users, stakeholders and neighbors to ensure changes are aligned with community needs and interests.

Policy 2.5 – All park resources shall be maintained in a way that ensures they are safe and attractive.

### **Project Schedule**

May 17 - Authorization to bid  
May 19 - Bid Advertisement  
June 9 - Bid Opening  
June 21 - Council Award of Project  
August 15 – Construction Begins

### **Financial/Budget/Grant Considerations**

The engineers estimate for this project is attached. The 2016 budget included \$950,000 for the proposed improvements. The current plan is to include the site light lighting and a portion of the electrical upgrades as an alternate bid item in order to provide the City with some protection should the bids come in higher than anticipated. Based on past direction from the Council, it is most likely the recommendation will be to proceed with the entire bid package at an estimated project cost of \$1,120,000. The project would be funded using sales tax revenues.

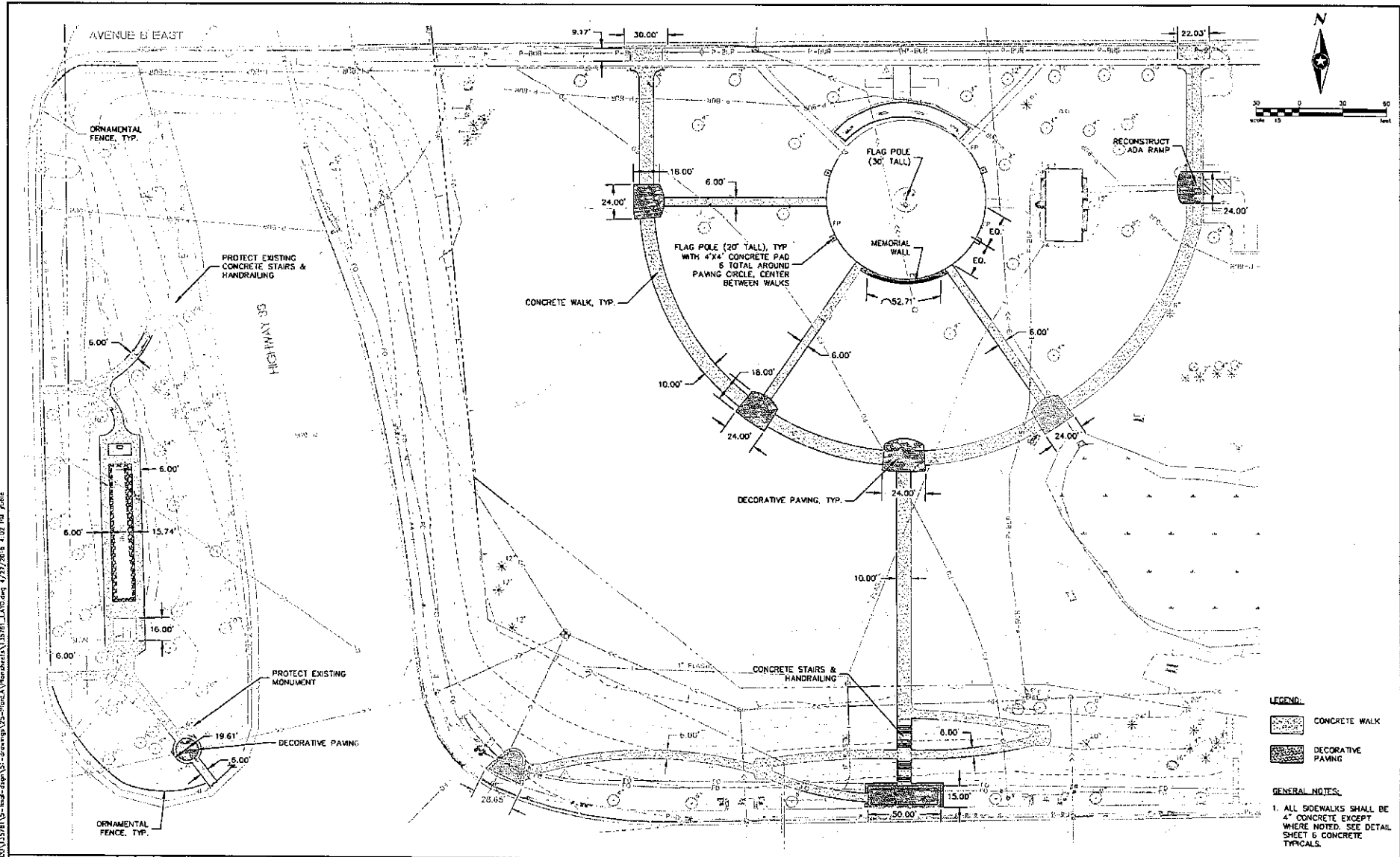
### **Advisory Committee/Commission Action**

N/A.

### **Supporting Documentation Attached**

- Project Site Plans
- Engineers Estimate





P:\AEC\CD\1552815 - Redesign\15 - drawings\15 - Plans\15 - Plans\1552815.dwg 4/27/2016 4:03 PM jrb

DESIGN TEAM	NO	BY	DATE	REVISIONS

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A LEGALLY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

SEH  
 218.279.3000  
 418 W SUPERIOR ST STE 200  
 DULUTH, MN 55802-1512  
 www.sehinc.com

VETERANS & FAULEY PARK  
 PARK IMPROVEMENTS  
 CLOUDET, MINNESOTA

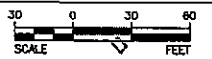
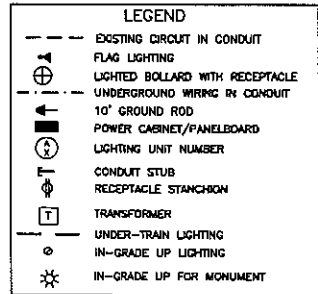
LAYOUT & MATERIALS PLAN  
 OVERALL

SEH # 155761  
 75% DESIGN  
 4.27.2016

8  
 26



AVENUE B EAST



- KEY NOTES:**
- ① REPLACE EXISTING H10 LUMINAIRE WITH LED LUMINAIRE.
  - ② 400A, 480V EXTERIOR SWITCHGEAR, ENCLOSED WITH CT EQUIPMENT, 75KVA TRANSFORMER, AND 200A PANEL.
  - ③ 200A EXTERIOR SWITCHGEAR, ENCLOSED WITH 30KVA TRANSFORMER, AND 100A PANEL.
  - ④ 200A, 480V EXTERIOR SWITCHGEAR, ENCLOSED WITH 100A PANEL AND 30KVA TRANSFORMER.
  - ⑤ 100A POWER CABINET WITH EXTERIOR WEATHERPROOF TRANSFORMER.
  - ⑥ REFEED EXISTING POND PUMP.
  - ⑦ MONUMENT PUMP.

DRAWN BY: JER				
DESIGNER: JER				
CHECKED BY: EBN				
DESIGN TEAM	NO.	BY	DATE	REVISIONS

**SEH**  
 PHONE: 218.278.3000  
 418 W SUPERIOR ST. STE. 200  
 DULUTH, MN 55802-1512  
 www.sehinc.com

VETERANS & FAULKLEY PARK  
 PARK IMPROVEMENTS  
 CLOQUET, MINNESOTA

SDA #  
 CLOQUET 135761  
 BOE DESIGN  
 3.30.2016



Date: 3/31/2016  
SEH: CLOQU - 130691

**2016 PARK IMPROVEMENTS (VETERANS & FAULEY PARK)**  
CLOQUET, MINNESOTA  
**50% DESIGN: PRELIMINARY ENGINEER'S OPINION OF PROBABLE CONSTRUCTION COST**

Item	Unit	Total Quantity	Unit Cost	Total Cost
<b>OVERALL PROJECT</b>				
CONTRACTOR MOBILIZATION	LS	1	\$ 47,000.00	\$ 47,000.00
CLEAR & GRUB	LS	1	\$ 12,500.00	\$ 12,500.00
TREE PRUNING	LS	1	\$ 1,500.00	\$ 1,500.00
SILT FENCE	LFT	2000	\$ 3.00	\$ 6,000.00
INLET PROTECTION	EA	15	\$ 250.00	\$ 3,750.00
COMMON EXCAVATION	CY	1800	\$ 20.00	\$ 36,000.00
WATERMAIN (4 INCH)	LFT	150	\$ 50.00	\$ 7,500.00
WATER METER VAULT	EA	1	\$ 3,500.00	\$ 3,500.00
GATE VALVE (4 INCH)	EA	1	\$ 1,800.00	\$ 1,800.00
CURB STOP	EA	1	\$ 300.00	\$ 300.00
CONNECT TO EXISTING WATER MAIN	EA	2	\$ 1,500.00	\$ 3,000.00
WATER SERVICE (1 INCH)	LFT	300	\$ 25.00	\$ 7,500.00
STORM: PIPE CULVERT (8 INCH)	LFT	80	\$ 40.00	\$ 3,200.00
STORM: PIPE (12 INCH)	LFT	70	\$ 50.00	\$ 3,500.00
STORM: APRON ENDWALLS	EA	4	\$ 300.00	\$ 1,200.00
STORM: CATCH BASIN	EA	2	\$ 1,800.00	\$ 3,600.00
STORM: BULKHEAD EXISTING PIPE	EA	1	\$ 300.00	\$ 300.00
STORM: CONNECT TO EXISTING STRUCTURE	EA	1	\$ 750.00	\$ 750.00
STORM: LOWER STRUCTURE & REPLACE CASTING	EA	3	\$ 750.00	\$ 2,250.00
LANDSCAPE BEDS	SFT	4150	\$ 8.00	\$ 33,200.00
TREES	EA	60	\$ 400.00	\$ 24,000.00
LANDSCAPING: NATIVE SEEDING (EMBANKMENT)	AC	1.50	\$ 9,000.00	\$ 13,500.00
<b>GENERAL CONSTRUCTION SUBTOTAL</b>				<b>\$ 215,850.00</b>
<b>VETERANS PARK</b>				
CONCRETE WALK	SFT	13100	\$ 5.00	\$ 65,500.00
DECORATIVE PAVING	SFT	3180	\$ 12.00	\$ 38,160.00
STAIRWAY & HANDRAIL	SFT	400	\$ 75.00	\$ 30,000.00
SEAT WALL	LFT	70	\$ 350.00	\$ 24,500.00
MEMORIAL WALL W/ WATER FEATURE	LS	1	\$ 250,000.00	\$ 250,000.00
<b>VETERANS SUBTOTAL</b>				<b>\$ 408,160.00</b>
<b>FAULEY PARK</b>				
TRAIN LIGHTING & ELECTRICAL (SEE ATTACHED BREAKDOWN)	LS	1	\$ 20,000.00	\$ 20,000.00
CONCRETE WALK (6')	SFT	4140	\$ 5.00	\$ 20,700.00
LIMESTONE SCREENINGS	SFT	700	\$ 4.00	\$ 2,800.00
<b>FAULEY SUBTOTAL</b>				<b>\$ 43,500.00</b>
<b>CONSTRUCTION SUBTOTAL</b>				<b>\$ 667,510.00</b>
<i>Design Contingency (10%)</i>				<i>\$ 66,751.00</i>
<i>Construction Services (5%)</i>				<i>\$ 33,375.50</i>
<i>Engineering Fee</i>				<i>\$ 89,400.00</i>
<b>OVERALL PROJECT TOTAL</b>				<b>\$ 857,036.50</b>



Date: 3/31/2016  
SEH: CLOQU - 130691

**2016 PARK IMPROVEMENTS (VETERANS & FAULEY PARK)**  
CLOQUET, MINNESOTA  
**50% DESIGN: PRELIMINARY ENGINEER'S OPINION OF PROBABLE CONSTRUCTION COST**

Item	Unit	Total Quantity	Unit Cost	Total Cost
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**ADDITIONAL ITEMS**

**ALT. 1 (TO BE INCLUDED AS BASE BID WITH CIP FUNDING SOURCE)**

BROADWAY - ATV TRAIL SIGNAGE	EA	4	\$ 500.00	\$ 2,000.00
BROADWAY - ATV TRAIL PAVEMENT MARKING	LS	1	\$ 1,000.00	\$ 1,000.00
FAULEY - FENCING	LFT	600	\$ 80.00	\$ 48,000.00
				\$ 51,000.00

**ALT. 2: VETS PARK ELECTRICAL UPGRADES & LIGHTING)**

SEE ATTACHED BREAKDOWN	LS	1	\$ 215,000.00	\$ 215,000.00
				\$ 215,000.00

1. This engineer's opinion of probable construction cost has been prepared based upon designs prepared by SEH.
2. This engineer's opinion of probable construction cost has been prepared based upon the engineer's experience as a design professional and is furnished for information only. It does not constitute a guarantee of actual construction costs.
3. This engineer's opinion of probable construction cost does not include any professional design fees or permit fees.
4. This engineer's opinion of probable construction cost does not include construction supervision or inspection costs.
5. Construction Engineering and Mobilization and Demobilization assumed to be 7.5% of total project cost.





COMMUNITY DEVELOPMENT DEPARTMENT  
1307 Cloquet Avenue • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555  
[www.ci.cloquet.mn.us](http://www.ci.cloquet.mn.us)

## REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Al Cottingham, City Planner/Zoning Administrator  
Reviewed By: Brian Fritsinger, City Administrator  
Date: May 11, 2016

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**ITEM DESCRIPTION:** Zoning Case 16-05: Zoning Ordinance Text Amendment,  
OM – Office/Manufacturing District

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### Proposed Action

Staff recommends the City Council move to adopt **ORDINANCE NO. 456A, AN ORDINANCE TO AMEND CHAPTERS 8 and 17 OF THE MUNICIPAL CODE PERTAINING TO COMMERCIAL KENNELS AND THE OM –OFFICE / MANUFACTURING DISTRICT**. Further, the Council should discuss the request from Friends of Animals to waive their application fee for this application.

### Background/Overview

Friends of Animals is proposing to amend the Section 17.6.16, Subd. 3 Conditional Uses, OM – Office/Manufacturing District of the City Code (Zoning Ordinance).

The proposed amendment is to add the following:

C. Humane Societies and commercial kennels. A humane society or commercial kennel shall be constructed of impervious materials and all structures, areas and appurtenances shall be so designed as to facilitate thorough and convenient cleaning. Commercial kennels shall be adequately ventilated, and all doors, windows and other openings shall be screened. Commercial kennels shall be provided with adequate water supplies and sanitary facilities for disposal of wastes.

In 2015 the Cloquet Economic Development Authority proposed and was approved an Ordinance amendment and a map amendment to change the zoning of the Cloquet Business Park from RC – Regional Commercial and IP – Industrial Park to create the OM – Office/Manufacturing District. The RC District allows Humane Societies and commercial kennels as a Conditional Use and the language proposed above is the same as that used under 17.6.11, Subd. 3 of the RC District.

A public hearing was held on Tuesday, May 10, 2016 to consider a possible amendment to Section 17.6.16. A legal notice was published in the Pine Journal on April 28, 2016. Property owners were **not** sent a notice of the hearing since this is a textual amendment.

In a more detailed review of City Code, Section 8.1.01 regulates the keeping of domesticated animals. Under Subdivision 5 of this section, it defines commercial kennels as being located only within the F-R and R-C zoning districts. With the proposed change to allow commercial kennels in the OM district, this section of Code should also be amended to reflect this change. The Planning Commission did not consider or act on this amendment as it would be under the City Council's responsibility.

To the Mayor and City Council  
Ordinance Text Amendment Friends of Animals  
May 11, 2016  
Page 2

**Policy Objectives**

As times change amendments to the Ordinance are made to try to stay current with things.

**Financial/Budget/Grant Considerations**

The Zoning Ordinance Text Amendment fee was paid. Friends of Animals are requesting the fees be waived, see the attached letter.

**Advisory Committee/Commission Action**

The Planning Commission discussed this particular use and found that the Office Manufacturing District made sense for this type of use being among other noise generating uses and is similar to the RC District.

The Planning Commission has recommended approval of the Zoning Ordinance Text Amendment on a 7-0 vote.

**Supporting Documentation Attached**

- Ordinance No. 456A
- Office/Manufacturing Pages
- Letter Requesting Waiving Fees

**ORDINANCE NO. 456A**

**AN ORDINANCE TO AMEND CHAPTERS 8 AND 17 OF THE MUNICIPAL CODE  
PERTAINING TO COMMERCIAL KENNELS AND THE OM –  
OFFICE/MANUFACTURING DISTRICT**

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

**Section 1.** **Section 17.6.16 Subd. 3, Conditional Uses** is amended to add:

C. Humane Societies and commercial kennels. A humane society or commercial kennel shall be constructed of impervious materials and all structures, areas and appurtenances shall be so designed as to facilitate thorough and convenient cleaning. Commercial kennels shall be adequately ventilated, and all doors, windows and other openings shall be screened. Commercial kennels shall be provided with adequate water supplies and sanitary facilities for disposal of wastes.

**Section 2.** **Section 8.1.01, Subd 5, Commercial Kennels** is amended to read:

“Commercial Kennel” shall mean any place located within the FR, RC or OM Zoning Districts as shall be defined in the City Zoning Code or Ordinance and where the business of keeping, raising, selling, boarding, breeding, or showing, of dogs or cats is conducted, in full conformance with applicable Zoning District regulations including, but not specifically limited to, pet shops, animal hospitals and grooming facilities. Commercial kennels are allowed as a conditional use within the City. (Refer to Chapter 17, Zoning Ordinance, for the conditional use requirements.)

**Section 3.** **Effective Date.** This ordinance shall take effect and be in force from and after its passage and publication in accordance with law.

Passed this 17<sup>th</sup> day of May 2016.

CITY OF CLOQUET

By: \_\_\_\_\_  
Its Mayor

ATTEST:

By: \_\_\_\_\_  
Its City Administrator



### 17.6.16 OM – Office/Manufacturing District.

**Subd. 1 Intent.** The intent of the OM Office/Manufacturing District is to establish a suitable area or areas within the City in which light industrial and limited commercial uses can co-exist in an attractive environment and be compatible with each other and with adjacent business or residential neighborhoods. Such uses should be relatively free from objectionable influences, or have those influences obviated by design or other appropriate devices. In the interest of general health and welfare, residential and certain institutional uses are not permitted within this district.

**Subd. 2 Permitted Uses.** The following uses are permitted as regulated herein, without special application requirements or conditions attached except that where any use listed herein is proposed to be developed abutting an urban primary arterial street as designated on the approved City thoroughfares plan, and no frontage or service road is provided, such use shall only be permitted by Conditional Use Permit, as specified in *Section 17.2.10*.

- A. Office parks and complexes.
- B. Nurseries, landscape, and garden stores.
- C. Building materials retail outlets.
- D. Retail sales outlets when associated with and when located on the same lot as, a permitted manufacturing or warehousing use as specified in this section.
- E. Manufacturing: Any light manufacturing use or process including repairs, assembling, fabricating, altering, converting, finishing, processing, treating, testing, packaging or bottling; except any use or process hereinafter specifically excluded or which would not be in keeping with the purpose of the District as stated above.
- F. Warehousing, storage, and wholesaling: The storage, handling, assembly and distribution of goods and materials for retail, wholesale, or on-site use, except for the handling, in quantity, of packaged or bulk hazardous combustible materials and / or flammable liquids or gases. The determination of 'hazardous' materials shall be made by reference to the latest edition of the International Building Code as adopted by reference by the Minnesota State Building Code.

**Subd. 3 Conditional Uses.** The following uses are permitted only subject to the issuance of a Conditional Use Permit as stipulated in *Section 17.2.06*. Additional uses itemized in that Section may situate in the OM Office/Manufacturing District in the same manner as if they were listed hereunder:

- A. General. Any use first listed as permitted in the HI, Heavy Industrial District, provided that any objectionable features normally associated with these uses, such as those deemed to be hazardous, offensive, or objectionable by reason of odor, dust, cinders, gas fumes, noise, vibration, radiation, refuse matter, or water-carried waste, shall be ameliorated, controlled or eliminated through design, mechanical devices, screen plantings and / or walls, or other measures as specified by the Planning Commission, and provided that the use and its day to day activity will not be hazardous, noxious, or offensive.
- B. Commercial. Any use first listed as a permitted use in the NC, Neighborhood Commercial, and RC, Regional (Highway) Commercial Districts provided such use is in keeping with the intent of the District as stated in *Subd. 1* of this *Section*.

**Subd. 4 Prohibited Uses.** No building, structure or land shall be used, and no building or structure shall be erected, altered or enlarged, which is arranged, intended, or designed for any of the following uses:

- A. Residential. Dwellings, dwelling units, and residences of any kind, including hotels, motels, rooming houses, and tourist homes.
- B. Institutional. Schools, orphanages, child care centers, homes for the aged, and similar institutions for human care.
- C. Industrial. Any use first listed as a conditional use in the HI-Heavy Industrial District.

**Subd. 5 Accessory Uses.** The following uses are permitted only when auxiliary to a principal use permitted above; they may not exist as principal uses in their own stead:

- A. Any accessory use, building, or structure customarily incidental to a principal use permitted above, and located on the same lot therewith.
- B. Specialized freight and yard equipment, private utility structures, secondary processing structures, and similar specialized structures.
- C. Enclosed equipment and vehicle storage areas for non-residential uses.
- D. Parking and loading facilities as regulated in *Section 17.5.11*.
- E. Signs as regulated in *Section 17.5.13*.



## **Friends of Animals Humane Society**

1418 Highway 33 South • Cloquet MN 55720 • (218) 879-1655 • [www.foaonline.org](http://www.foaonline.org)

April 20, 2016

To: City of Cloquet Administration

From: Friends of Animals Humane Society

We have submitted an application to amend the zoning ordinance for the Cloquet Business Park. It is my understanding that the location currently occupied by the Cloquet Home Center was, up until approximately one year ago, zoned Highway Commercial. It was changed to Office Manufacturing with hopes of securing additional tenants.

Because Friends of Animals is seeking a conditional use permit to relocate to the Cloquet Business Park where the Cloquet Home Center currently exists and the zoning of Highway Commercial is more suitable for our purpose, we are requesting an amendment to the zoning ordinance.

Due to the fact that up until a year ago this was the zoning, I would ask that you revert it back to its original intent and additionally, I am asking for a refund of the \$300 fee assessed for you to address this issue.

Respectfully submitted,

Bobby J. Atkins

President, Friends of Animals



**COMMUNITY DEVELOPMENT DEPARTMENT**  
1307 Cloquet Avenue • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555  
[www.ci.cloquet.mn.us](http://www.ci.cloquet.mn.us)

## REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Al Cottingham, City Planner/Zoning Administrator  
Reviewed By: Brian Fritsinger, City Administrator  
Date: May 11, 2016

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**ITEM DESCRIPTION:** Zoning Case 16-06: Conditional Use Permit – Friends of Animals, Humane Society in the OM – Office/Manufacturing District

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### **Proposed Action**

Staff recommends the City Council move to adopt **RESOLUTION NO. 16-39, A RESOLUTION APPROVING THE CONDITIONAL USE PERMIT FOR FRIENDS OF ANIMALS, HUMANE SOCIETY IN THE OM – OFFICE/MANUFACTURING DISTRICT.**

### **Background/Overview**

Friends of Animals is proposing a conditional use permit to allow a humane society in the OM – Office/Manufacturing District. The property involved is located at 500 Commerce Way. Friends of Animals would like to remodel the former Cloquet Home Center for their facility.

A public hearing was held on Tuesday, May 10, 2016 to consider a conditional use permit for a humane society in the Office/Manufacturing District. A legal notice was published in the Pine Journal on April 28, 2016 and property owners within 350 feet were sent notices of the public hearing.

The review of this item is subject to the City councils review and subsequent approval of the Zoning Ordinance text amendment allowing Humane Societies to operate as a Conditional Use in the OM – Office/Manufacturing District.

### **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 Light Industry. For the purposes of the Comprehensive Plan, acceptable land uses include industrial development.***

**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 is currently vacant in all directions. As this area develops in the future it has the potential to be commercial, office or manufacturing companies which this use would probably be compatible with.*

**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 a humane society in the community. They are currently located at 1418 Hwy 33 South and are proposing to relocate to this site.*

**4. Neighborhood protections.** The sufficiency of terms and conditions proposed to protect and maintain the uses in the surrounding neighborhood. *The site is the former home of Cloquet Home Center. The conversion of the site to the Friends of Animals Humane Society will involve remodeling of the interior of the building to meet their needs. The rest of the site will probably remain unchanged for the time being.*

**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 including the new Code language 17.6.15, Subd. 3,C. There is adequate off street parking for employees and customers.*

**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 conditions in the attached resolution on a 7 – 0 vote.

#### **Supporting Documentation Attached**

- Resolution No. 16-39
- Location Map
- Narrative
- Aerial Photo & Conceptual Drawing

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

**RESOLUTION NO. 16-39**

**A RESOLUTION APPROVING THE CONDITIONAL USE PERMIT  
FOR FRIENDS OF ANIMALS FOR A HUMANE SOCIETY IN THE  
OM -OFFICE/MANUFACTURING DISTRICT**

**WHEREAS**, Friends of Animals is proposing a Conditional Use Permit for a humane society in the Office/Manufacturing 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 May 10, 2016 at which time Zoning Case / Development Review No. 16-06 was heard and discussed; and

**WHEREAS**, the property of the proposed Conditional Use Permit is located at 500 Commerce Way and is legally described as follows:

Lots 2 and 3, Block 4, Cloquet Business Park, 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 16-06 to the Cloquet City Council to allow a humane society in the Office/Manufacturing District subject to the following conditions:

1. The two lots must be consolidated into one tax parcel.
2. A Building Permit must be issued prior to beginning any work.
3. Animals shall not be left outside unattended.
4. The outside kennels proposed to be constructed on the site must be screened.

**PASSED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 17TH DAY OF May, 2016.**

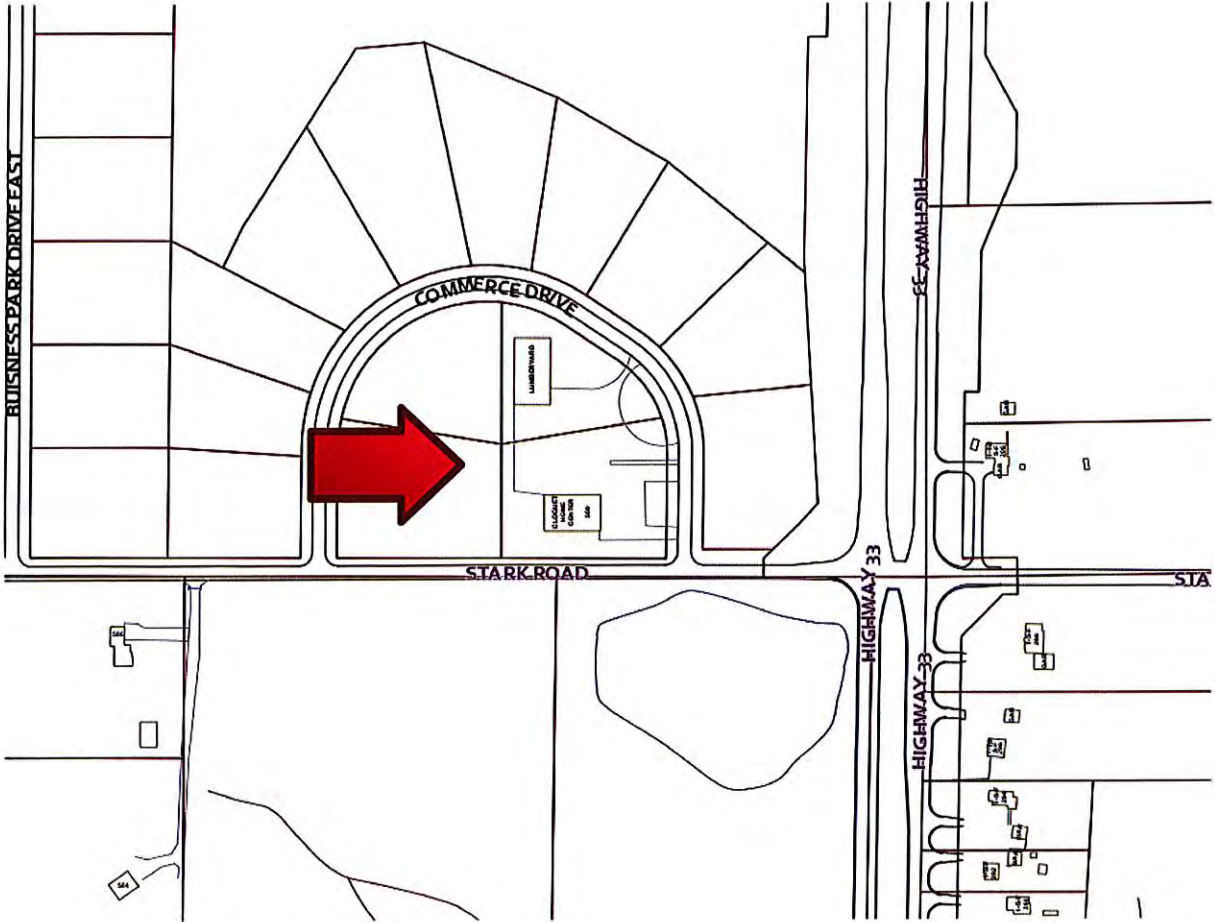
\_\_\_\_\_  
Dave Hallback, Mayor

ATTEST:

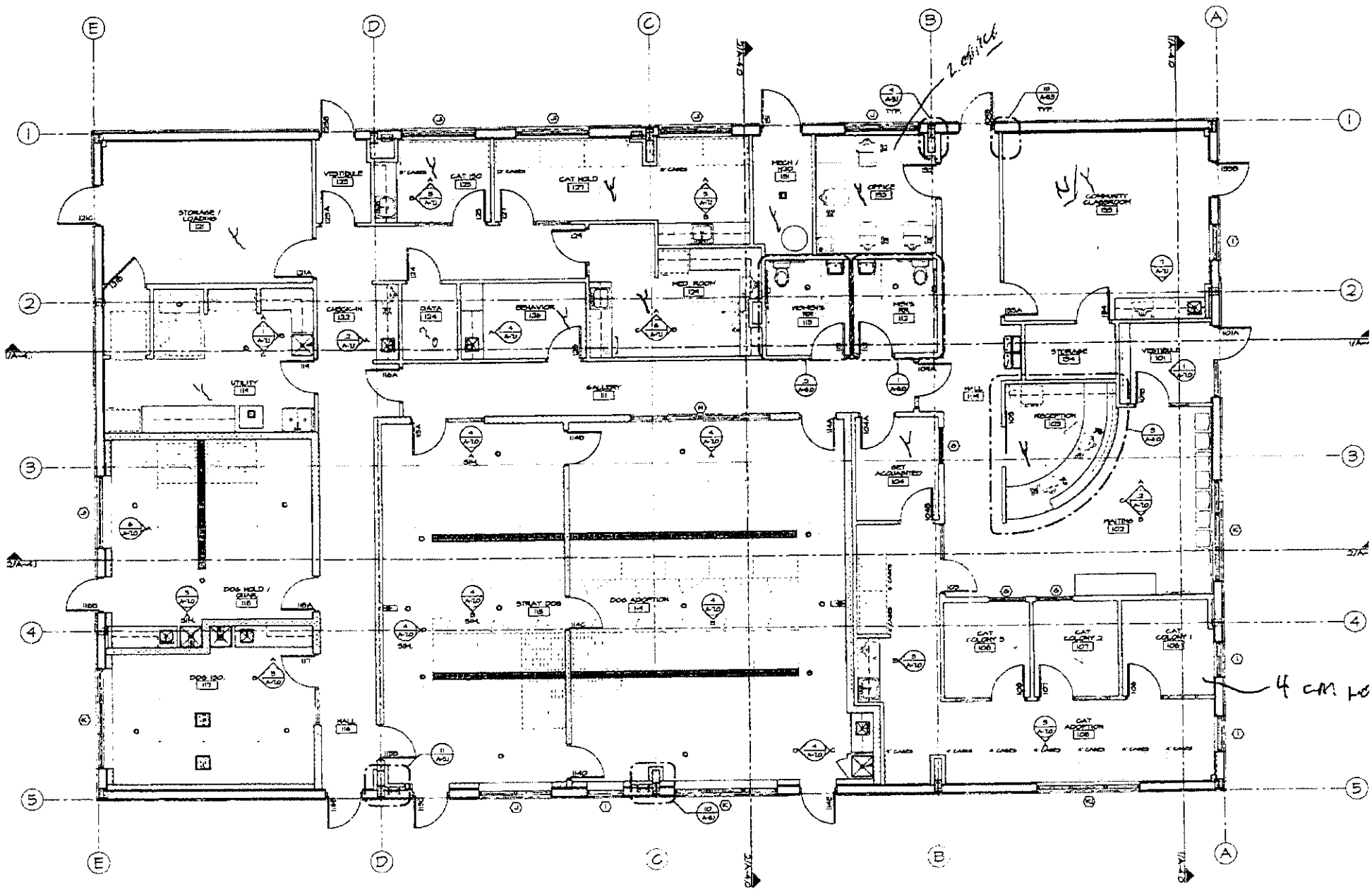
\_\_\_\_\_  
Brian Fritsinger, City Administrator



Location Map  
Friends of Animals



No Scale





## **Friends of Animals Humane Society**

1418 Highway 33 South • Cloquet MN 55720 • (218) 879-1655 • [www.foaonline.org](http://www.foaonline.org)

Friends of Animals has recently put in an offer to purchase the Cloquet Home Center located in the Cloquet Business Park. A few months ago FOA was approached by a national chain that would like to purchase our existing site. We have looked at many existing sites to relocate to. We are not willing to give up our site for an older building in a poor location. After looking at approximately 8 sites, we decided to look at building a new building. While searching for land possibilities, again the locations were less than favorable or it would be too costly to bring in the utilities. We approached the City's Economic Development director about a site in the business park. Since then we have been working very hard trying to get building costs down so that we could build a new shelter in the Cloquet Business Park. At the December EDA meeting consideration was given to provide FOA with a lot in the Business Park, (letter attached) Running into some roadblocks in trying to get the construction costs down, building from the ground up is seeming less and less probable, but not impossible.

With the Cloquet Home Center site coming available, it made the possibility of a move more likely. We currently have a letter of intent for our site and are expecting a purchase agreement in the next few days. With the sale of our building we will be able to purchase the Cloquet Home Center and have money available for renovation.

The Cloquet Home Center location is a perfect fit for Friends of Animals. With the presence of FOA at that site you would see very little physical change from what you see now. We believe that with the 6,000 square foot main building at the Cloquet Home Center compared to our current 5,000 square feet, we can arrange the rooms so they are more efficient for our needs. The large building which has no heat, water or sewer would possibly be used for incoming, unavailable dogs, depending on funds available to put in a heated room, water and sewer. This building could also allow us to put dog runs in it and the possibility of having an arena style set up to provide behavioral training for the dogs. We currently have a dog trainer coming into the existing shelter that is already providing this on a smaller scale. The new site would give us so much more room to provide this service to the dogs on a much better level. We could also provide community dog training as a means of making additional revenue.

The current Cloquet Home Center site is completely fenced which really makes it an attractive site for FOA. Going the route of building new would not have afforded us, at this time, a completely fenced in area. With this being the case, I see there would be enough space to engage the animals in socialization and play within the confines of the property. The other plan of building from ground up left us to using the perimeter walking trail to take dogs for walks.

With this new location we would be able to continue our current services to all of the municipalities we serve. We would be operating more efficiently due to design corrections and the building would be more efficient in regards to heating and air conditioning.

Regarding neighbors and barking dogs, the new location has virtually no neighbors. Those houses on the east side of Hwy. 33 currently have highway noise to contend with. In the event of future businesses making their way to the business park, Friends of Animals would be a good neighbor. We have good traffic volume which would help with visibility to any other business there. Dogs are let out between 7 and 9 a.m. and again after 4 or 5 p.m. This is when you would have the most barking. Other neighboring businesses would more than likely be closed at those times. If animals are out at any other times, they would be accompanied by a staff member or a volunteer and would have less tendency to bark.

We at Friends of Animals are very excited about this possible move. We are also excited for the new business coming to town at our current location, especially when it can improve the eye appeal when entering the city of Cloquet. It might also help Carol Lund sell her property just to the east of our current location. It is very likely that if the two sales involved in this transaction do NOT occur, FOA will remain where we are at as we do not foresee having this opportunity present itself again. Nor do we believe a capital campaign would render us the necessary funds within the next several years to build from ground up.

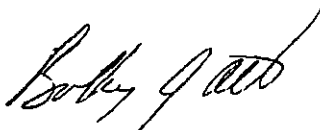
Please keep in mind the City of Superior and Douglas County just built a 2.4 million dollar, 6,300 square foot facility. The city of Superior covers the utilities, and between the county and the city together make annual operation donations available to the tune of approximately \$50,000. Animal Allies built a 3 million dollar, 8,000 square foot facility. By comparison, FOA would get a virtually new building, fenced in yard, paved parking and yard, and an extra out building for 1/3 the cost of Superior and 1/4 the cost of Animal Allies.

You might ask how we are going to financially support the new facility. Our utility charges will be less based on the information we received from the current owner of the Cloquet Home Center. Since our plea to Save our Shelter went out at the end of 2014 we have recovered better than expected. For the entire year of 2015 we have operated in the black. We have banked over \$210,000 that has not been tapped into for operational expenses. Management has reviewed and adjusted compensation and hours to reduce overall wages, and an extensive volunteer program is taking a strong hold. We believe with the additional space, the new facility, and all of the excitement that this will cause, we will only increase the number of volunteers. With the addition of a small procedure/surgical suite, we are encouraged that we will have the support of the local/area vets to provide no or low cost procedures in house.

Understanding this is all coming together quite quickly, other ideas that were suggested would be to have dog training for a fee, one day low-cost spay and neuter surgeries performed as a quarterly event, and a retail pet store. These three programs alone would increase revenue for the shelter and provide needed goods and services to local pet owners. Our current facility does not allow for any of these activities now or in the future. We just don't have the space.

We would like the Planning and Zoning Committee to be as excited as we at FOA are, and be happy businesses are wanting to invest in our community. We encourage you to support Friends of Animals in this endeavor individually and as a whole.

Respectfully submitted,



Bobby J. Atkins

President, Friends of Animals Board of Directors



COMMUNITY DEVELOPMENT DEPARTMENT  
1307 Cloquet Avenue • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555

December 4, 2015

Atkins Northland Funeral Home  
c/o Bob Atkins, Friends of Animals (FOA) Board President  
801 14th St.  
Cloquet, MN 55720  
(218) 879-7184  
[northlandbob@aol.com](mailto:northlandbob@aol.com)

**RE: December EDA Meeting Guidance for FOA**

Dear Mr. Atkins,

I understand that in general, FOA is pleased with their current location, benefits from Hwy 33 visibility in terms of locational wayfinding and mission awareness to the public. I further understand that under favorable conditions of upgrading the FOA site and building within the Cloquet area, that FOA would consider relocating. As such, FOA has requested either a lot within the city limits of the City of Cloquet or within the Cloquet Business Park to construct a new building.

The Cloquet Economic Development Authority (EDA) revisited your November land request again at their December 2<sup>nd</sup> meeting, that request being a lot at no cost from the City of Cloquet for FOA to construct a new facility. The EDA completed both its evaluation of available properties within the City and its evaluation of FOA's proposed project based upon the information of which has been available to the EDA to date. The EDA has identified two different locations within the community that could meet your requirements. Subject to the full and complete submission of FOA's business plan including the construction project proforma with detailed costs, financial sources and uses information illustrating that FOA has funding in place to complete the construction of a new building in Cloquet, and the negotiation of a development agreement between the FOA and EDA, the EDA will consider making available to FOA one of these parcels (*one parcel of which is not immediately available but will be at the end of 2018*).

The City looks forward to reviewing your complete project details and will await the submission of your proforma and business plan that demonstrate FOA's ability to fully complete construction within the City of Cloquet. Please contact me with any questions.

Sincerely,

Holly Butcher, AICP  
Community Development Director  
218.879.2507 x4; [hbutcher@ci.cloquet.mn.us](mailto:hbutcher@ci.cloquet.mn.us)





## ***Friends of Animals Humane Society***

**Friends of Animals Humane Society is dedicated to providing care and treatment to dogs and cats in the areas surrounding Cloquet. We strive daily to help them in times of need and to improve their lives by finding them their forever homes.**

### **Our Mission Statement**

The purpose of this organization shall be to create a humane and sustainable community for all animals, through education, advocacy and the promotion of respect and compassion.

### **Our goals**

- \*Provide humane care and treatment to the greatest extent possible for animals needing help and protection in the areas surrounding Cloquet.
- \*Seek the return of lost animals to their owners.
- \*Investigate the neglect or cruelty of animals in our community.

Friends of Animals has an interesting history. In the early 80's, two passionate women recognized the need to manage the stray animal population. They worked with a national organization called mobilization for animals. They arranged for foster homes to care for homeless animals, attempted to locate owners, and arranged adoptions when that wasn't possible. Initially they worked in cooperation with Animal Allies, but ultimately continued independently, obtaining 501(c)(3) status in 1988. They served the city of Cloquet. Animals were checked for fleas, ticks, and ear mites and placed in foster homes as possible. These years are described as a "living nightmare." Fosters burned out quickly due to the destruction the animals caused. They had cages "all over the house", and fostered as many as 150 dogs and 2000 cats in a year. The Cloquet Animal Hospital provided an impound facility. Two local veterinarians provided medical care. Countless animals were euthanized and bodies placed in the trash. County workers were sent out to shoot strays to attempt to control the stray population. After years of fundraising, they finally had a building in 2001. In 2008, outdoor kennels on a concrete slab were added, and in 2009, "habicat" four rooms were built. In the spirit of its founders, FOA continues to seek the safest, healthiest, and most appropriate housing for the lost and abandoned animals in our community.

We are a small non-profit animal shelter in a rural community. As such, we face many challenges. The first question asked any employment applicant is “why do you want to work in an animal shelter?” The wages are less than minimal, the work is back breaking, and the hours are inconvenient. No one works at an animal shelter for personal gain. We choose this work because we care about all of the living creatures that share our world. And when we see animal abuse, neglect, or cruelty we cringe, we cry, because we care.

We believe that every struggle has a solution. This document will outline some of the struggles we face, and our quest for solutions.

It is no secret that we faced a financial crisis two years ago. Our reserves were used up, and our future was uncertain. At that time, a plea went out to the community to “Save Our Shelter.” We requested and received an increase in funding from Carlton County, a matching grant challenge from Enbridge helped, and the compassionate people of our community dug deep into personal pockets to bring us through the crisis. But we knew we needed a long term plan. Board of Directors took a very proactive approach in looking to the future. They developed a business plan to maintain focus. They enlisted the assistance of a dedicated volunteer accountant, enabling them to more accurately review monthly financials vs. budget status. They increased the focus on the role of volunteers, and will soon be assisted by a dedicated grant writer.

**REVENUE: (2015)**

Friends of Animals provides a unique service to the community. Animal welfare is a topic that is dear to the heart of many citizens. Our plea for financial support and the potential for losing the service that we provide had a powerful impact on the people. This fact is reflected by the increase in donations.

45 % in 2015 comes from the community through donations, fund raisers, and events-people who care.

In 2012, we received \$232,002 in contributions.

In 2015, we received \$378,524 in contributions – an increase of 62%

23% comes from animal adoptions

16% comes from municipality contracts to provide animal control services and impound.

15% from grants

**EXPENSES: (2015)**

52% is wages – down from 61% in 2012.

Not included in this total is the addition of a full time dedicated animal control officer. If that salary is included, wages are 59% of expenses.

10% is veterinary expenses – down from 13% in 2012

Other categories include animal supplies and food, office expense, insurance, utilities, repairs and maintenance, automobile maintenance, and depreciation expense.

We are very proud of the fact that since September of 2014 we have not withdrawn a single dollar from our funds in reserve. The possibility of closing our doors two years ago was very real, and we took it and learned from it. Our net worth in September of 2013 was at \$325,000. Our net worth in December of 2015 was \$525,000, or an increase of nearly 62%.

#### SERVICES:

Throughout 2015 Friends of Animals took in 815 animals.

We adopted out 614 animals

We returned 185 to their original homes

Perhaps you have a pet at home, or two. They can be an amazing source of pleasure, giving love freely and even therapeutically. You also realize they can make messes. Imagine then, taking in 815 of them throughout 365 days. Our dedicated staff provides much more than the basic food, water, and shelter. We care for them and about them. We wash them, groom them, and clean up after them. We treat fleas, mites, worms, infections, and much worse. We manage injuries and treatments and gently encourage the building of trust when we see fear and confusion in their eyes. We care, and therefore we would like to do more.

We dream of the day when we can offer education to the public, beginning in the schools and extending to anyone else who cares. This education would benefit the pets and the people who own them and love them. It could improve the success rate of adoptions, enhance the joy of pet ownership, and make our community safer.

We dream of the day when we can perform surgical procedures on site in an up to date surgical suite.

We dream of the day when we have the space that would give us the ability to separate the sick and contagious animals from the healthy ones.

We dream of having adequate ventilation so that we can avoid the upper respiratory infections that shelter cats battle routinely.

#### OUR FACILITY

We have been at our current location at 1418 Hwy 33 S for 15 years. It was never intended to serve as an animal shelter, but even so, has served us well. We have re-purposed rooms, moved equipment, creatively adjusted procedures and adapted. But now it is simply worn out. We have been acutely aware for years that our building is not going to last very much longer. All winter we battle frozen pipes that leak or burst. We have limited water sources and a make shift drainage system. The exterior and

interior metal walls are literally rusting away. The electrical supply is limited (staff would like to make toast while the microwave is in use). Heating and cooling the front half of the building is hit and miss. In fact, the director's office temperature throughout the winter hovered between 55-60 degrees and we use electric space heaters to keep the cats warm. The flooring is worn, and the storage is inadequate when you buy cat litter and animal food by the pallet to save dollars. And we have very poor ventilation, often causing us to use fans and open doorways for circulation.

For several years, we have had eyes and ears open to a possible relocation site. We have consulted with both the city and county officials about different options. We cannot delay for very much longer.

## HOW FRIENDS OF ANIMALS NO KILL PHOLSOPHY SUPPORTS COUNTY AND CITY TAX BASE

Friends of Animals No Kill philosophy is cost effective, fiscally responsible, a great economic boom to the community and helps maintain the tax base of Carlton County and the City of Cloquet. As most of our costs are fixed, keeping additional animals alive does not dramatically increase cost.

### **Economic Benefits of No Kill Animal Control:**

- ✓ Adoption supports the business community. The positive economic benefits to businesses last over the lifetime of a companion animal.
- ✓ Keeping a healthy business community keeps businesses in the county and city, supporting the tax base.
- ✓ Saves municipalities expenses associated with killing dogs and cats and body disposal.
- ✓ Reduces cost of funding the shelter through adoption fees, which generate revenue for the shelter.
- ✓ Increases the number of strays reclaimed by families boosting community support.
- ✓ Enhanced community support increases financial support from private individuals. The public does not want to fund a Kill Shelter or volunteer for a shelter that kills dogs and cats. Less volunteers means additional costs to pay staff.

Spending on companions animals is one of the mainstays of the American economy. On average, Americans spend approximately \$1,696.00 per dog and \$1,105.00 per cat annually (figures based on averages calculated from the American Veterinary Medical Association, American Pet Products Manufactures Association, Bloomberg report, and others).

Animals who are adopted into a community become a valuable source of revenue for local businesses. Veterinarians, groomers, boarding facilities and others all benefit from pet adoption.

There are over 20 businesses in Carlton County and Cloquet that sell pet services and products to the community, these businesses include:

Veterinarians

Stores that sell pet food, supplies, toy, etc.

Boarding Kennels

Animal Groomers

Dog Walkers and Pet Sitters

Dog Trainers

Pet Groomers

Photographers

Pet Cemetery



Friends of Animals adopted out 378 Cats and 213 Dogs in 2015, these adopted companion animals generated approximately \$ 778,938.00 of business revenue last year based on the figures provided above.

Using an average lifespan of 12 years for both cats and dogs, the 2015 adopted Cats and Dogs from Friends of Animals will generate approximately \$ 9,347,256.00 of revenue over a 12 year period for pet services businesses in Carlton County and Cloquet. Friends of Animals also adopted out 22 Other Animals, Birds, Rabbits, Reptiles, etc. Annual money spent on these companion animals is unknown so not included.

County and City support of Friends of Animals No Kill Philosophy provides a beneficial business atmosphere that increases the capacity of pet services business to maintain and expand and encourages new business development. Financially sound businesses and new businesses maintain and increase the tax base for Carlton County and Cloquet.



Friends of Animals Humane Society  
1418 Highway 33 South Cloquet, MN 55720  
218-879-1655

**Aerial Photo**  
**500 Commerce Way**



No Scale





**COMMUNITY DEVELOPMENT DEPARTMENT**


1307 Cloquet Avenue • Cloquet MN 55720

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

[www.ci.cloquet.mn.us](http://www.ci.cloquet.mn.us)

**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: Al Cottingham, City Planner/Zoning Administrator  
Reviewed By: Brian Fritsinger, City Administrator   
Date: May 11, 2016

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**ITEM DESCRIPTION:** Zoning Case 16-7: Preliminary (Sketch) Site Plan for Commonwealth Development Corporation on Behalf of Cloquet Housing and Redevelopment Authority, 950 14<sup>th</sup> Street

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**Proposed Action**

Staff recommends the City Council move to adopt **RESOLUTION NO. 16-41, A RESOLUTION APPROVING A PRELIMINARY (SKETCH) SITE PLAN FOR COMMONWEALTH DEVELOPMENT CORPORATION ON BEHALF OF CLOQUET HOUSING AND REDEVELOPMENT AUTHORITY, 950 14<sup>TH</sup> STREET.**

**Background/Overview**

Commonwealth Development Corporation on behalf of Cloquet Housing and Redevelopment Authority (HRA) has submitted a Preliminary (Sketch) Site Plan application for a new 35 unit apartment building. The site is located at 950 14<sup>th</sup> Street (Aspen Arms Apartment) located north of the existing building. This is only a Preliminary (Sketch) Site Plan at this time so they can make application for funding assistance through the Minnesota Housing Finance Agency. If funding is awarded then a formal site plan will be submitted at a later date.

Section 17,2,10, Subd. 2, Site Plan review Process for Sketch Plan, identifies this type of review for discussion, review and informal comment of these types of plans. Any opinions or comments provided to the applicant shall be considered advisory only and shall not constitute a binding decision on the request.

The Planning Commission also held a public hearing on a Variance request pertaining to the density of the project being proposed at 32.34 units per acre versus the Ordinance allowed 20 units per acre. Following discussion on the request the Planning Commission has approved the Variance request on a 7 – 0 vote.

**Preliminary Site Plan**

Attached, the Commission will find the following plan for this development:

- Preliminary (Sketch) Site Development Plan

To the Mayor and City Council  
Site Plan Review Commonwealth  
May 11, 2016  
Page 2

The plan shows a new 35 unit, 3 story building located on the north end of the site. There is a small play area located to the north of the building near the rear of the site. The parking for the site is shown under the building (33) and surface parking (39) to the south of the building. Access to the site will be via 14th Street and the parking lot for the existing building.

Site specific details will be reviewed at a later date when funding for the project is finalized. The building setbacks from the north, south, east and west property lines appear to be met. Based on a 35 unit building the parking shown exceeds the minimum requirements. There will need to be some cross easement documents filed since there is an access shown to the site from the existing parking of Aspen Arms. Depending on the location of the new property line between the two sites there may be additional easements needed. This will be determined with the full site plan.

#### **Policy Objectives**

The purpose of this Preliminary (Sketch) Site Plan Review application is to provide a preliminary project approval subject to future detailed submissions.

#### **Financial Impacts**

The Site Plan fees were paid.

#### **Advisory Committee/Commission Action**

The Planning Commission has recommended approval of the Preliminary (Sketch) Site Plan on a 7 – 0 vote.

#### **Supporting Documents Attachments**

- Resolution No. 16-41
- Location Map
- Preliminary (Sketch) Site Plan

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

**RESOLUTION NO. 16-41**

**A RESOLUTION APPROVING A PRELIMINARY (SKETCH) SITE PLAN FOR  
COMMONWEALTH DEVELOPMENT CORPORATION ON BEHALF OF CLOQUET  
HOUSING AND REDEVELOPMENT AUTHORITY, 950 14<sup>TH</sup> STREET**

**WHEREAS**, Commonwealth Development Corporation for Cloquet Housing and Redevelopment Authority is proposing a Preliminary (Sketch) Site Plan in the R3 – Multiple Family Residence District for a 35 unit apartment building; and

**WHEREAS**, the property of the proposed Preliminary (Sketch) Site Plan is located at 950 14<sup>th</sup> Street (PIN's 06-390-0020, 06-390-0040, 06-390-0060, 06-390-0080, 06-390-1100, 06-390-1120, 06-390-1140, 06-390-1160, 06-390-1180, 06-390-1200, 06-390-1220, 06-390-1240, 06-390-1260, 06-390-1280 and 06-390-1300) and is legally described as follows:

Lot 1, Block 1 except the north 21 feet; Lot 2, Block 1 except the north 21 feet of the west 47.96 feet; Lot 3, Block 1; Lot 4, Block 1 except the east 50 feet; that portion of vacated Dewey Avenue located between Block 1 and Block 4; and, all of Block 4, City of Cloquet A. J. White's Addition, Carlton County, Minnesota. And,

**WHEREAS**, the Planning Commission reviewed the staff report and recommends approval of the Preliminary (Sketch) Site Plan.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, that the City Council approves Zoning Case 16-07 for a Preliminary (Sketch) Site Plan for Commonwealth Development Corporation for Cloquet Housing and Redevelopment Authority for a 35 unit building.

**PASSED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 17TH DAY OF  
MAY 2016.**

\_\_\_\_\_  
Dave Hallback, Mayor

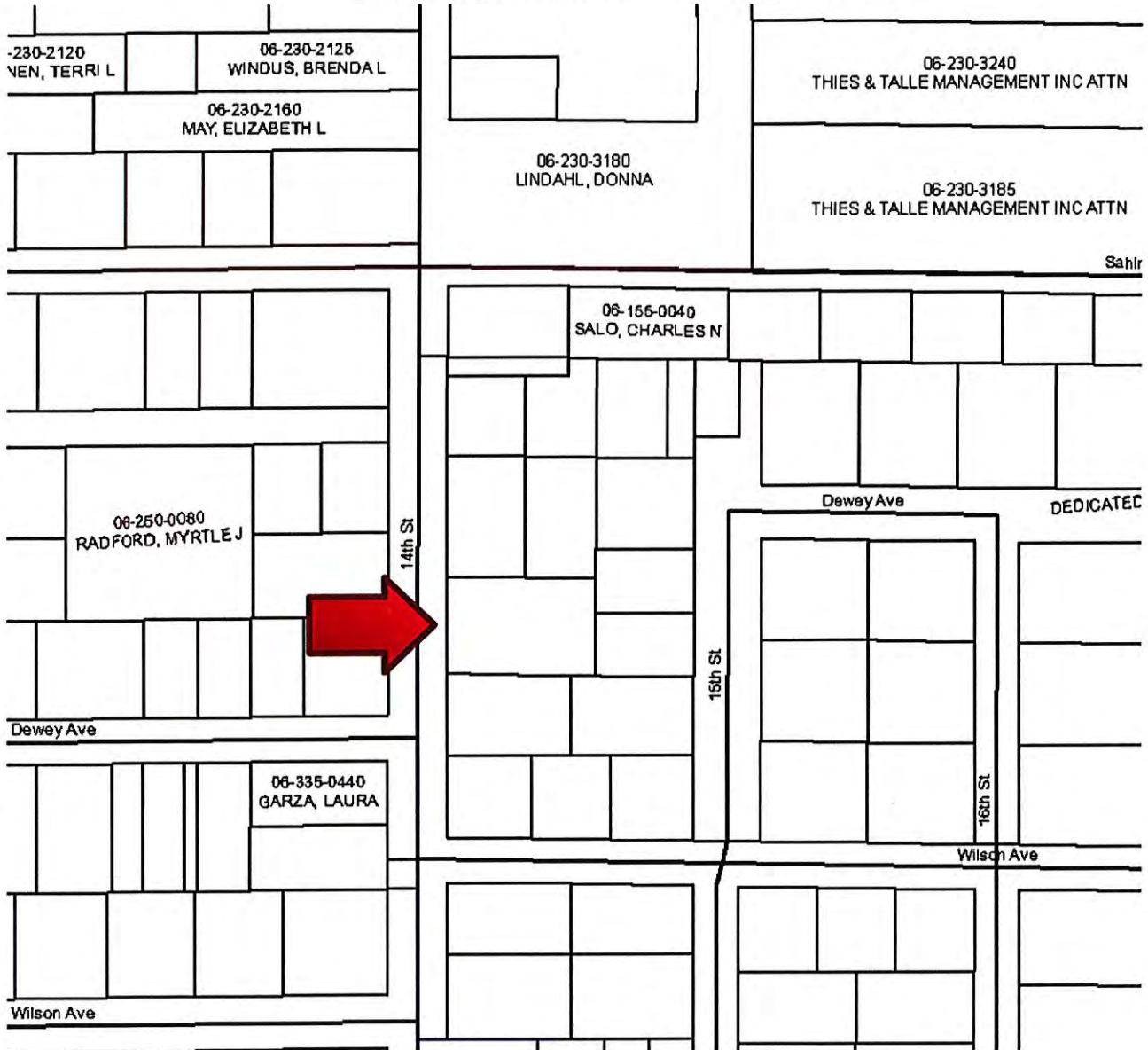
ATTEST:

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Brian Fritsinger, City Administrator



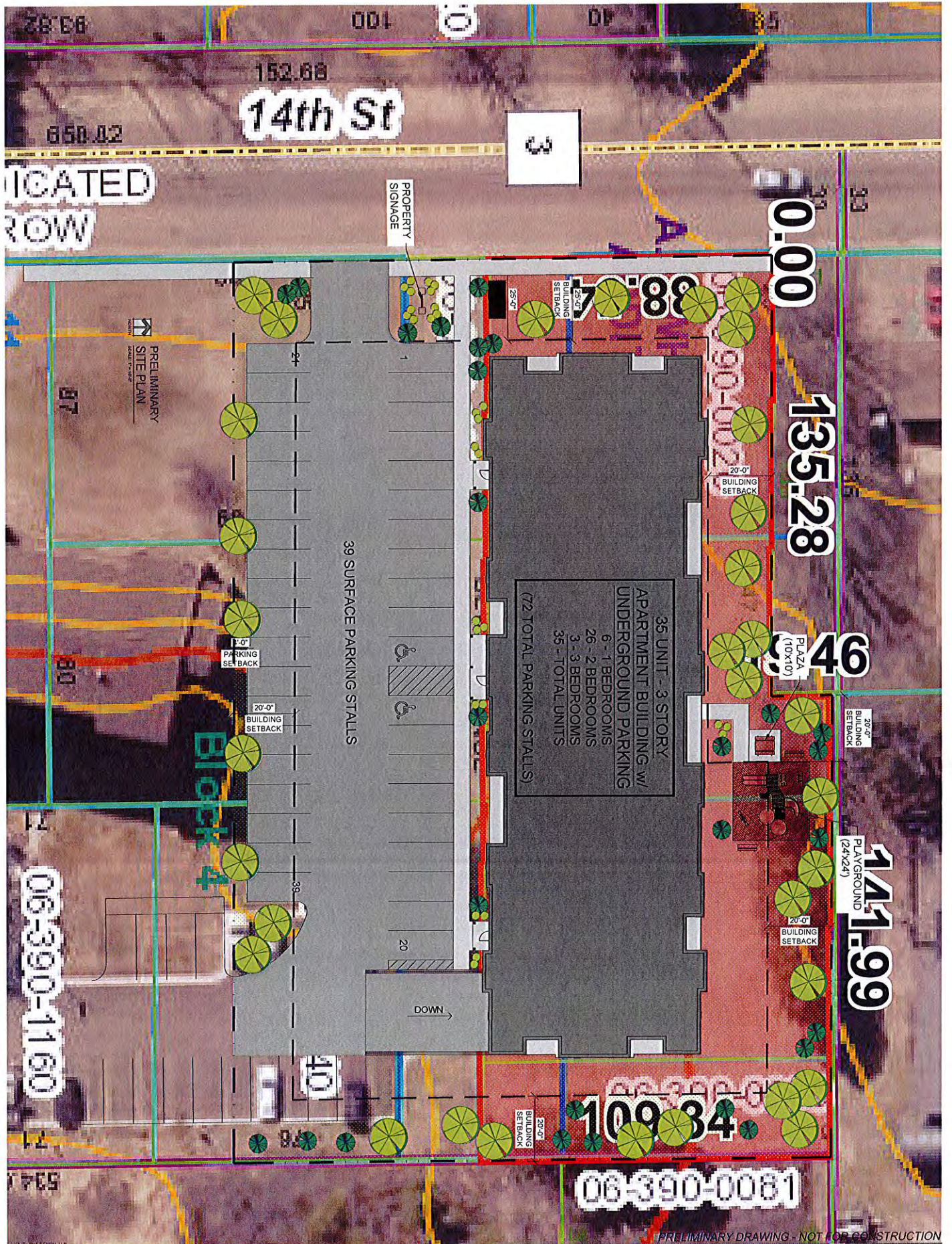
# Location Map

## Commonwealth Development



No Scale





2016.01  
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NEW BUILDING FOR:  
**CLOQUET APARTMENTS**  
 14th STREET  
 CLOQUET, MN



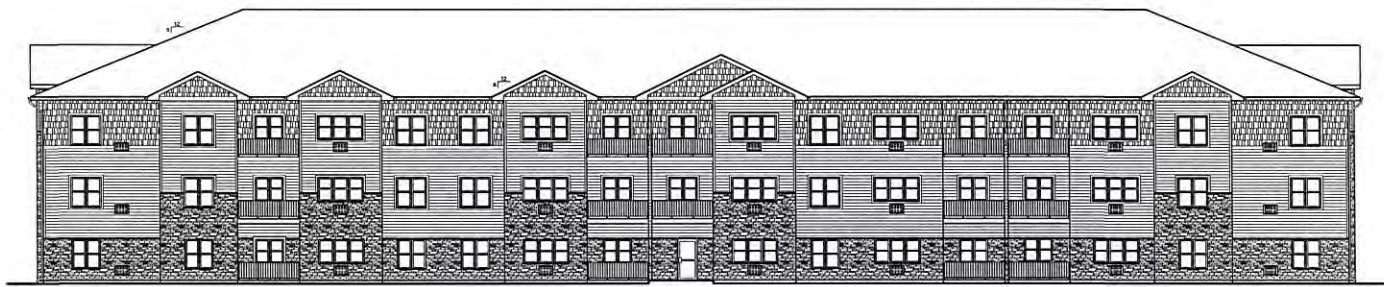
**COMMONWEALTH**  
 CONSTRUCTION CORPORATION  
 54 E FIRST STREET, FOND DU LAC, WI 54935  
 (920) 922-8170 FAX (920) 922-8171

**MIA DESIGN, LLC**  
 25 South Main Street  
 Fond du Lac, Wisconsin 54935  
 1petric@madeesignllc.net (920) 922-8170

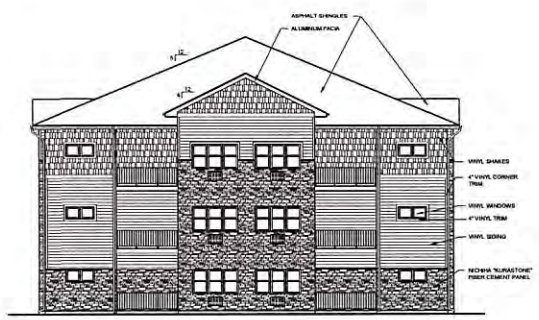
PRELIMINARY SHEET DATES:	
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PRELIMINARY DRAWING - NOT FOR CONSTRUCTION

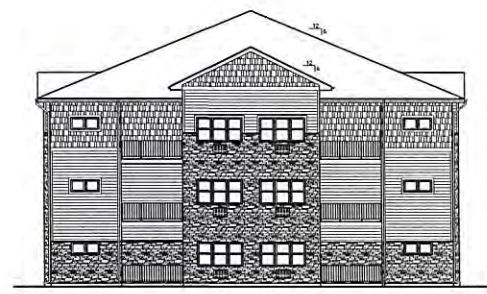




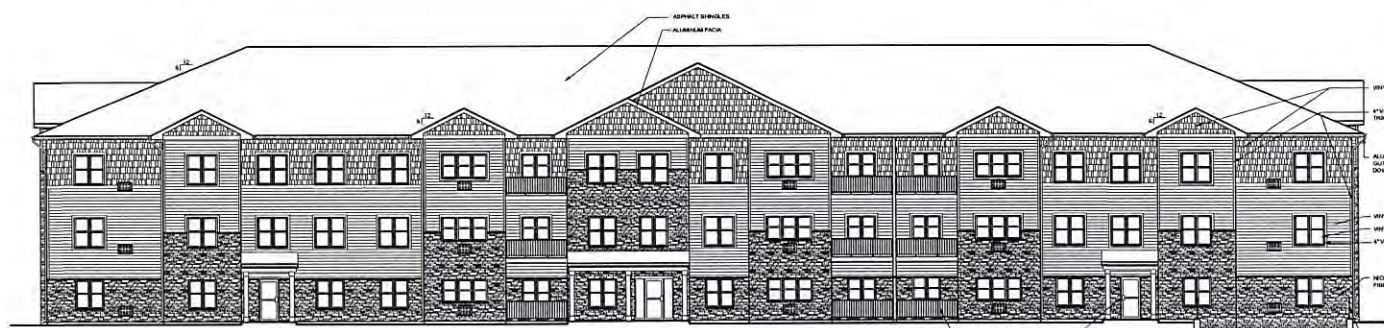
NORTH ELEVATION  
SCALE: 1/8" = 1'-0"



EAST ELEVATION  
SCALE: 1/8" = 1'-0"



WEST ELEVATION  
SCALE: 1/8" = 1'-0"



SOUTH ELEVATION  
SCALE: 1/8" = 1'-0"

- ROOF FACE BOARD  
TL = 129' 8 3/8"
- THIRD FLOOR  
TL = 118' 3 3/4"
- SECOND FLOOR  
TL = 118' 3 3/4"
- FIRST FLOOR  
TL = 118' 0"
- LOWER LEVEL  
TL = 89' 0"
- ROOF FACE BOARD  
TL = 129' 8 3/8"
- THIRD FLOOR  
TL = 118' 3 3/4"
- SECOND FLOOR  
TL = 118' 3 3/4"
- FIRST FLOOR  
TL = 118' 0"
- LOWER LEVEL  
TL = 89' 0"
- VINYL SIDING
- VINYL WINDOW
- VINYL TRIM
- VINYL SHINGLES
- VINYL CORNER TRIM
- BROWN 'NURSESTONE' FOUR CEMENT PANEL
- METAL RAILING & BALCONY (PTD)
- ALUMINUM DOOR
- METAL GURNEAL (PTD)
- 1/2" X 1/2" ST. INGLE JOISTING SECTIONAL DOOR (PTD)
- 6" X 6" PIPE BOLLARD (PTD)

PRELIMINARY SHEET DATES:

04-16-2016

PRELIMINARY DRAWING - NOT FOR CONSTRUCTION

**M A DESIGN, LLC**  
 25 South Main Street  
 Fond Du Lac, Wisconsin 54935  
 fpede@madesignllc.net (920) 922-8170

**COMMONWEALTH CONSTRUCTION CORPORATION**  
 54 E FIRST STREET FOND DU LAC, WI 54935  
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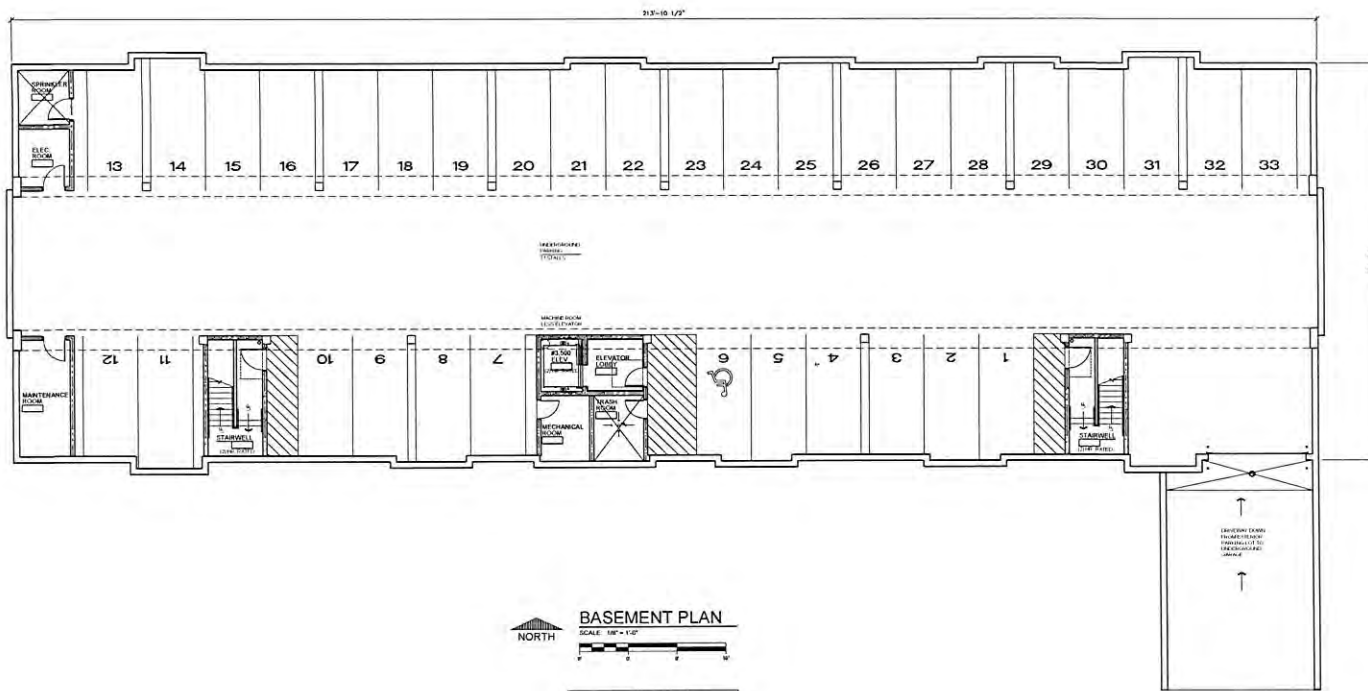


NEW BUILDING FOR:  
**CLOQUET APARTMENTS**  
 14th STREET  
 CLOQUET, MN

JOB NUMBER

2016.01
SHEET
A2.0

3111 S. W. L. DESIGN, LLC



**BASEMENT PLAN**  
SCALE: 1/8" = 1'-0"

<b>UNIT BREAKDOWN</b>	
5 - 1 BEDROOMS	
27 - 2 BEDROOMS	
3 - 3 BEDROOMS	
35 - TOTAL UNITS	
<b>BASEMENT FLOOR</b>	
14,350 GSF	
<b>1ST-3RD FLOORS</b>	
13,787 GSF (EXCLUDING BALCONIES)	

PRELIMINARY DRAWING - NOT FOR CONSTRUCTION

PRELIMINARY SHEET DATES:

04-18-2016

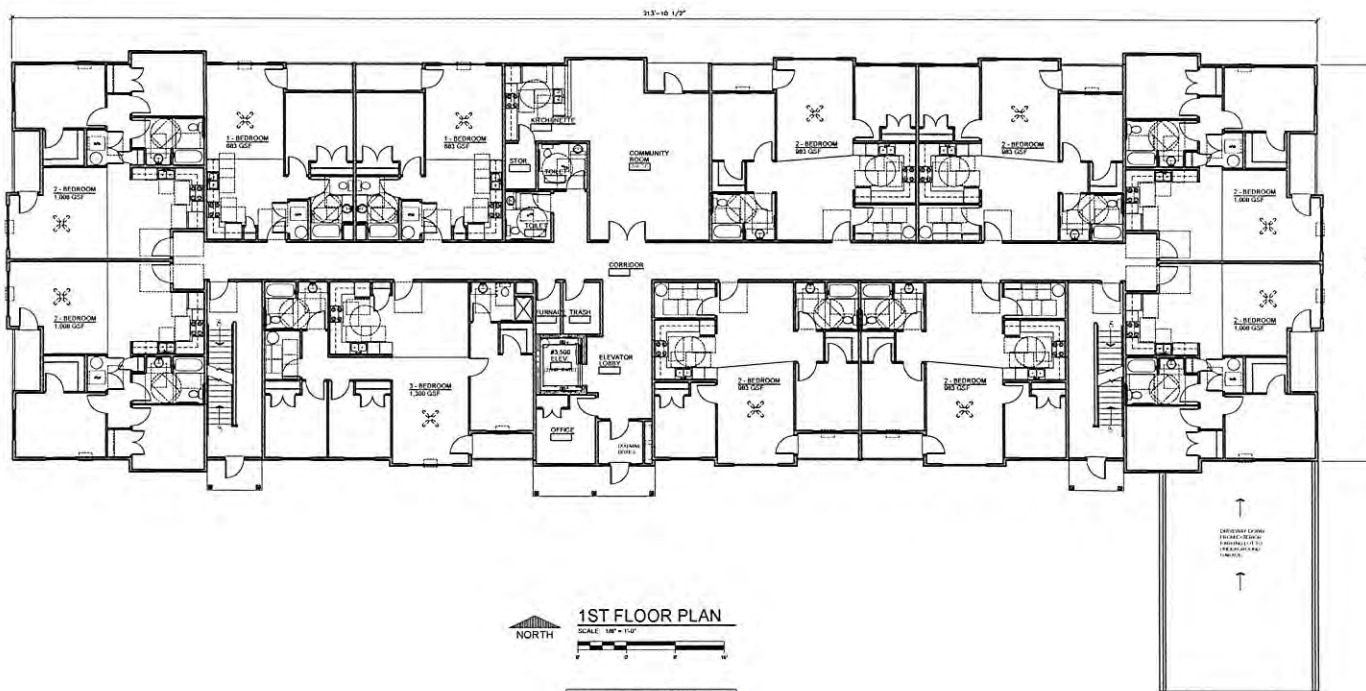
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NEW BUILDING FOR:  
**CLOQUET APARTMENTS**  
14th STREET  
CLOQUET, MN

JOB NUMBER  
**2016.01**

SHEET  
**A1.0**



**1ST FLOOR PLAN**  
SCALE: 1/8" = 1'-0"

<b>UNIT BREAKDOWN</b>	
5	1-BEDROOMS
27	2-BEDROOMS
3	3-BEDROOMS
35	TOTAL UNITS
<b>BASEMENT FLOOR</b>	
14,350	GSF
<b>1ST-3RD FLOORS</b>	
13,787	GSF (EXCLUDING BALCONIES)

PRELIMINARY SHEET DATES:

04-18-2016

PRELIMINARY DRAWING - NOT FOR CONSTRUCTION

**M A DESIGN, LLC**  
25 South Main Street  
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COMMONWEALTH  
CONSTRUCTION CORPORATION  
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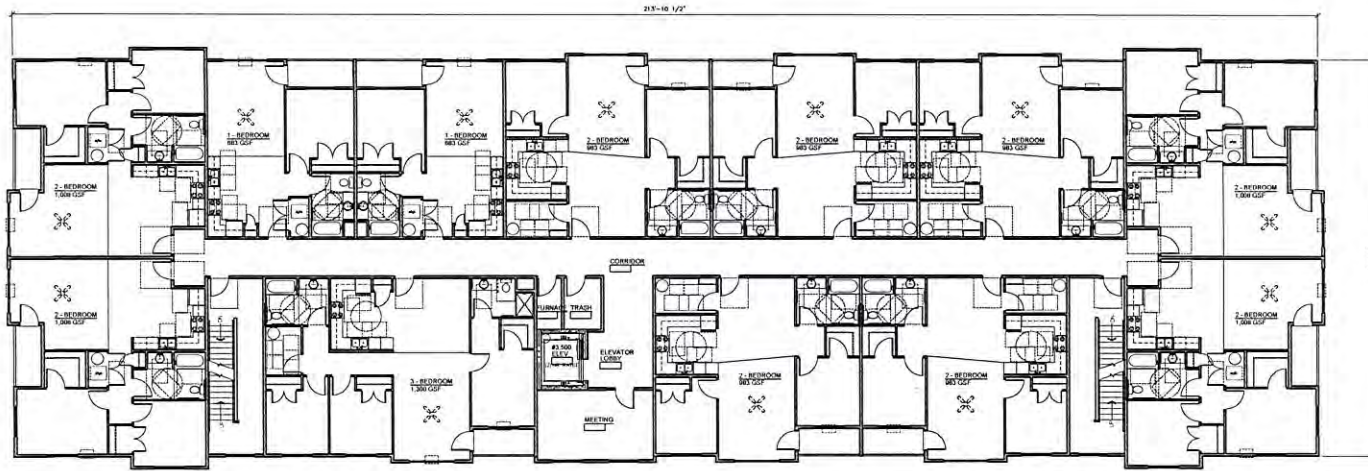
**CLOQUET APARTMENTS**  
14th STREET  
CLOQUET, MN

NEW BUILDING FOR:

2016.01  
SHEET  
A1.1

JOB NUMBER  
2016.01  
SHEET  
A1.1





2ND FLOOR PLAN

SCALE: 1/8" = 1'-0"



UNIT BREAKDOWN	
5	1-BEDROOMS
27	2-BEDROOMS
3	3-BEDROOMS
35	TOTAL UNITS
BASEMENT FLOOR	
14,350	GSF
1ST-3RD FLOORS	
13,787	GSF (EXCLUDING BALCONIES)

PRELIMINARY SHEET DATES:

04-18-2016

PRELIMINARY DRAWING - NOT FOR CONSTRUCTION

**M A DESIGN, LLC**  
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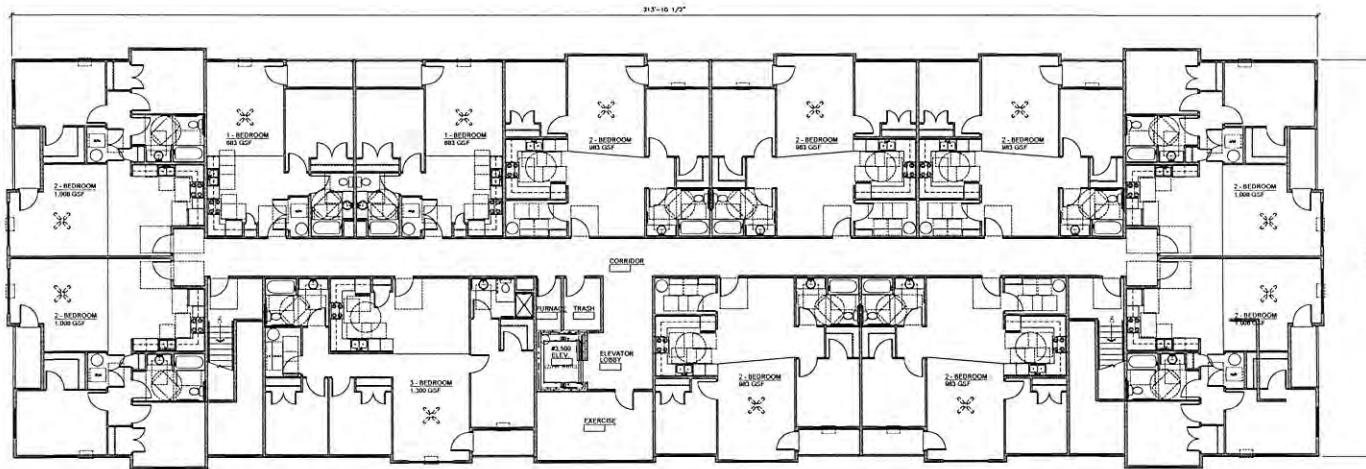
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NEW BUILDING FOR:  
**CLOQUET APARTMENTS**  
 14th STREET  
 CLOQUET, MN

JOB NUMBER	2016.01
SHEET	A1.2

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**3RD FLOOR PLAN**  
 SCALE: 1/8" = 1'-0"

<b>UNIT BREAKDOWN</b>	
0 - 1 BEDROOMS	
27 - 2 BEDROOMS	
3 - 3 BEDROOMS	
35 - TOTAL UNITS	
<b>BASEMENT FLOOR</b>	
14,360 GSF	
<b>1ST-3RD FLOORS</b>	
13,787 GSF (EXCLUDING BALCONIES)	

PRELIMINARY SHEET DATES:

04-18-2018

PRELIMINARY DRAWING - NOT FOR CONSTRUCTION

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 (920) 922-8170 FAX (920) 922-8171



NEW BUILDING FOR:  
**CLOQUET APARTMENTS**  
 14th STREET  
 CLOQUET, MN

JOB NUMBER	2016.01
SHEET	A1.3

3/15/18 M.A. DESIGN, LLC



**ADMINISTRATIVE OFFICES**

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www.ci.cloquet.mn.us

**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: Brian Fritsinger, City Administrator  
Date: May 12, 2016

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**ITEM DESCRIPTION:** Labor Day Celebration *PF*

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**Proposed Action**

Staff recommends that the City Council move to approve the Closure of Cloquet Avenue for the parade, the closure of Avenue C and 13th Street for the car show, the closure of 14th Street, the use of Pinehurst Park, and the closure of Pinehurst Park Drive, including the waiver of the rental fee, for amusement purposes for area youth consistent with previous Labor Day celebrations sponsored by the Central Labor Body.

**Background/Overview**

Each year the Carlton County Central Labor Body works with local groups, including the Cloquet Area Fire District, on a celebration held each Labor Day. Enclosed the City Council will find a request from the Labor Body again seeking approval to hold such event this year.

The requests are consistent with previous years with one exception. With Veteran's Park under construction, the celebration will be moved to Pinehurst Park. For safety purposes, the closure of the north leg of Pinehurst Park Drive is necessary.

The Celebration is seeking the closing of Avenue C for the Car Show as it has in the past. It is also seeking closure of 13th and 14th Street for brief periods of time as well. The City agreed to the closure of 13th and 14th Streets the past two years. There were no complaints received about the closure of these streets that staff can recall.

The parade will require the closure of Cloquet Avenue from 18th Street to 8th Street in the morning.

**Policy Objectives**

The City adopted a policy in 2009 that requires a fee for the use of community parks and facilities. In this case, the use of Pinehurst Park is not being done as a profit source for the Labor Body. It has been considered a community event. In past years, the Council has agreed to waive the fee.

**Financial/Budget/Grant Considerations**

By agreeing to the waiver in rental fee the City would lose \$400.

**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- May 6, 2016 letter from the Central Labor Body

## Carlton County Labor Day Celebration

1403 Ave C, Cloquet ,MN 55720

2016 Directors; Mike Kuitu, Jerry Witte, Tamara Jones, Jim DeLanghe, Kevin Boedigheimer

May 6, 2016

To: Brian Fritsinger, Cloquet City Administrator, Dave Hallback, Mayor of Cloquet,  
and the Cloquet City Council.

Dear Council,

The Carlton County Labor Day Celebration was dismayed to learn that due to construction, Veterans Park was unavailable for us to use this year for our Carnival. After several years of growing attendance, it seemed that we would be forced into a venue change that would likely decrease attendance, partially due to the venue change and partially because our most obvious option (Dunlap Island) is less accessible. There are also other concerns with Dunlap.

After much discussion, one of our board has come up with solutions to several problems with using Pinehurst Park for our 2016 Carnival. Our plan would entail using the area near the base of the sliding hill for our inflatable amusements, we would be powering the amusements with small portable generators, (unless we find someone to donate a larger one). We will also be bringing in a petting zoo and setting that up down near the fire hydrant between the ballfield and the picnic shelter. In the picnic shelter itself, we will be setting up several facepainters. We also plan on using the parking lot for several activities.

That's our rough plan. Many of you already understand that we will have lots of children running back and forth across the road. We are asking for your permission to close off Pinehurst Park Dr. from the "T" just off of Hwy 33 to Park Ave.

We hereby request that the Carlton County Labor Day Celebration be granted permission to use Pinehurst Park on September 5 from 12-pm to 5pm in the fashion prescribed. We also ask that the council act soon to allow us to take advantage of any advertising opportunities that may come about.

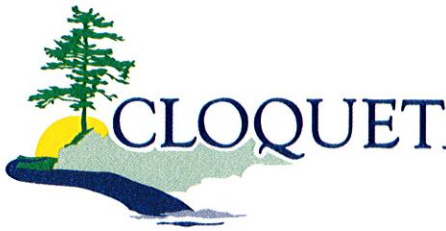
At this time, there appears to be no other substantive changes to our 2016 Celebration from the last several years.

Thank you for your time and consideration.

Mike Kuitu, President, Carlton County Labor Day Celebration.

218-391-6367 mikekuitu@msn.com






## ADMINISTRATIVE OFFICES

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### REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Brian Fritsinger, City Administrator   
Date: May 17, 2016

---

**ITEM DESCRIPTION:** 4<sup>th</sup> of July Parade and Related Celebration Issues

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#### **Proposed Action**

Staff recommends that the City Council move to approve the following items: recognize the Event Committee as a City Committee coordinating the event; closure of Cloquet Avenue from 8th to 22nd Street from 9:30 a.m. to 1:00 p.m. on Monday, July 4, 2016 for the parade; a contract with Pyrotechnical Display for fireworks; and, a contract with Stipes Carnival for the carnival on Dunlap Island.

#### **Background/Overview**

Enclosed the City Council will find a request from Alyson Leno, representing the Cloquet 4th of July Celebration Committee, seeking approval to hold the 4th of July parade and related activities again this year. The requests are consistent with previous years with the events being held on Cloquet Avenue and at local parks. Veterans and Pinehurst Park will once again be used as part of the event with food vendors and other activities.

In addition to the parade there are several other items the City Council needs to consider as part of the celebration. First, the Committee should once again be authorized as a City Committee acting on behalf of the City for this sponsored event. Thus the event and volunteers working on the event would fall under the City's event coverage. This is common in certain cities and is legal per our insurance carrier. Staff supports this for the 4th of July event. Further, action declaring this a City function is not declaring any of the other community events as a City function. Staff is not supporting that at this time.

Other support typically requested from the City would be as follows of which no formal action is required at this time. The City will also be providing some port-a-pottys, trash cans, and dumpsters for the event. The event organizers also use the City tents, trailer (for bands) and bleachers. The City has historically provided these to the event. The City has also provided water and/or electricity at no cost to the event and its participants.

The City is also asked to contract with Pyrotechnical Display for the fireworks display and Stipes Carnival for the carnival at Dunlap Island. The City acted in a similar capacity the past few years. Stipes is asking for the City to provide electrical and water service in the park in exchange for a donation towards the 4th celebration. Last year Stipes donated back \$2,200. The cost of the fireworks is paid through the fundraising efforts of the July 4<sup>th</sup> Committee and there is no cost for the carnival.

The City Council should not take any action on the temporary beer license at this time. Those entities looking to serve alcohol will need to make independent application for the licenses/permits. The committee is looking to have a series of bands throughout the day that usually start around noon and run until 8:00 p.m. The Council could consider any special conditions for the music venue but has not historically done so due to the music ending early in the evening.



To Mayor and Council  
4<sup>th</sup> of July Celebration  
May 17, 2016  
Page 2

**Policy Objectives**

The support of this type of community event is not directly addressed in any City policy or ordinance.

**Financial/Budget/Grant Considerations**

Some staff time is required for clean-up and barricading of streets which would be charged against the General Fund. The insurance costs will fall under the City's existing liability insurance coverage. There is some direct cost to the City as it relates to the port-a-potty's and garbage removal. The Carnival does generate some additional electrical cost.

**Advisory Committee/Commission Action**

The Parks Commission will be asked to authorize the use of the Park at a future meeting.

**Supporting Documentation Attached**

- Request from Alyson Leno

May 11, 2016

Cloquet City Council  
1307 Cloquet Avenue  
Cloquet, MN 55720

City Council:

July 4<sup>th</sup> is right around the corner, and our committee is in the process of putting together an entire day's worth of FREE July 4<sup>th</sup> activities for families and residents from Cloquet and the surrounding communities. Below, you will find a list regarding approvals needed for the July 4<sup>th</sup> Celebration.

1. Street Closures
  - a. July 4<sup>th</sup> :Industrial Avenue, 9:30am-12:00pm (parade line-up and Sawdust 1-mile route)
  - b. July 4<sup>th</sup>: Cloquet Avenue, 11-12:00 (parade)
2. Use of Parks
  - a. July 4<sup>th</sup>: Veterans Park, all day
  - b. June 28-July 5<sup>th</sup>: Voyagers Park, all day (Stipes Carnival)
3. Stipes Carnival
  - a. Voyagers Park, all day, June 29-July 5<sup>th</sup>
  - b. Doors would be open to the public July 1, 2, 3, 4
  - c. Would the City pay for the park, pay for electricity and water in return for their profit sharing donation? Last year, Stipes donated \$2,200 to the Fourth of July Committee. We'll putting the money into this years event – which will also help pay for the fireworks.
4. Fireworks permit
  - a. See attached Pyrotechnic Display, Inc display contract
5. Temporary Beer Permit
  - a. July 3<sup>rd</sup>: street dance - TBD
  - b. July 4<sup>th</sup>: Veterans Park (VFW)
6. Permit Approval
  - a. July 3<sup>rd</sup>: Outdoor band - TBD

Thank you for your consideration regarding the July 4<sup>th</sup> Celebration approvals.

Alyson Leno  
aleno@cloquet.com



Community Development Department  
1307 Cloquet Avenue • Cloquet MN 55720  
Phone: 218-879-2507 • Fax: 218-879-6555

## REQUEST FOR COUNCIL ACTION

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To: Mayor and Cloquet City Council  
From: Holly Butcher, Community Development Director  
Reviewed by: Brian Fritsinger, City Administrator  
Date: May 16, 2016

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**ITEM DESCRIPTION: Avenue C Restaurant (Rivdogg LLC) Economic Development Loan**

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### **Proposed Action**

Staff recommends the City Council move to approve a loan in the amount of \$75,000, from Fund 203, in the form of a 10 year term SBA 7A loan participation with NBC Bank (Duluth) to Rivdogg LLC for the Avenue C Restaurant project at an interest rate of 6.25%.

### **Background / Overview**

Doug Smith, owner of the Duluth Green Mill and former owner of McKenzie's in Hermantown, along with Dave Rislov plan to open a new start-up restaurant in the First National Bank Plaza located in Cloquet's West End Historic District at 207 Avenue C (owned by Zach Wehr) within the former Eclipse Paint Studio space. He has applied for gap financing from the City to assist his project.

### **FINANCING REQUESTED**

The request to the City is financing in the amount of \$75,000 to assist with materials and leasehold improvements (building improvements done to the leased building to customize it for the tenant but improvements which stay with the building and cannot be used as collateral).

The Small Business Administration in the U.S. provides banks the opportunity to utilize various SBA loan programs, used most often with "start-up businesses." The two most common being:

- **SBA 504 Loan:** a program tailored to for profit, existing companies for acquisition of land or building, new construction or rehabilitation, leasehold improvements (must own building), machinery/equipment acquisition, certain professional fees and construction contingency.



- **SBA 7A Loan:** a small business loan program for inventory and materials, furniture and fixtures, machinery and equipment, leasehold improvements, business acquisition, refinancing of existing business debt, working capital, real estate acquisition, construction, and renovations.

Being a new start-up business with leasehold improvements, this loan participation is targeting the **SBA 7A program in which the federal government guarantees 75% of the loan** (for all loans over \$150,000). A loan participation means the City’s funding and the primary lenders funding are combined into one loan as opposed to filing a first position loan and secondary loan with separate collateral. In so doing, this affords the City the same protections of the primary lender under the SBA 7A program where 75% of the City’s investment is protected by the federal government should the loan go bad.

PROJECT SOURCES FOR LOAN REQUEST				
Source	Total Term Loan	%	SBA 7A Loan Guarantee Portion	SBA 7A Loan Exposure Risk
Primary Lender (NBC Bank)	\$411,600	85%	\$308,700	\$102,900
City of Cloquet	\$75,000	15%	\$56,250	\$18,750
<b>LOAN</b>	<b>\$486,600</b>	<b>100%</b>		
Equity	\$106,000	22%		
Cash at Closing	\$40,000	1%		
	<b>\$632,600</b>	<b>TOTAL PROJECT</b>		

LOAN FUNDING USES	
Uses	Amount
MCCU Note Payoff	\$300,000
Materials	\$66,800
Leasehold Improvements	\$91,300
Professional Fees	\$13,000
Start-up & Payroll Costs	\$85,500
Working Capital	\$25,000
Contingency	\$10,000
SBA Fees	\$11,000
Construction of Bar	\$30,000
<b>TOTAL</b>	<b>\$632,600</b>



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In summary the applicant has 20 years of restaurant business experience with 14 years as General Manager with the Green Mill in Canal Park and 3 years as General Manager of McKenzie's in Hermantown. The Cloquet project is a long term investment into the West End Historic District with the plan to provide a restaurant featuring an American menu with appetizers, dinner, and brunch.

The Council is directed to see the attached loan review summary done by the Northspan Group, the City's financial loan reviewer. A loan review was conducted by NBC Bank and finalized in May 2016, however all details are confidential. Updated NCB Bank information shows debt service coverage ratios of 1.57 for year one and 2.25 for year two. Acceptable debt service coverage ratios for a start-up business are 1.15 to 1, if they are higher as noted above, that is better. Global cash flow projections for the business are positive. New information since December on the project includes the owner working with the UMD Center for Economic Development to prepare an updated Business Plan and with Wipfli on cash flow projections. Additionally, the business partner Dave Rislov has added as an additional guarantor on the project. Lastly, the primary lending request has increased from December from \$405,000 to \$486,600 due to additional equipment needs. Staff also has access to the business balance sheet, however these were not included as public information.

As the Council and community are aware, construction of this restaurant has been underway since late-summer of 2015. The applicant had financing in place with Lake Superior State Credit Union which in turn during construction was purchased by Members Cooperative Credit Union (MCCU). The way that the original construction loan was structured by Lake State Credit Union is not one that MCCU could retain in their commercial portfolio as it was a non-amortized non-collateralized 30-day Note Payable that was set to be structured into a term loan once construction was complete.

### **Policy Objectives**

This project is eligible for the use of funds from Cloquet EDA Fund 203 (City Fund) which is a loan fund that was established to respond to the needs of the commercial/retail business sector and does not provide more than 25% of project gap financing.

The Council will note the following policy objectives of Loan Fund 203 as they relate to this project of which the applicant does not meet:





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“Ineligible use or proceeds”

- Loans may not be used to service or refinance any existing debt
- Previously completed or started projects

“Loan Terms”

- Terms shall generally be 3-5 years on leasehold improvements

The EDA believes this project qualifies for a loan from Fund 203 and identified the following responses to the above criterion.

- This project is incomplete and still in startup mode. It has been challenging for the applicant to effectively strive towards project completion due to the buyout of the original financier and the note coming due on a non-amortized loan schedule. As such, the EDA does not view this project as a typical refinance that would be ineligible because it is not operational nor complete.
- The Council will note that the EDA is recommending a loan amortization of 10 years (due to SBA 7A), not aligned with the typical 3-5 year term for leasehold improvements as guided by Fund 203.

Does this case set any precedence or as a result will the City’s loan fund policies need to be modified? No, under normal gap financing loan requests 3-5 years on leasehold improvements would be standard and acceptable. As it relates to this case and the use of the SBA 7A program with the scale (and cost at \$486,600 with a total investment of \$632,600) and nature (restaurant – retail) of this project, staff feels the term of 10 years is acceptable to align with primary lenders SBA 7A loan.

**Advisory Committee/ Commission Action**

The Cloquet Economic Development Authority (EDA) has recommended that the City Council move to approve a loan in the amount of \$75,000 from Fund 203. Further, on December 2, 2015 the Cloquet EDA voted to approve funding for this project subject to the terms being provided to the City to determine the City’s final terms and collateral. Since that time the City has remained in a holding pattern until the applicant could secure primary financing. With a primary lender in place, the final terms and collateral have been identified which include second position on both primary residences and identified stock shares from two different types of stock.



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### **Financial/Budget/Grant Considerations**

The applicant has paid the \$250 loan review fee. The City would purchase a loan participation with NBC Bank for \$75,000 for a term of 10 years at a rate of 6.25% (WSJPR +2.75%). The source of the loan would be Fund 203 which has a cash balance of \$139,331.74. The Council should be aware that NBC will charge the City a one percent servicing fee, common practice in a loan participation, as such, the City will receive 5.25% return on loan. Once approved by the Council, the SBA packaging (to be done by Northspan Group) will take approximately two weeks.

### **Supporting Documentation Attached**

- Applicant letter and Menu
- Northspan Group's Loan Summary December 2015 (*NBC Bank Review Materials are Confidential – May 2016*)
- Fund 203 Criteria Information



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**ABOVE:** The Avenue C will be located inside the First National Bank Plaza at 207 Avenue C.  
**BELOW:** The central bar, ceiling, and interior restaurant space under renovation.





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**ABOVE:** A view of a partial wall to separate dining spaces. **BELOW:** The newly constructed dry storage and cooler area. To the side, restrooms under construction.

