



**CITY OF CLOQUET**  
**City Council Agenda**  
**Tuesday, July 21, 2015**  
**7:00 p.m.**  
**City Hall Council Chambers**

CITY COUNCIL WORK SESSION

- 5:30 p.m. Complete Streets /Active Transportation/HIA Presentation –  
Andy Hubley & Meghan Levitt
- 6:15 p.m. FOA Funding Request – Cindy Haglin
- 6:55 p.m. Future Work Session Agenda Items  
2016 Draft CIP (at conclusion of the regular meeting)

1. **Roll Call**
2. **Approval of Agenda**
  - a. Approval of July 21, 2015 Council Agenda.
3. **Approval of Council Minutes**
  - a. Work Session minutes from the July 7, 2015 meeting.
  - b. Regular Council minutes from the July 7, 2015 meeting.
4. **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. 15-59, Authorizing the Payment of Bills
5. **Public Hearings**
  - a. Now is the time and place for the Public Hearing on the Amendment to the City's Wellhead Protection Plan.
6. **Presentations**

None.



**CITY OF CLOQUET**  
**City Council Agenda**  
**Tuesday, July 21, 2015**  
**7:00 p.m.**  
**City Hall Council Chambers**

**7. Council Business**

- a. Renewal of NuVantage Employee Assistance Program Agreement
- b. Zoning Case 15-13, Conditional Use Permit, Grace Baptist Church
  - Resolution No. 15-58, A Resolution Approving the Conditional Use Permit for Grace Baptist Church for a 24 ft. by 24 ft. Building in the One to Two Family Residential District.
- c. Zoning Case 15-07, Comprehensive Plan Amendment and Rezoning, David Wehr
  - Resolution No. 15-65, A Resolution Approving the Comprehensive Plan Amendment (Land Use Plan) from “Light Industry” to City Center”
  - Ordinance No. 449A, An Ordinance to Amend Chapter 17, by Amending the Zoning Map of the City of Cloquet from “LI-Light Industry” to “CC-City Center”
- d. Sanitary Sewer Lining Bid Award
  - Resolution No. 15-61, A Resolution Awarding 2015 Sanitary Sewer CIPP Lining Bid
- e. West I-35 Frontage Road Paving Improvement Project
  - Resolution No. 15-64, A Resolution Setting Public Hearing Date on the Proposed 2015 Paving Improvement of the West I-35 Frontage Road (South Hwy 33) From Moorhead Road, North, Approximately 1 mile to Hwy 33
- f. Chapter 18 Stormwater Management Ordinance Amendments
  - Ordinance No. 450A, An Ordinance to Delete and Replace Chapter 18 of the Municipal Code Pertaining to Stormwater Management
  - Resolution No. 15-62, A Resolution Authorizing Publication of Summary of Ordinance No. 450A, An Ordinance to Delete and Replace Chapter 18 of the Municipal Code Pertaining to Stormwater Management
- g. Appointment of Street Maintenance Person
- h. Small Cities Development Program Contracts and Policies
  - Small Cities Development Program Policy and Procedure Manual
  - Small Cities Development Program Grant Contract with State of Minnesota
  - Small Cities Development Program Contract Agreement for Administration-Lakes and Pines C.A.C.
  - Small Cities Development Program Contract Agreement for Administration - Carlton County
  - Resolution No. 15-63, A Resolution Supporting the Prohibition of Excessive Force in Non-Violent Civil Rights Demonstrations
- i. Approval of Temporary On-Sale License – REACH, Inc.

**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.*

**9. Council Comments, Announcements, and Updates****10. Adjournment**

## CLOQUET CITY COUNCIL WORK SESSION

Tuesday, July 7, 2015, 5:30 p.m.

### Meeting Minutes

 **DRAFT**

Present: Bjerkness, Kolodge, Langley, Maki, Rock, Wilkinson, and Mayor Hallback  
Absent: None  
Staff: Fritsinger, Butcher, Klassen, C. Peterson, St. Arnold  
Other: Ken Scarbrough, ISD #94 Superintendent, Jamie Lund, Pine Journal

#### **Middle School Reuse Presentation**

Ken Scarbrough, Cloquet ISD #94 Superintendent, reviewed and updated on the future potential uses of the Middle School. Highlights are as follows:

- The committee (consisting of school board members, private citizens, the police chief, city and county personnel) is in the process of gathering information from staff for needs and is working on the land survey and any issues that may come up. Specifications will be done by the middle of next year and bids will go out for early spring. Estimated move into new building is fall of 2017.
- There is a \$500,000 budget for tear down, the promise made to the public is to turn the building into an asset or tear it down. A potential community center has received much discussion. There is also a need for lower income housing in the community. Some discussion of various non-profit organizations. The committee needs to interact with the community for input and is the process of scheduling a public meeting August 6<sup>th</sup>. The meeting will consist of a tour of the school and presentation of concepts, asking for input.
- Mr. Scarbrough noted the committee is meeting July 21<sup>st</sup> to refine the RFP indicating priorities for developers. Chief Stracek discussed management and the city may have codes to enforce proper management.
- Mr. Fritsinger noted 7-8 years ago a local committee discussed the development of a community center. The YMCA educated the committee on how they function and the message was they cannot bring any funds to the table, but can bring programs and management.
- More discussion on low income housing and the issue with off street parking. Demolition will be necessary to make the building useful. The committee would need to hear what a developer would do. The scope of the project may change depending on the outcome of the use. Developers will be the ones to determine if the visions can be met.

#### **Storm Water Management Ordinance Amendments**

Caleb reviewed the Storm Water Management Report and the need to need to update the Storm Water Management Ordinance. After tonight's review and with feedback, the plan is to propose ordinance changes at the July 21<sup>st</sup> meeting.

Caleb then reviewed the draft version of Chapter 18 of City Code dealing with storm water issues. The draft is the attempt to meet the most current laws put into place in 2014. The goal

is to meet the requirements by doing the minimum. Caleb discussed the 3 areas the state addresses: Illicit discharge, construction sites, post construction.

Other issues discussed were the financial security and drafting language for fines or creating public nuisances. Caleb will continue to work with the attorney and bring back to the July 21<sup>st</sup> meeting for approval.

### **OTHER/FUTURE AGENDAS**

- Question about the gate installed on the north side of the river road to prevent people from getting to the power station. This is a public road and part of park system, access cannot be closed to the trail. It's on city public property.
- July 4<sup>th</sup> Celebration - All positive feedback from PD; the City will get a percentage of the carnival money. There is a committee recap meeting on July 9th.

There was no other discussion on future agenda items.

There being no further business, the meeting adjourned at 6:55 p.m. The Council reconvened the meeting at 7:20 p.m. to discuss the 2016 preliminary budget and CIP.

### **2016 PRELIMINARY BUDGET AND CIP**

City Administrator Brian Fritsinger provided a brief overview of the re-prioritized Park Sales Tax Projects. The projects were re-prioritized based upon the consensus of the Council at the last meeting. He noted the Parks Commission has reviewed the projects and has no changes. They did have questions on Pine Valley, the skate park, the dog park, and CARC.

The Council raised a number of questions on the skate park and the \$100,000 price tag. They questioned if this was enough money; whether the project could be considered year by year similar to a conditional use permit; if more research is necessary to explore the attributes of other successful parks; and whether a parental board/association should be created to oversee the park.

Mr. Fritsinger then reviewed a summary spreadsheet of all sales tax projects and the related expenditures. The Council had a number of questions on parks versus infrastructure as Mr. Fritsinger reviewed the challenges of finding funding and bonding.

The Council discussed the current draft CIP for 2016-2019 and the changes being proposed for 2016 related to street overlays. The Council was concerned about the cost of the projects, impacts on the tax levy and condition of the streets. Mr. Fritsinger indicated these were legitimate and the reason why with all of other studies done now, capital investment needs to be carefully considered. If you look at public facilities and other wild card projects, it even becomes more challenging to look at the long term fiscal impact. Numerous questions from the Council on projects, findings, the availability of sales tax monies and other items. Staff hopes to come to the next meeting with more details on all of these items.

The meeting was adjourned at 9:00 p.m.

Respectfully Submitted:

Brian Fritsinger  
City Administrator

Regular Meeting.

Roll Call.

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

Councilors Absent: None.

### AGENDA

**MOTION:** Councilor Langley moved and Councilor Rock seconded the motion to approve the July 7, 2015 agenda. The motion carried unanimously (7-0).

### MINUTES

**MOTION:** Councilor Wilkinson moved and Councilor Langley seconded the motion to approve the minutes of the work session and regular meeting of June 16, 2015 and the special meeting of June 30, 2015. The motion carried unanimously (7-0).

### CONSENT AGENDA

**MOTION:** Councilor Langley moved and Councilor Rock seconded the motion to adopt the consent agenda of July 7, 2015 approving the necessary motions and resolutions. The motion carried unanimously (7-0).

- a. Resolution No. 15-56, Authorizing the Payment of Bills
- b. Approval of New Liquor License for 2015-2016

### PUBLIC HEARINGS

There were none.

### PRESENTATIONS

There were none.

### APPOINTMENT OF PARKS MAINTENANCE PERSONS (2)

**MOTION:** Councilor Maki moved and Councilor Langley seconded the motion to approve the one year probationary appointments of Andrew Chalberg and Karin Stedman to the position of Parks Maintenance Person in the Public Works Department. Mr. Chalberg's effective date is July 8, 2015 and Ms. Stedman's effective date is yet to be determined. The motion carried unanimously (7-0).

### APPOINTMENT OF PETER JOHNSON TO ENGINEERING TECH II

**MOTION:** Councilor Wilkinson moved and Councilor Maki seconded the motion to promote Peter Johnson from Engineering Tech III to Engineering Tech II effective June 1, 2015. The motion carried unanimously (7-0).

### DNR TEMPORARY ACCESS AGREEMENT

**MOTION:** Councilor Bjerkness moved and Councilor Rock seconded the motion to adopt **RESOLUTION 15-53, APPROVING A TEMPORARY ACCESS AGREEMENT WITH THE MINNESOTA DEPARTMENT OF NATURAL RESOURCES AT CLOQUET PUMP STATION #2.**

**WHEREAS,** Funds have been provided by both the State and Federal governments to complete an Erosion Stabilization and Stream Restoration Project along Knowlton Creek in West Duluth, and;

**WHEREAS,** The Minnesota Department of Natural Resources (DNR) has requested permission from the City of Cloquet to cross city property at its

Pump Station #2 located at 8505 Knowlton Creek Boulevard in West Duluth to complete some of the improvements in the area; and

**WHEREAS**, The City Engineer is familiar with this project and recommends approval of this request.

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

That the City hereby approves the granting of a Temporary Access Agreement to the DNR, subject to a review and approval of the final proposed Agreement by the City Attorney.

**HILLTOP PARK IMPROVEMENTS BID AUTHORIZATION**

**MOTION:** Councilor Wilkinson moved and Councilor Kolodge seconded the motion to **ADOPT RESOLUTION 15-55, APPROVING THE SOLICITATION OF BIDS FOR PLANNED 2015 PARK IMPROVEMENTS AT HILLTOP PARK.** The motion carried unanimously (7-0).

**WHEREAS**, The Park Commission has identified the development of a fourth athletic field at Hilltop Park as a priority improvement; and

**WHEREAS**, Heavy use of the existing fields has caused maintenance challenges for the City; and

**WHEREAS**, The Park Master Plan identifies field and disc golf development as future uses at Hilltop Park; and

**WHEREAS**, \$150,000 was included as part of the 2015 budget to complete said improvements; and

**WHEREAS**, The City now wishes to proceed with these improvements.

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

1. Such plans and specifications are hereby approved.
2. The City Engineer is hereby authorized to advertise and solicit bids for such improvements.

**PUBLIC COMMENTS**

Delores Wojciehowski, 429 10<sup>th</sup> Street, addressed her concern of a camper that has been parked in front of her property for 4 weeks and other campers parked on city streets. She would like Section 5.8 revised to limit to parking in front of other residences. The Council asked that staff research the issue for future discussion.

**COUNCIL COMMENTS/UPDATES**

Councilor Kolodge acknowledged thanked Alyson Leno and the 4<sup>th</sup> of July Committee, Public Works Crews, and all other volunteers for the great 4<sup>th</sup> of July celebration.

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

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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

### REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: James R. Prusak, Director of Public Works  
Reviewed by: Brian Fritsinger, City Administrator   
Date: July 14, 2015

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**ITEM DESCRIPTION:** Wellhead Protection Plan Part 2 Amendments

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#### Proposed Action

Staff recommends the City Council move to accept the 2015 Amendment to the City's Wellhead Protection Plan.

#### Background/Overview/Feasibility

The Federal Safe Drinking Water Act amendments, passed in 1986, required states to develop programs to protect the water quality in public water supply wells. The procedures for achieving this are now taking place through the development of Wellhead Protection Plans. In Minnesota, wellhead protection was mandated by the 1989 Groundwater Bill and required all public water suppliers to develop individual programs for their community wells.

A community's Wellhead Protection Plan is developed in two phases: Part 1, which is the most technically difficult, involves the identification and delineation of its Wellhead Protection Area (WHPA) and Drinking Water Supply Management Area (DWSMA). The Wellhead Protection Area (WHPA) is that area surrounding the wells from which they draw their water over a 10-year time of travel and is developed from a study and analysis of the hydrogeology of the area. The Drinking Water Supply Management Area (DWSMA) is generally a larger area surrounding the WHPA and is more clearly defined by recognized physical boundaries such as roadways, drainage systems and property lines.

Cloquet has two DWSMAs. The North DWSMA is approximately one square mile in size and is located around its Well #11, which is on Prevost Road north of the St. Louis River. The South DWSMA is approximately three times larger in size and is located around Wells 1, 6, 8, 10 and the Spring Lake Reservoirs, which are all west of Highway 33 and south of the River. These management areas are very similar to a zoning district.



In 2002, the City of Cloquet developed a Wellhead Protection Plan with assistance from the Minnesota Department of Health and consultants from Wenck Associates. This original Plan was approved and adopted by the City Council on March 5, 2002. In accordance with State and Federal Rules, each Wellhead Plan has to be reviewed and updated on a 10-year cycle. The City began this process in July of 2012 by notifying neighboring and overlaying units of government of its intent to amend its original 2002 Plan. The City completed the update to Part 1 of its Plan in early 2013, again with the assistance of the Minnesota Department of Health. In April of 2014, the City hired a consultant, Short, Elliott & Hendrickson (SEH), to work on the update to Part 2, which has now been completed.

The following is a summary of some of the changes between the original 2002 Plan and the 2015 update:

- The two Wellhead Protection Areas (WHPAs) are similar in size and the resulting Drinking Water Supply Management Areas (DWSMAs) are likewise very similar. The boundaries of the South DWSMA have been slightly modified to more closely following existing property lines. The North DWSMA is slightly larger than the 2003 version. This is due to increased water usage from Well #11 over the past ten years.
- As part of the Plan update, a review and inventory of the Potential Contaminant Sources located within the two DWSMAs was completed. Potential Contaminant Sources are most often related to facilities or land use activities that have the potential to release a contaminant that might get into the drinking water. Some obvious potential sources of ground water contamination are gas stations or other facilities that store or handle hazardous chemicals. Another common Potential Contaminant Source includes abandoned wells.
- And finally, the Plan update includes a review of the Issues, Problems, Opportunities and Goals that have been identified by the City to assist in protecting its groundwater resource and a Plan of Action over the next several years.

In accordance with the Minnesota Wellhead Protection Rules, the City is required to provide copies of the updated Plan to area Local Governmental Units (LGUs) and allow a 60-day comment period. This was done in May of 2015. Now the City must hold a public hearing on the Plan to discuss the issue and address any received comments, if any. Following this hearing, the Plan will be submitted to the Department of Health for final approval.

#### **Policy Objectives**

To operate and manage the City of Cloquet's public water supply in accordance with federal and state mandates.

Request for Council Action  
Wellhead Protection Plan Public Hearing.  
July 14, 2015  
Page 3

**Financial Impacts/Budget/Grant Considerations**

The cost to complete Part 2 of the Plan has amounted to approximately \$15,000. From this point forward, there are a number of Action Items to be implemented by the City over the next several years that will likely amount to \$10,000 to \$20,000.

**Advisory Committee/Commission Action**

N/A

**Supporting Documentation Attached**

- Amendment to Part 2 of the Wellhead Protection Plan previously mailed to the City Council.



## 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: July 14, 2015

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**ITEM DESCRIPTION:** Renewal of NuVantage Employee Assistance Program Agreement

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#### **Proposed Action**

Staff recommends the Council move to approve the contract for an employee assistance program with NuVantage Employee Resource and authorizes the City Administrator to execute such agreement.

#### **Background/Overview**

Previously, the City Council agreed to provide an employee assistance program for all of its employees. As a result, the City has historically contracted with NuVantage Employee Resource for a number of years to provide this service.

In general, NuVantage provides a variety of confidential emergency services including mental health counseling, legal assessments, and financial referral services. These are available to all employees, household members, and dependent children.

The contract with NuVantage is a one year contract which typically expires on August 31<sup>st</sup> of each year. Staff has not had any concerns regarding the service quality or the cost of the service. The full-time employee count covered under the contract is 62.

#### **Policy Objectives**

The purpose of the program is to provide a wide variety of confidential services to the employees of the City. As a policy, this program serves many different roles focusing on employee wellness.

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

There is no proposed change in the cost for this service for 2015-2016, so the fee will remain at \$1,550.00. It is based upon 62 employees at a fee of \$25 per employee.

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

None.

#### **Supporting Documentation Attached**

- NuVantage Employee Resource Contract for Service.

### LSS APPROVAL COVER SHEET

Document Type: Contract If "Other," list: \_\_\_\_\_

Division: Family Services LOS: Counseling For Cnslg & Youth: Metro  Non-Metro

**UNIT INFORMATION**

<u>Unit #</u>	<u>Revenue Account</u>	<u>Unit Name</u>	<u>Dollars per Unit</u>
1) <u>31100</u>	_____	<u>NuVantage</u>	<u>\$1,550</u>
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

Funding Category: Other For Federal, provide CFDA #: -

Specific Funding Organization: City of Cloquet

Project Title: NuVantage Employee Resource-Capitated Contract Newly Funded Project? Yes  No

Description (Purpose): Provide service to eligible employees; 62 employees

Total (or Capped) Dollar Amount: \$1,550 For what period? From 9/1/15 to 8/31/16

Budgeted Item? Yes  No  Budget Amount: \$1,550

Staff Person Accountable: Tim Ollhoff

Is this an amendment to a previous award? Yes  No

If yes, please describe the primary reason for amendment: \_\_\_\_\_

**OTHER INFORMATION**

Contact Name at Funding Organization: Brian Fritsinger, City Administrator

Phone Number: (218) 879-3347 Email: bfritsinger@ci.cloquet.mn.us

If applicable, when are **billings/invoices** due? Quarterly

If "Other," describe: \_\_\_\_\_

How are **payments** made? Quarterly Installments

If "Other," describe: \_\_\_\_\_

Certificate of Insurance Required? Yes  (List Address & Contact Below) No

**DOCUMENT INFORMATION**

Return Original(s) to LOS Office? Yes  (List Address Below) No  (Scanned copies may be accessed electronically)

Return Document to Funding Organization? 0 # of Original(s) 0 # of Signed Copy(s) (List Address Below)

Send Financial Audit to Funding Organization? Yes  (List Address Below) No

**ADDITIONAL COMMENTS AND/OR ADDRESS INFORMATION:**

Annual Amount: \$1,550.00

Ginger - Both parties will sign electronically. No need to return originals to NuVantage. Thank you!

**APPROVALS**

DocuSigned by: <u>Tim Ollhoff</u>	Date: <u>July 1, 2015   22:39:57 PM CT</u>
Manager: _____	Date: _____
DocuSigned by: <u>Louisa D'Altilia</u>	Date: <u>July 6, 2015   11:01:54 AM CT</u>
Senior Director: _____	Date: _____
DocuSigned by: <u>Maurice Warren</u>	Date: <u>July 7, 2015   09:43:03 AM CT</u>
Vice President / President: _____	Date: _____

**Note:** This approval process must occur PRIOR to the sign-off of the other party involved.

**NuVantage Employee Resource**  
LUTHERAN SOCIAL SERVICE OF MINNESOTA  
**Employee Assistance Program Agreement**

with  
**City of Cloquet**

THIS AGREEMENT is made and entered into as of 9/1/2015 by and between NuVantage Employee Resource, a division of Lutheran Social Service of Minnesota (hereinafter referred to as 'NuVantage') 424 W. Superior Street Suite 600, Duluth, MN 55802 and **City of Cloquet, (hereinafter referred to as 'Company') located at 1307 Cloquet Ave Cloquet MN 55720.**

In consideration of the promises and mutual covenants hereinafter contained, it is hereby agreed as follows:

Program Objectives: To provide a broad brush employee assistance program for all employees, their household family members and dependent children living outside the home. To provide support for management in the process of channeling employee productivity into Company objectives.

**Company Liaison: NuVantage shall report to Brian Fritsinger, City Administrator ( hereinafter 'Company Liaison') or designated representative who will coordinate the EAP for the Company and act as liaison between the Company and NuVantage**

**I. DESCRIPTION OF PROGRAM SERVICES**

NuVantage shall make available the services enumerated in Appendix A, which NuVantage shall perform for the benefit of the Company's eligible population ( as defined under Program Objectives) through NuVantage' provider network, upon the commencement date of this contract.

**II. PROVIDER QUALIFICATIONS**

NuVantage assures that it will use only Masters level trained mental health professionals for conducting assessment, referral, or brief counseling services. Additionally, those professionals providing Financial Assessments, Financial Planning, Legal and Eldercare services will be appropriately certified or licensed in their field.

**III. REPORTS**

NuVantage will provide quarterly, confidential utilization reports to the Company Liaison. These reports will provide aggregate information regarding the number of employees that accessed the EAP, demographic information, problem areas addressed, referral types, and an annualized utilization rate.

Annually, NuVantage will provide the Company with the outcomes of client satisfaction surveys and outcome data that may have been collected to measure the effectiveness of EAP services.

**IV. CONFIDENTIALITY**

NuVantage abides by all state and federal provisions related to the data privacy rights of clients and confidentiality as required by law concerning the relationship between vendor and clients. NuVantage will not communicate confidential information to the Company without the EAP client's written release of information.

**V. LIABILITY STANDARD**

Company agrees that it will not attempt to hold NuVantage, and/or one of its practitioners, liable for a NuVantage practitioner or network provider's failure to predict, warn of, or take reasonable precautions to provide protection from an individual's (client) violent behavior, unless the individual (client) has communicated to the practitioner a specific, serious threat of physical violence against a specific, clearly identified or identifiable potential victim.

**VI. LIABILITY COVERAGE**

NuVantage agrees to at all times during the term of this contract have and keep in force a liability insurance policy in the amount of \$1,000,000 for bodily injury or property damage to any one person and \$3,000,000 for total injuries or damages from any one incident.

**VII. WORKERS COMPENSATION**

NuVantage agrees to maintain workers compensation for all NuVantage Employees during the term of this contract.

**VIII. RESPONSIBILITIES OF THE COMPANY**

Furnish NuVantage information regarding its current employee health care programs and, when necessary, contact the insurance providers for answers to questions regarding coverage.

**IX. USE OF NAME**

Company agrees to allow NuVantage to list their organization as a customer of the agency on promotional materials of the agency.

**X. FEES AND PAYMENTS**

Fees and Payments are detailed in Appendix B.

**XI. PROVIDER NETWORK**

To provide the services as outlined in this agreement, NuVantage may subcontract with other providers. This may include mental health or substance abuse professionals or clinics, financial counseling services, legal assessment service providers, eldercare providers, financial planners, and other provider networks.

**XII. RELATIONSHIP BETWEEN COMPANY AND NUVANTAGE**

Company and NuVantage are independent entities. Nothing in this agreement shall be construed or deemed to create an employer/employee or principal/agent relationship or any relationship other than that of independent parties contracting with each other for the sole purpose of carrying out the provisions of this Agreement.

**XIII. ENTIRE AGREEMENT**

This agreement represents the total and complete agreement between the parties. All prior statements, representations, commitments, and understandings are fully merged herein.

**XIV. AMENDMENT**

This Agreement may be amended by mutual agreement of the Company and NuVantage evidenced by a written amendment.

**XV. TERMINATION**

Either party may terminate this agreement at any time with or without cause upon sixty (60) days written notice.

DocuSigned by:

*Maureen Warren*

July 7, 2015 | 09:43:03 AM CT

BC66520D76FC48A...

**Maureen E. Warren**  
**VP & Chief Family Services Officer**  
**Lutheran Social Service of MN**

**Date**

**Brian Fritsinger**  
**City Administrator**  
**City of Cloquet**

**Date**

DocuSign Envelope ID: 0E70D00C-9B0B-4341-B020-2000A021113

## **APPENDIX A – PROGRAM SERVICES, Page One**

### **Capitated Contract Terms**

#### **NuVantage Employee Resources**

##### **Client Eligibility and Emergency Service**

The “eligible population” shall include all employees of the Company, their household family members and dependent children living outside the home. 1-800 access to service 24 hours a day (After hours is only for mental health phone counseling).

Emergency service: Clients in crisis will be connected directly by phone with a mental health professional for crisis counseling. NuVantage Employee Resource will screen all callers to determine eligibility for the Employee Assistance Program. Eligible clients will be offered an appointment within 3 working days of their call. All attempts will be made to see clients in need of more urgent service the same day.

##### **Mental Health Assessment and Referral**

This service will consist of a maximum of **3** in-person sessions per issue/case for each eligible client on a rolling 12 month basis. Referrals will be made to the most appropriate and cost-effective resources. The cost for any ongoing treatment or services resulting from the referral(s) will be the responsibility of the client.

##### **Financial Counseling for Consumer Debt**

This service will consist of an initial client consultation with a qualified financial counselor (in person or telephonically) which will lead to recommendations and follow up. Recommendations may include optional services which may require a nominal registration fee but most LSS charges are waived for NuVantage EAP clients. Services can also be accessed via a secure LSS website.

##### **Legal Consultation and Referral**

This service will consist of an initial telephonic intake which will lead to referrals to qualified attorneys in the client’s location. The free, 30 minute consultations can be conducted in person or telephonically. Discounted rates are available should a network attorney be retained. There is no limit to the initial consultation process as long as the issues are different. This service cannot be utilized for matters involving disputes or actions between the client and the Company or EAP, agents or their officers, directors, or employees.

##### **Eldercare Consultation and Referral**

This service will consist of an initial telephonic consultation with a qualified eldercare/caregiver specialist which may lead to recommendations and follow up.

##### **Management Consultation**

NuVantage Employee Resource will provide consultation, as requested, for any supervisor or manager considering the referral of any employee to EAP or who requests advice in managing an employee performance/behavior problem. A Management Consultant will provide coaching and support throughout process, if needed, and maintain contact with the referring supervisor (provided the necessary consents for release of information are in place). Case Management is provided for Supervisory Referrals. Management consultations are available by phone via the primary access number.

##### **Training and Orientation**

Supervisor/Manager Orientation: Available for managers to inform them about all available services through the EAP.

Up to **2 hours** included in the contract price. Travel expenses might be incurred and will be negotiated at the time of the site visit schedule. See appendix B for details.

Employee Orientation: Available to employees to inform them about all available services through the EAP. This can include employee orientation sessions or as time spent at company sponsored benefits events. Up to **2 hours** included in the contract price. Travel expenses might be incurred and will be negotiated at the time of the site visit schedule. See appendix B for details.

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## **APPENDIX A – PROGRAM SERVICES, Page Two**

### **Capitated Contract Terms**

#### **NuVantage Employee Resource**

##### **Critical Incident Response**

This service will consist of Critical Incident Response services for traumatic workplace related incidents (such as death, accident, workplace violence, etc.). Up to **2 hours** included in the contract price. Travel expenses might be incurred and will be negotiated at the time of the site visit schedule. See Appendix B for details.

##### **Promotional and Educational Materials**

Materials will include program panel cards or brochures with contact information, magnets, program posters, and quarterly promotional/educational pieces. Materials will be mailed to each subsidiary directly for distribution, available for download from our website, and/or emailed directly to a company liaison as an electronic attachment.

##### **Access to NuVantage Wellness Resource Portal**

NuVantage members have unlimited access to the NuVantage Wellness Portal which includes articles and resources on a wide variety of wellness topics. The site is password protected and the password can be obtained by contacting the NuVantage Account Manager.

##### **Account Management**

On-going account management will be provided with this contract. Account management includes on-going analysis of utilization of EAP services. And electronic version of the Utilization report will be sent to the primary company contact every 3 months, via email. A hard copy can be mailed if requested. Account management also includes regular quality assurance including review of returned client satisfaction surveys and follow up data. The account manager will serve as the point of contact for any customer service issues or special requests such as Critical Incident Response.

##### **Substance Abuse Evaluations for Safety Sensitive Positions**

Many states require that employees who hold safety sensitive positions and who test positive for drugs or alcohol after a work accident or injury be evaluated by specially trained chemical dependency counselors. NuVantage Employee Resource can assist your organization in managing these complex cases for an additional fee. See Appendix B for details.



**APPENDIX B – FEES AND PAYMENTS**

**Capitated Contract Terms**

**NuVantage Employee Resource**

Contract Term: 09/01/2015 – 08/31/2016  
Organization: City of Cloquet  
Total employee population: 62 employees

Annual Administration Fee: \$ 1,550.00

**Hourly Rates for the Following Services:**

<b>Direct EAP Service</b>	<b>No Charge</b>
<b>Supervisor/Manager/Employee orientations:</b>	<b>\$85/hour (outside contracted hours)</b>
<b>Management Consultation</b>	<b>No Charge</b>
<b>Onsite Workplace Consultation</b>	<b>\$85/hour</b>
<b>Substance Abuse Evaluations</b>	<b>\$300</b>
<b>Customized Staff Training Delivery</b>	<b>\$175/hour</b>
<b>Critical Incident Response</b>	<b>\$250/hour (outside contracted hours)</b>
<b>Prep Time for Customized Training Sessions</b>	<b>\$85/hour</b>

Travel and lodging expenses will be charged for all on-site services beyond what is included in the capitation.

**Billing Cycle:**

The annual fee will be billed in quarterly installments. Ad hoc service rates will be billed as expenses are incurred.



**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)

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**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: Al Cottingham, City Planner/Zoning Administrator  
Reviewed/Approved By: Brian Fritsinger, City Administrator   
Date: July 15, 2015

---

**ITEM DESCRIPTION: ZONING CASE 15-13: CONDITIONAL USE PERMIT – GRACE BAPTIST CHURCH IN THE ONE TO TWO FAMILY RESIDENCE DISTRICT**

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**Proposed Action**

Staff recommends the City Council move to adopt **RESOLUTION NO. 15-58, A RESOLUTION APPROVING THE CONDITIONAL USE PERMIT FOR GRACE BAPTIST CHURCH FOR A 24 FT. BY 42 FT. BUILDING IN THE ONE TO TWO FAMILY RESIDENCE DISTRICT.**

**Background/Overview**

Grace Baptist Church is proposing a conditional use permit to allow the relocation of an existing 24 ft. by 42 ft. building to be moved onto their property. The property involved is located at 601 14<sup>th</sup> Street. The building is currently located on the north side of St Pauls Evangelical Lutheran Church at 1705 Wilson Avenue and was placed there a number of years ago for classroom space.

A public hearing was held on Tuesday, July 14, 2015 to consider a conditional use permit for an expansion to the church in the One to Two Family Residence District. A legal notice was published in the Pine Journal on July 2, 2015 and property owners within 350 feet were sent notices of the public hearing.

**Policy Objectives**

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

- 1. Consistency with the Comprehensive Plan. The relationship of the proposed use to the goals, objectives, and policies of the City of Cloquet Comprehensive Plan. *The proposed site is guided as Low Density Residential. For the purposes of the Comprehensive Plan, religious institutions are acceptable uses in the low density residential areas.***

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

**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. *Religious institutions do provide an important service to the community.*

**4. Neighborhood protections.** The sufficiency of terms and conditions proposed to protect and maintain the uses in the surrounding neighborhood. *The site is currently occupied by a religious institution and the new structure will be providing some additional space for people to meet. They are not proposing any changes to the access to the site.*

**5. Conformance with other requirements of this Chapter.** The conformance of the proposed development with all provisions of this Chapter. *The proposed location meets all of the requirements of the Zoning Ordinance. There will be no wetlands impacted and a minimal number of trees and shrubs may be disturbed with the placement of the structure.*

**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 4 – 0 vote.

#### **Supporting Documentation Attached**

- Resolution No. 15-58
- Location Map
- Site Drawing

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

**RESOLUTION NO. 15-58**

**A RESOLUTION APPROVING THE CONDITIONAL USE PERMIT  
FOR GRACE BAPTIST CHURCH FOR A 24 FT. BY 42 FT. BUILDING IN THE ONE TO  
TWO FAMILY RESIDENCE DISTRICT**

**WHEREAS**, Grace Baptist Church is proposing a Conditional Use Permit for a 24 ft. by 42 ft. building in the One to Two Family Residence District; and

**WHEREAS**, As required by ordinance, notification was advertised in the Pine Journal and property owners within 350 feet were sent notice. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on July 14, 2015 at which time Zoning Case / Development Review No. 15-13 was heard and discussed; and

**WHEREAS**, the property of the proposed Conditional Use Permit is located 601 14<sup>th</sup> Street and is legally described as follows:

Part of the Northeast Quarter of the Northeast Quarter of the Southeast Quarter (NE ¼ of NE ¼ of SE ¼) of Section 23, Township 49, Range 17 West, described as follows: Commencing at the Southeast corner of the NE ¼ of the NE ¼ of the SE ¼ thence north 16 rods for the beginning, thence north 8 rods, thence west 40 rods, thence south 8 rods, thence east 40 rods to the point of beginning, Except the west 84 feet, Docket 225696, 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 15-13 to allow a 24 ft. by 42 ft. building for Grace Baptist Church in the One to Two Family Residence District subject to the following condition:

1. A Building Permit be issued prior to moving the building.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 21ST DAY OF JULY, 2015.**

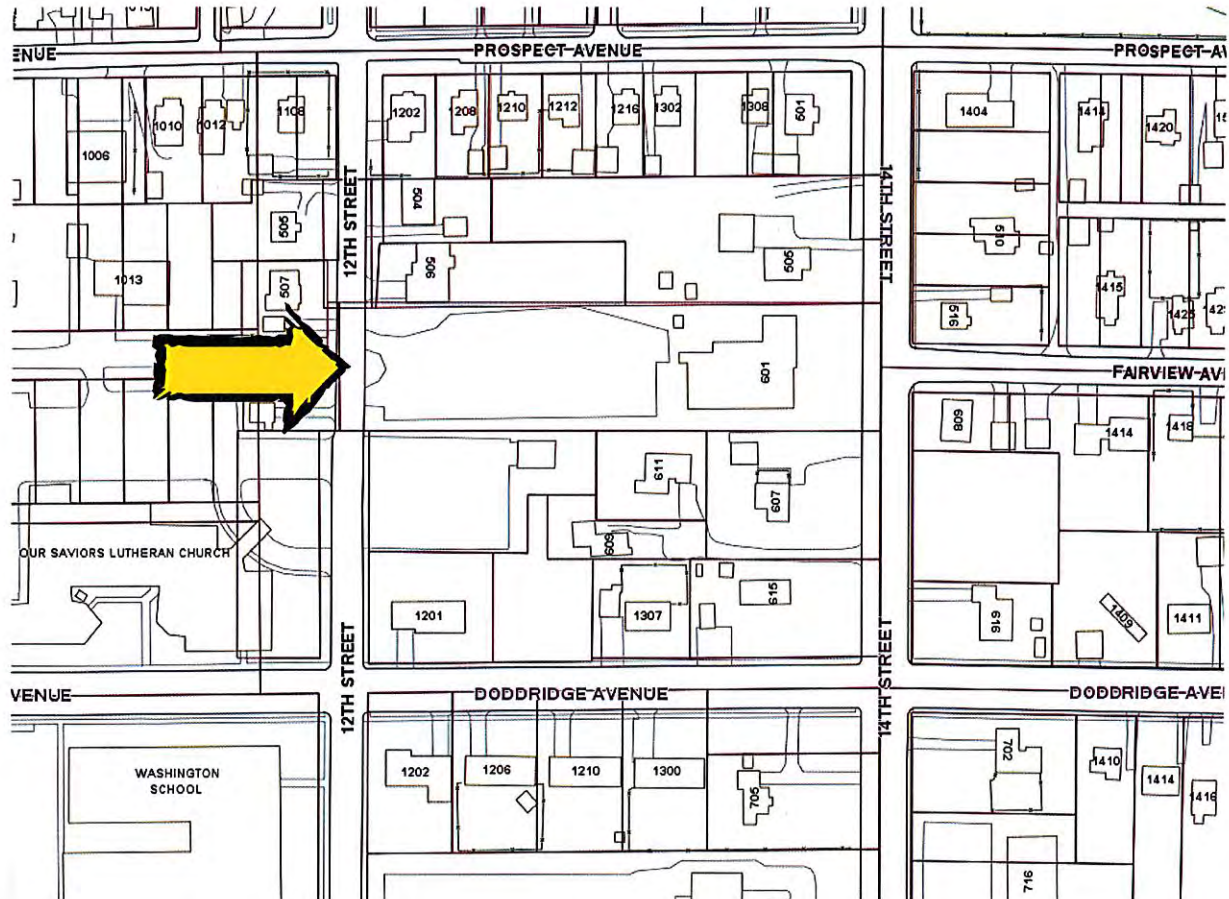
\_\_\_\_\_  
Dave Hallback, Mayor

ATTEST:

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

# LOCATION MAP

## GRACE BAPTIST CHURCH



NO SCALE

**SITE PLAN**  
**GRACE BAPTIST CHURCH**



**APPROXIMATE LOCATION OF PROPOSED BUILDING**



**COMMUNITY DEVELOPMENT DEPARTMENT**


1307 Cloquet Avenue • Cloquet MN 55720

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

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**REQUEST FOR COUNCIL ACTION**

---

To: Mayor and City Council  
From: Al Cottingham, City Planner/Zoning Administrator  
Reviewed/Approved By: Brian Fritsinger, City Administrator   
Date: July 15, 2015

---

**ITEM DESCRIPTION: ZONING CASE 15-07: COMPREHENSIVE PLAN  
AMENDMENT (LAND USE PLAN) AND REZONING**

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**Proposed Action**

Staff recommends the City Council move to adopt:

- **RESOLUTION NO. 15-65, A RESOLUTION APPROVING THE COMPREHENSIVE PLAN AMENDMENT (LAND USE PLAN) FROM “LIGHT INDUSTRY” TO “CITY CENTER”**

and

- **ORDINANCE NO. 449A, AN ORDINANCE TO AMEND CHAPTER 17, BY AMENDING THE ZONING MAP OF THE CITY OF CLOQUET FROM “LI – LIGHT INDUSTRY” TO “CC – CITY CENTER”**

**Background/Overview**

David Wehr is proposing to amend the Land Use Plan portion of the Comprehensive Plan by changing the current classification from “Light Industry” to “City Center” for property located at 1103 Avenue B. Mr. Wehr is also proposing a Rezoning of the property from the current classification of LI – Light Industry to CC – City Center. The amendment and rezoning, if approved, would amend the Land Use Plan Map of the Comprehensive Plan and the Zoning Map.

In August 2007 the City Council adopted the 2007-2027 Comprehensive Plan for the City of Cloquet. Chapter 3 of the Plan, Land Use discusses Inventory and Analysis; Goals, Objectives, and Policies; and, Land Use Plan.

Staff has reviewed the language in the Comprehensive Plan pertaining to both the “Light Industry” and “City Center”. In reviewing these write ups the Light Industry classification made sense at the time with the rear of the property abutting the railroad line. The property surrounding this property is “Light Industry” and “City Center”.

The zoning of property needs to be consistent with the Comprehensive Plan; therefore if the plan is amended to “City Center” then the zoning should also be amended. In this case the CC – City Center would be appropriate.

The Comprehensive Plan Amendment is the first step in a two-step process that the City needs to go through prior to rezoning the property. If this step is approved, then the rezoning of the property should also be approved so the two are consistent.

A public hearing was held on Tuesday, June 9, 2015 to consider a possible amendment to the Comprehensive Plan (Land Use Plan) and Rezoning. A legal notice was published in the Pine Journal on April 30, 2015 and property owners within 350 feet were sent notices of the public hearing. The Planning Commission tabled action following the public hearing until July 14, 2015 so staff could provide some additional information.

Staff has reviewed the property between 10<sup>th</sup> Street and 14<sup>th</sup> Street to determine compatibility with the reclassification from Light Industry to City Center. Starting at 10<sup>th</sup> Street is the Old Carlton County building with office and warehouse space in it. Next is Graphic Technologies which is a manufacturing company making signs and silkscreening. Then the property in question with office and warehouse space. Then Cloquet Transit Company and LCS Coaches which is offices and storage and repair of school buses and coach buses. This site wraps around T & N Auto Repair which is an auto repair facility. Then Auto Value a retail auto parts store and warehouse. The last use is Stock Tire an auto repair shop. All of these uses would either be a permitted or conditional use in the City Center District. The T & N Auto Repair, Auto Value and Stock Tire facilities are not allowed in the Light Industry District and I am not sure how or how long they have been at the present locations. The other uses are permitted uses within the district.

Staff believes for the future development of this area the City Center District is more appropriate than the Light Industry. While this may not happen for a number of years this would put this action in motion. Staff has also received the attached email from the Carlton County Chief Deputy Assessor regarding the change of the zoning classification would have on the property taxes.

### **Policy Objectives**

The Land Use Plan portion of the Comprehensive Plan discusses the “Light Industry” on page 3-22 and the “City Center” on page 3-21. The plan does not have any specific locational criteria for where certain districts should be located or rational as to why districts are located where they are. The Rezoning of the property is to be consistent with the Comprehensive Plan.

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

The Comprehensive Plan Amendment fee is \$300 and Rezoning fee is \$400. The applicant has paid these fees.



To the Mayor and City Council  
Comp Plan Amendment and Rezoning  
July 15, 2015  
Page 3

**Advisory Committee/Commission Action**

The Planning Commission has recommended denial of the Comprehensive Plan Amendment on a 2-2 vote. They have also recommended denial of the Rezoning on a 2-2 vote.

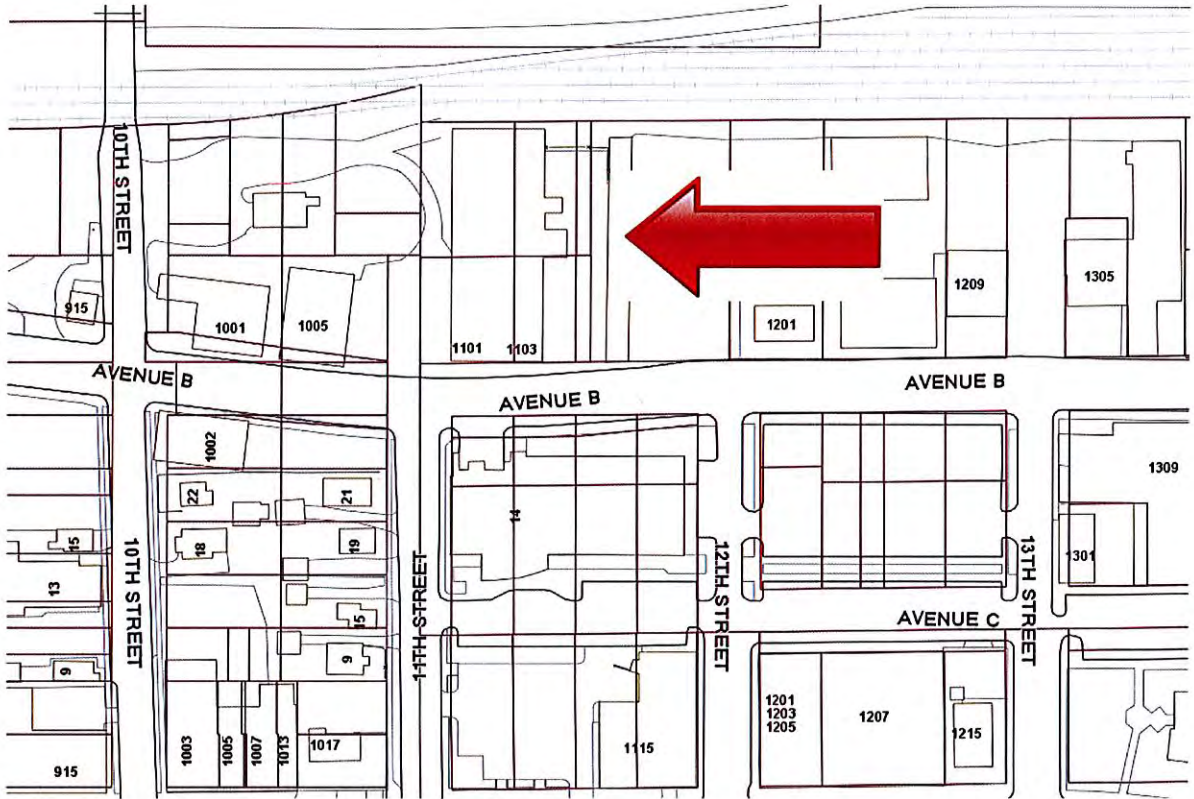
Some Commission members were concerned with expanding the City Center to the railroad tracks and thus eliminating the buffer that is created with the light industry uses between Avenue B and the railroad tracks. Commissioners did not feel this was spot zoning since it would be an extension of the City Center district to the south. The Commission also reviewed an email from Commissioner Sanders (attached) and a letter from Hanft Fride representing Lane Leasing, "LCS" (attached).

Attached, the Council will find two resolutions (15-65A and 15-65B) supporting the Commissions' recommendation denying both requests. Should the Council find reasons to deny the application, it should consider action on these two resolutions and amending the resolutions to detail the reasons for the denial.

**Supporting Documentation Attached**

- Resolution No. 15-65 Approving
- Resolution No. 15-65A Denying
- Ordinance No. 449A
- Resolution No. 15-65B Denying
- Location Map
- Comprehensive Plan Pages
- Land Use Plan
- Zoning Map
- County Email
- Commissioner Sanders Email
- Letter from Hanft Fride

# LOCATION MAP



NO SCALE



specialty shops that would be an extension of the West End area. If preliminary discussions between the City and Sappi yield reasonable possibilities for relocating the repair facilities, then the City should revisit or update the 1986 Redevelopment Study as needed or desired.

#### Commercial-Industrial Reserve

The Comprehensive Plan identifies three commercial-industrial reserves in the city. The reserve status indicates that these areas may be suitable for future commercial and/or industrial development should conditions warrant. In the meantime, these areas would continue to be used for interim mining, open space, or rural residential use.

Commercial-Industrial Reserve South of Interstate Highway 35. The Comprehensive Plan shows a commercial-industrial reserve south of Interstate Highway 35. This area is currently being mined, but at the completion of mining activities, it may provide an excellent opportunity to develop a commercial and/or industrial park that would have convenient access to the railroad and Interstate Highway 35. Some future uses could potentially have a synergistic relationship with the Fond du Lac Tribal and Community College. Consequently, it would be helpful to prepare a conceptual master plan for the area before allowing significant development in the vicinity.

Commercial-Industrial Reserve North of Interstate Highway 35. The Comprehensive Plan identifies a commercial-industrial reserve on the north side of Interstate Highway 35. Although wetlands may cover much of this area, the proximity of this area to Highway 35 makes it attractive to potential commercial and industrial development. In guiding this area as a commercial-industrial reserve, the City acknowledges that if conditions warrant (and if wetland, access, and other issues can be adequately addressed) then this area may be suitable for certain commercial or industrial development in the future.

Airport Commercial-Industrial Reserve. The Comprehensive Plan identifies an area west of the airport as a commercial-industrial reserve. Pending a market analysis and detailed studies, the Plan suggests this area could be suitable for industrial and/or commercial uses that would benefit by their relationship to the airport and/or Fond du Lac Tribal Center.

#### Light Industry

The Comprehensive Plan guides several areas in the city for light industrial use. For the purpose of this Comprehensive Plan, light industries differ from heavy industries in that they are smaller operations that generally do not create excessive noise, smells, or traffic concerns.

Existing Light Industry. There are several areas of existing light industrial uses in Cloquet, including the Tall Pine Industrial Park, and scattered industrial uses along Cloquet Avenue, Avenue B, Avenue C, and Washington Avenue. With the exception of the existing industrial uses south of Avenue B and adjacent to the city center, the Comprehensive Plan continues to guide existing light industrial use for future light industrial use. The Plan promotes working cooperatively with existing industrial uses south of Avenue B to relocate to the Cloquet Industrial Park on Stark Road as may be desirable.

Cloquet Industrial Park on Stark Road. The Cloquet Industrial Park on Stark Road was constructed in 2006-2007 and provides roughly 55 acres of land for industrial development. The City will continue to promote this area for future industrial development. Before the industrial park nears capacity, the City will consider other opportunities for additional industrial development in the city, including potential future industrial parks south of Interstate Highway 35, north of Interstate Highway 35, and adjacent to the airport industrial park as described earlier.

The Comprehensive Plan also guides the Cloquet Business Park north of Stark Road for highway commercial use. The business park and the future highway commercial use south of the Stark Road should compliment each other. Potentially, the business park could accommodate primarily office/showroom/warehouse uses, whereas the future highway commercial use to the south could accommodate primarily retail, restaurants, car dealerships, and motels.

An overarching goal of the Comprehensive Plan is to strengthen the downtown area. Consequently, commercial uses that are more suited for the downtown area should be encouraged to locate in the downtown area, whereas true highway commercial uses should be encouraged to locate along the highway.

### **City Center**

The Comprehensive Plan promotes the city center areas shown on the Land Use Plan (see Figure 3-3) as the heart (or center) of the city. These areas provide shopping, entertainment, offices, services, and government facilities. The boundaries and uses of the city center land use generally correspond with the City's C-2, General Commercial zoning district. The Comprehensive Plan supports and integrates the recommendations of Cloquet's 1998 Community Revitalization Plan relating to the city center area. Those recommendations include promoting redevelopment of distressed properties and promoting enhancements to existing buildings, sites, and streets. The city center has three general areas. The following provides an overview of each.

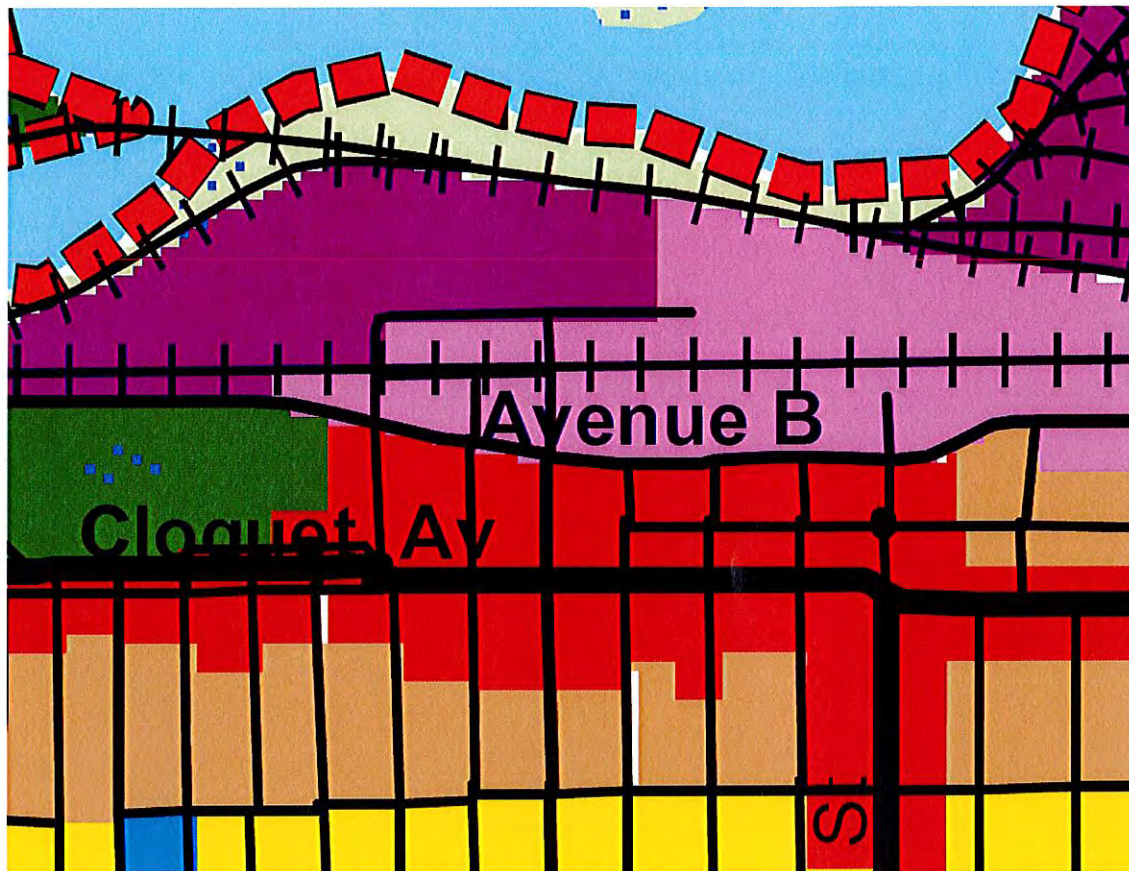
Cloquet Avenue. The Cloquet Avenue area includes City Hall, Carlton County offices, and various commercial and light industrial uses. Existing commercial uses are concentrated along Cloquet Avenue, but 14<sup>th</sup> Street south of Cloquet Avenue also has some commercial uses. City Hall is located at a prominent location at the intersection of 14<sup>th</sup> Street and Cloquet Avenue, but the existing Carlton County offices are located in two separate buildings on Avenue B and Avenue C. A scattering of light industrial uses are located between Avenue B and Cloquet Avenue.

The Comprehensive Plan promotes working cooperatively with existing industrial uses south of Avenue B to relocate those uses to the Cloquet Business Park on Stark Road. This would allow redevelopment of those sites for uses that are more compatible with the city center. Some light industry that provides high employment without adversely affecting surrounding commercial uses may be appropriate along Avenue B and Avenue C. Carlton County may explore opportunities for enhancing or expanding County offices in the city center. Although the Comprehensive Plan promotes commercial and civic uses along Cloquet Avenue, housing (particularly housing above commercial uses) is also a desirable use in the city center.

West End. The West End area is Cloquet's historic downtown. It has a unique mixture of uses and architecture that reflect a traditional downtown character. The Comprehensive Plan promotes continued mixed use of this area with an emphasis on small specialty shops and residential uses above commercial uses. It also promotes enhancing the connections between Cloquet Avenue, West End, and Dunlap Island.

Dunlap Island. Voyageur's Park and Spafford Campground occupy most of Dunlap Island, but commercial, industrial, and residential uses also exist on the island. Consistent with the 1986 Dunlap Island Redevelopment Study, the Comprehensive Plan recommends working cooperatively with the Cloquet Terminal Railroad Company and Sappi to explore the possibility of relocating the existing railroad repair facility on the island to a location closer to the Sappi plant. If the repair facility could be relocated, it would free an area for possible redevelopment that could include historical exhibits (as recommended by the 1986 Redevelopment Study) or it could include a mixture of public space and

# LAND USE PLAN



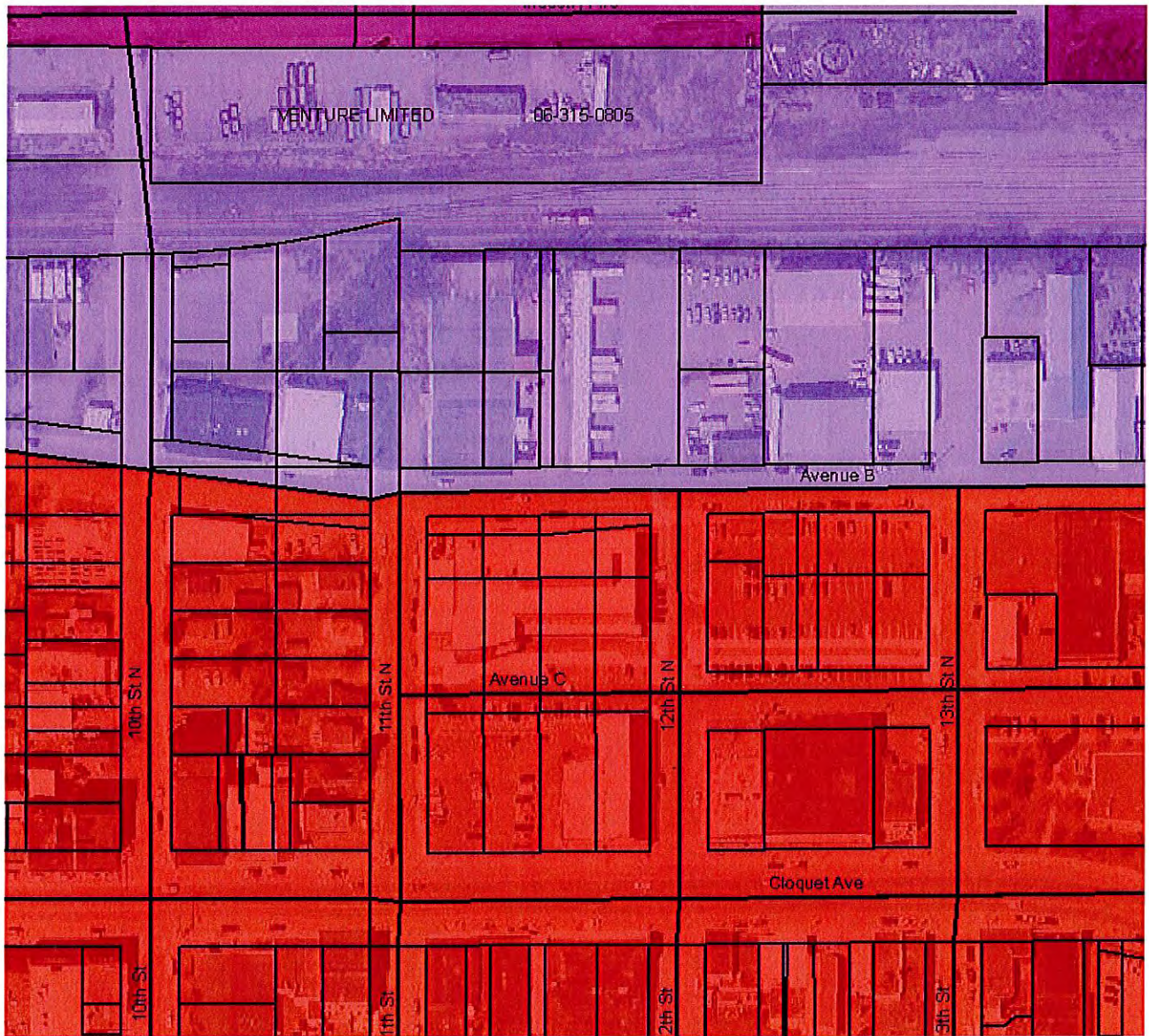
## LAND USE PLAN

- Rural Residential (1 DU/5 Ac) (or Open Space)
- Suburban Residential (1 DU/Ac Max)
- Low Density Residential (1-5 DU/Ac)
- Mod. to High Density Residential (5-32 DU Ac)
- Planned Mixed Residential (Variable Density)
- Neighborhood Commercial
- Highway Commercial
- City Center
- Highway Commercial/Residential Mix
- Commercial-Industrial Reserve
- Light Industry
- Heavy Industry
- Public - Semi Public
- Park or Recreation
- Cloquet Forestry Research Center

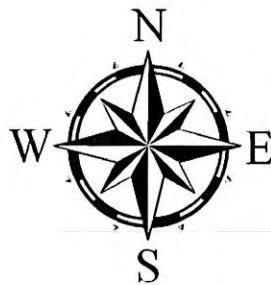
NO SCALE



# ZONING MAP



NO SCALE



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

**RESOLUTION NO. 15-65 APPROVING**

**A RESOLUTION APPROVING THE COMPREHENSIVE PLAN AMENDMENT  
(LAND USE PLAN) FROM “LIGHT INDUSTRY”  
TO “CITY CENTER”**

**WHEREAS**, David Wehr is proposing a Comprehensive Plan Amendment (Land Use Plan) from “Light Industry” to “City Center”; and

**WHEREAS**, As required by ordinance, notification was advertised in the Pine Journal. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on June 9, 2015 at which time Zoning Case / Development Review No. 15-07 was heard and discussed. The Commission tabled the request for some additional information until July 14, 2015; and

**WHEREAS**, the property of the proposed Comprehensive Plan Amendment (Land Use Plan) is located at 1103 Avenue B and is legally described as follows:

The West 14 feet of Lot 2, Block 3, Subdivision of Outlots 41 and 42. And,

Lot 3, Block 3, Subdivision of Outlots 41 and 42, Except Railway Right-of-Way. And

Lot 4, Block 3, Subdivision of Outlots 41 and 42, and that part of adjacent vacated 11<sup>th</sup> Street, Except Railway Right-of-Way. And

Lot 5, Block 3, Subdivision of Outlots 41 and 42, and that part of adjacent vacated 11<sup>th</sup> Street, Except Railroad Right-of-Way. And

Lot 6, Block 3, Subdivision of Outlots 41 and 42, Except Railway Right-of-Way, And

The West 14 feet of Lot 7, Block 3, Subdivision of Outlots 41 and 42.

**WHEREAS**, the Planning Commission reviewed the staff report and recommended approval of the Comprehensive Plan Amendment (Land Use Plan) from “Light Industry” to “City Center”.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, that it approves the Comprehensive Plan Amendment (Land Use Plan) from “Light Industry” to “City Center”.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 21ST DAY OF JULY, 2015.**

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

ATTEST:

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

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

**RESOLUTION NO. 15-65A DENYING**

**A RESOLUTION DENYING THE COMPREHENSIVE PLAN AMENDMENT  
(LAND USE PLAN) FROM “LIGHT INDUSTRY”  
TO “CITY CENTER”**

**WHEREAS**, David Wehr is proposing a Comprehensive Plan Amendment (Land Use Plan) from “Light Industry” to “City Center”; and

**WHEREAS**, As required by ordinance, notification was advertised in the Pine Journal. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on June 9, 2015 at which time Zoning Case / Development Review No. 15-07 was heard and discussed. The Commission tabled the request for some additional information until July 14, 2015; and

**WHEREAS**, the property of the proposed Comprehensive Plan Amendment (Land Use Plan) is located at 1103 Avenue B and is legally described as follows:

The West 14 feet of Lot 2, Block 3, Subdivision of Outlots 41 and 42. And,

Lot 3, Block 3, Subdivision of Outlots 41 and 42, Except Railway Right-of-Way. And

Lot 4, Block 3, Subdivision of Outlots 41 and 42, and that part of adjacent vacated 11<sup>th</sup> Street, Except Railway Right-of-Way. And

Lot 5, Block 3, Subdivision of Outlots 41 and 42, and that part of adjacent vacated 11<sup>th</sup> Street, Except Railroad Right-of-Way. And

Lot 6, Block 3, Subdivision of Outlots 41 and 42, Except Railway Right-of-Way, And

The West 14 feet of Lot 7, Block 3, Subdivision of Outlots 41 and 42.

**WHEREAS**, the Planning Commission reviewed the staff report and recommended denial of the Comprehensive Plan Amendment (Land Use Plan) from “Light Industry” to “City Center”.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, that it denies the Comprehensive Plan Amendment (Land Use Plan) from “Light Industry” to “City Center”.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 21ST DAY OF JULY, 2015.**

ATTEST:

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

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



**ORDINANCE NO. 449A**

**AN ORDINANCE TO AMEND CHAPTER 17 OF THE CITY CODE, BY AMENDING THE ZONING MAP OF THE CITY OF CLOQUET FROM “LI – LIGHT INDUSTRY” TO “CC – CITY CENTER”**

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

**Section 1.** The Zoning Map of the City of Cloquet is hereby amended to change the zoning designation of the following described property from LI – Light Industry to CC – City Center:

The West 14 feet of Lot 2, Block 3, Subdivision of Outlots 41 and 42. And, Lot 3, Block 3, Subdivision of Outlots 41 and 42, Except Railway Right-of-Way. And Lot 4, Block 3, Subdivision of Outlots 41 and 42, and that part of adjacent vacated 11<sup>th</sup> Street, Except Railway Right-of-Way. And Lot 5, Block 3, Subdivision of Outlots 41 and 42, and that part of adjacent vacated 11<sup>th</sup> Street, Except Railroad Right-of-Way. And Lot 6, Block 3, Subdivision of Outlots 41 and 42, Except Railway Right-of-Way, And The West 14 feet of Lot 7, Block 3, Subdivision of Outlots 41 and 42.

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

Passed this 21st day of July, 2015.

CITY OF CLOQUET

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

ATTEST:

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

Published this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

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

**RESOLUTION NO. 15-65B DENYING**

**A RESOLUTION DENYING THE REZONING FROM “LI -LIGHT INDUSTRY”  
TO “CC - CITY CENTER”**

**WHEREAS**, David Wehr is proposing a Rezoning from “LI - Light Industry” to “CC - City Center”; and

**WHEREAS**, As required by ordinance, notification was advertised in the Pine Journal. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on June 9, 2015 at which time Zoning Case / Development Review No. 15-07 was heard and discussed. The Commission tabled the request for some additional information until July 14, 2015; and

**WHEREAS**, the property of the proposed Rezoning is located at 1103 Avenue B and is legally described as follows:

The West 14 feet of Lot 2, Block 3, Subdivision of Outlots 41 and 42. And,

Lot 3, Block 3, Subdivision of Outlots 41 and 42, Except Railway Right-of-Way. And

Lot 4, Block 3, Subdivision of Outlots 41 and 42, and that part of adjacent vacated 11<sup>th</sup> Street, Except Railway Right-of-Way. And

Lot 5, Block 3, Subdivision of Outlots 41 and 42, and that part of adjacent vacated 11<sup>th</sup> Street, Except Railroad Right-of-Way. And

Lot 6, Block 3, Subdivision of Outlots 41 and 42, Except Railway Right-of-Way, And

The West 14 feet of Lot 7, Block 3, Subdivision of Outlots 41 and 42.

**WHEREAS**, the Planning Commission reviewed the staff report and recommended denial of the Rezoning from “LI - Light Industry” to “CC - City Center”.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, that it denies the Rezoning from “LI - Light Industry” to “CC - City Center”.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 21ST DAY OF JULY, 2015.**

ATTEST:

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

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



**Regular Meeting of the Planning Commission**

Tuesday July 14, 2015

7:00 p.m.

1307 Cloquet Ave, Cloquet, MN 55720

**CALL TO ORDER**

Chairperson Wilkinson called the meeting to order at 7:00 p.m.

**ROLL CALL**

**Attending:** Planning Commission members: Bryan Bosto, Michael Haubner, Chuck Buscher and Uriah Wilkinson; City: Al Cottingham

**Absent:** Commission members: Jesse Berglund, John Sanders and Kelly Johnson

**Others Present:** David and Chireen Wehr, Jeff Collins and Aaron Myers

**ADDITIONS/CHANGES TO THE AGENDA**

None.

**AGENDA ITEMS**

**June 9, 2015 Meeting Minutes**

Chairperson Wilkinson asked for any corrections or additions,

**Motion:** Commissioner Haubner made a motion to approve the Planning Commission meeting minutes from June 9, 2015, Commissioner Buscher seconded. (Motion was approved 4-0).

**Zoning Case 15-07: Comprehensive Plan Amendment and Rezoning for David Wehr**

Chairperson Wilkinson introduced the Comprehensive Plan Amendment and Rezoning for David Wehr noting this was a continuation from last month. He asked Mr. Cottingham to provide an overview of the application. Mr. Cottingham noted this was not a public hearing since the hearing was closed at the last meeting after receiving input from the public on the request. Mr. Wehr is proposing an amendment to the Land Use Plan portion of the Comprehensive Plan from "Light Industry" to "City Center" and a Rezoning from LI – Light Industry to CC – City Center. The Commission tabled the request to receive additional information from staff on the area businesses and the impacts this would have on them. Cottingham noted that in his opinion 3 of the existing businesses were currently non-conforming uses and they would become conforming uses and 3 are conforming uses and would become conditional uses provided they continue to operate. He noted the email from John Sanders and the letter from Hanft Fride on behalf of Lane Leasing pertaining to this item.



The Commission discussed the email and letter along with the possible impacts on the surrounding properties. They inquired as to if other residential properties were as close to the railroad tracks as this would be. Cottingham noted that homes on Avenue A were right across the street from the tracks. They discussed the noise from the busses being started in the early morning and felt the train noise would be worse.

Chairperson Wilkinson called for a motion.

**Motion: Commissioner Haubner made a motion to adopt Resolution No. 15-07 Comp Recommending the City Council-of Cloquet Deny the Comprehensive Plan Amendment (Land Use Plan) from “Light Industry” to “City Center”, Commissioner Buscher seconded. (Motion failed 2-2 Bosto and Wilkinson)**

**Motion: Commissioner Haubner made a motion to adopt Resolution No. 15-07 Rezone Recommending the City Council of Cloquet Deny the Rezoning from “LI - Light Industry” to “CC - City Center”, Commissioner Buscher seconded. (Motion failed 2-2 Bosto and Wilkinson).**

Cottingham noted that this item would be forwarded to the City Council for their meeting on Tuesday, July 21<sup>st</sup> at 7:00 pm and the Wehr’s should be present to answer any questions.

**Zoning Case 15-13: Conditional Use Permit, Grace Baptist Church**

Chairperson Wilkinson introduced Zoning Case 15-13, Conditional Use Permit for Grace Baptist Church, opened the public hearing at 7:27 p.m., and asked Mr. Cottingham for an overview. Mr. Cottingham noted this was a public hearing with a legal notice being published in the Pine Journal on July 2, 2015 and property owners within 350 feet were sent notices of the public hearing. Mr. Cottingham noted that Grace Baptist Church is proposing to relocate an existing 24 ft. by 42 ft. building from St. Paul’s Evangelical Lutheran Church at 1705 Wilson Avenue to the north side of their building. Mr. Jeff Collins was present representing the church.

Chairperson Wilkinson asked if anyone would like to speak on this item.

Jeff Collins addressed the Commission identifying the structure would be used for youth ministry since they are outgrowing their space within the building.

There being no discussion Chairperson Wilkinson closed the public hearing at 7:29 p.m..

Chairperson Wilkinson reviewed the CUP criteria for compliance and stated that he believed the request met all of the conditions for granting a CUP.

Chairperson Wilkinson called for a motion.

## Al Cottingham

---

**From:** John E. Sanders <john.sanders@tkda.com>  
**Sent:** Tuesday, July 07, 2015 1:26 PM  
**To:** Al Cottingham  
**Subject:** Upcoming Planning Commission Meeting

Al,

I will not be able to make our July 14 meeting. If Zoning Case 15-07, changing current classification and zoning of 1103 Avenue B from LI – Light Industry to CC – City Center, is taken up, I would like to present my thoughts to share with the rest of the commission.

I believe that back in 2007 the Planning Commission made the appropriate decision to zone the properties north of Avenue B as LI – Light Industry. If the intention is to keep the properties north of Avenue B as a uniform zone, the existing businesses adjacent to the property in question best fit in the Light Industry zone. There is a school bus garage, an automobile repair shop and a bus company.

My understanding is that the owners of 1103 Avenue B would like to reclassify their property to City Center so that they can convert this to a residence. I do not think the properties north of Avenue B are appropriate for residences. My primary concern is with the mainline of a Class I railroad at the rear property line of these properties. Recently we have had complaints about train noise in the city and there is also the very real concern of train derailments. This would be the closest residence to the mainline railroad tracks in Cloquet and I do not believe that placing homes closer to the tracks is wise.

Somewhat independent of this particular case, I have no interest in expanding the CC – City Center District. The Planning Commission recently approved sexually oriented businesses, as permitted uses within the CC – City Center District. Our code states the following as permitted uses within the CC – City Center District: adult body painting studio; adult book store; adult car wash; adult companionship establishment; adult entertainment facility; adult modeling studio; adult oriented cabaret; adult sauna; adult motion picture theater; and adult mini-motion picture theater. With the properties north of Avenue B being closer to the railroad tracks, their rents may be less than those in the CC – City Center District and may be more attractive to one of the businesses listed above to move into the city.

I would encourage my fellow commissioners to deny the resolution recommending the City Council of Cloquet to approve the rezoning and comprehensive plan amendment from “LI – Light Industry” to “CC – City Center”. Thank you for your consideration.

John Sanders

HANFT FRIDE  
A PROFESSIONAL ASSOCIATION

1000 U.S. BANK PLACE  
130 WEST SUPERIOR STREET  
DULUTH, MINNESOTA 55802-2094  
TELEPHONE: 218/722-4766  
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DIRECT DIAL: 218/722-4766  
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July 14, 2015

GILBERT W. HARRIES\*  
WILLIAM M. BURNS  
JOHN D. KELLY\*  
FREDERICK A. DUDDERAR, JR.  
TIM A. STROM\*  
R. THOMAS TORGERSON\*  
CHERYL M. PRINCE\*  
ROBIN C. MERRITT\*  
JENNIFER L. CAREY\*  
MARK D. PILON\*  
JACOB J. BAKER\*  
KENNETH A. KIMBER\*  
SCOTT A. WITTY\*  
DAVID L. TILDEN\*  
KIMBERLY E. BRZEZINSKI  
LEAH L. FISHER  
HOLLY LABOONE-HALLER  
RICHARD R. BURNS\*, OF COUNSEL  
CHARLES H. ANDRESEN, OF COUNSEL  
DAVID C. LINGREN, OF COUNSEL  
\*ALSO ADMITTED IN WISCONSIN

*Via Email Only (via [acottingham@ci.cloquet.mn.us](mailto:acottingham@ci.cloquet.mn.us))*

City of Cloquet Planning Commission

Re: Zoning Case 15-07: Comp. Plan Amendment and Rezoning for David Wehr, 1103 Avenue B  
Our File No. 31536.001

Dear City of Cloquet Planning Commission Members:

Our office has been retained by Lane Leasing to review the application of David Wehr regarding a Comprehensive Plan Amendment and Rezoning for Mr. Wehr's property located at 1103 Avenue B in Cloquet. Mr. Wehr is seeking an amendment to the Comprehensive Plan and rezoning of his property from "Light Industrial" to "City Center." This matter is set for hearing this evening before the City of Cloquet Planning Commission ("Planning Commission"), which has been asked to recommend approval to the City Council.

As the owner of property adjacent to Mr. Wehr's, Lane Leasing ("LCS") has expressed concerns regarding Mr. Wehr's request and the potential negative impacts upon LCS's property. LCS's concerns are certainly well-founded, and for the reasons discussed herein we urge the Planning Commission to table the issue until the affected property owners can perform a thorough review and analysis of the potential negative impacts upon their respective properties.

First, it appears that Mr. Wehr's request is limited to his property only; in other words, Mr. Wehr is seeking rezoning of his platted lots of minimal acreage. Included in the background information provided to the Planning Commission by Mr. Cottingham was the following statement:

"Staff believes for the future development of this area the City Center District is more appropriate than Light Industry. While this may not happen for a number of years this would put the action in motion..."

July 14, 2015

Page 2

This statement evidences the fact that Staff believes an Amendment to the Comprehensive Plan and rezoning would be appropriate for a number of properties in the area near Mr. Wehr's property. However, the current proposal is only to amend the Comprehensive Plan and rezone as to Mr. Wehr's property. We believe this would be illegal spot zoning.

"Spot zoning" is a label that applies to zoning changes, typically limited to small parcels of land such as Mr. Wehr's, which establish a use classification inconsistent with surrounding uses and create an "island" of nonconforming use within a larger zoned district, and which dramatically reduce the value for uses specified in the zoning ordinance of either the rezoned parcel or abutting property.

A grant of Mr. Wehr's application would serve to formally change the zoning for only his small, platted parcels and establish a use classification (City Center) that is inconsistent with the uses of the surrounding properties. According to the Comprehensive Plan, "housing...is also a desirable use in the city center." The idea of only Mr. Wehr's property allowing housing (because it is surrounded by Light Industrial zoned properties that do not allow housing) creates significant concerns about competing uses that may be inconsistent (e.g. LCS has raised the concern about the noise from busses starting up in the early hours of the morning and whether nearby residential housing will create conflicts between the varying uses). There is a reason certain uses are not allowed in a Light Industrial zone; because those uses are not compatible with the allowed uses within that zoning district. Carving out a special exception for only one owner's property will create a breeding ground for complaints and dispute arising out of conflicting uses.

If the City intends to amend the Comprehensive Plan and rezone multiple parcels in order to expand the City Center district, then it should do so for all target parcels at once. While this suggestion is not intended as support for any amendment or rezoning, the issue of spot zoning would not be relevant if the zoning for the entire locale was proposed for change at one time.

We believe that the value of the parcels neighboring Mr. Wehr's property will also be negatively impacted by the action requested by Mr. Wehr. Future property owners may have concerns about negative impacts such as those expressed by LCS and other adjacent property owners, affecting the marketability of the neighboring parcels. Additionally, a change in the Comprehensive Plan and rezoning of Mr. Wehr's property may make it more likely that the City will feel pressure to expand the change to adjacent properties, which raises the question of whether those property owners will have a "fair shake" in a subsequent amendment and rezoning process. In other words, will the mentality be "we already did this for the Wehr property so we are compelled to amend the Comprehensive Plan and rezone adjacent parcels to keep uniformity in the neighborhood."

Lastly, LCS has expressed concern about the lack of information shared with adjacent property owners and the short timeline that LCS and others have had to analyze and respond to the request. Under the circumstances, we ask that Mr. Wehr's application to amend the Comprehensive Plan and rezone his parcels be denied.

July 14, 2015  
Page 3

Very truly yours,

*Kimberly E. Brzezinski*  
Kimberly E. Brzezinski

c: Client






**DEPARTMENT OF PUBLIC WORKS**

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Phone: 218-879-6758 • Fax: 218-879-6555  
Street - Water - Sewer - Engineering  
www.ci.cloquet.mn.us

**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: James R. Prusak, Director of Public Works  
Reviewed by: Brian Fritsinger, City Administrator   
Date: July 14, 2015

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**ITEM DESCRIPTION:** Awarding Bid for the 2015 Sanitary Sewer CIPP Lining Project

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**Proposed Action**

Staff recommends that the City Council move to adopt **RESOLUTION NO. 15-61, A RESOLUTION AWARDING 2015 SANITARY SEWER CIPP LINING BID.**

**Background/Overview**

As part of Cloquet's continued efforts to rehabilitate portions of its old sanitary sewer system, over the years many sanitary sewer mains have been replaced in conjunction with major street reconstruction projects. Unfortunately, street reconstruction dollars are not there to allow the City to address all of its immediate sewer needs. As a result, the Public Works Department has investigated and utilized a number of "no dig" sewer lining processes that are successfully being used throughout the country. The lining method selected is referred to as Cured-In-Place-Pipe or CIPP and this involves the installation of an epoxy resin impregnated tube inside the existing sewer main from manhole to manhole, which is then cured in place with the use of steam or hot water. The new liner repairs structural defects in the pipe and thereby eliminates tree root and ground water infiltration, which results in reduced maintenance costs and sewer backups. During 2015, the City proposes to line approximately 7,000 feet of existing sanitary sewer mains.

Bids were advertised beginning June 11<sup>th</sup> and were received and opened on July 2<sup>nd</sup>. Seven bids were received as follows:

<b><u>Bidder</u></b>	<b><u>Bid Amount</u></b>
Hydro-Kleen LLC	\$ 206,941.55
Visu-Sewer, Inc.	229,585.00
Insituform Technologies LLC	240,635.00
Michels Pipe Services	245,627.00
Lametti & Sons, Inc.	252,190.00
Terra Engineering and Construction	257,804.50
Veit & Company, Inc.	297,690.00
Engineer's Estimate	226,995.00

**Policy Objectives**

To make continued improvements to the sanitary sewer system in accordance with the City's I&I Reduction Program and to maintain the sewer system in accordance with acceptable standards.

**Financial/Budget/Grant Considerations**

The current approved budget and CIP for the Sewer Department includes approximately \$50,000 per year for sewer improvements of this type. The last lining project was completed back in 2010. These dollars will come from the Sanitary Sewer Fund balance.

**Advisory Committee/Commission Action**

N/A

**Supporting Documentation Attached**

- Resolution No. 15-61.

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

**RESOLUTION NO. 15-61**

**A RESOLUTION AWARDED  
2015 SANITARY SEWER CIPP LINING BID**

**WHEREAS**, As part of its Sanitary Sewer Maintenance and Rehabilitation Project the City has approved and allocated funds for sanitary sewer lining work to be completed during 2015; and

**WHEREAS**, The Public Works Department has prepared plans and specifications to complete this work; and

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

<u><b>Bidder</b></u>	<u><b>Bid Amount</b></u>
Hydro-Kleen LLC	\$ 206,941.55
Visu-Sewer, Inc.	229,585.00
Insituform Technologies LLC	240,635.00
Michels Pipe Services	245,627.00
Lametti & Sons, Inc.	252,190.00
Terra Engineering and Construction	257,804.50
Veit & Company, Inc.	297,690.00
Engineer's Estimate	226,995.00

**WHEREAS**, The apparent low bid from Hydro-Kleen, 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 Hydro-Kleen LLC in the amount of \$206,941.55 is hereby accepted.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET  
THIS 21<sup>ST</sup> DAY OF JULY, 2015.**

ATTEST:

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


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



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REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: James R. Prusak, Director of Public Works  
Reviewed by: Brian Fritsinger, City Administrator   
Date: July 14, 2015

---

**ITEM DESCRIPTION:** West I-35 Frontage Road Paving Improvement Project

---

**Proposed Action**

Staff recommends the City Council move to adopt **RESOLUTION 15-64, SETTING PUBLIC HEARING DATE ON THE PROPOSED 2015 PAVING IMPROVEMENT OF THE WEST I-35 FRONTAGE ROAD (SOUTH HIGHWAY 33) FROM MOORHEAD ROAD, NORTH APPROXIMATELY 1 MILE TO HIGHWAY 33**, with a proposed hearing date of August 4, 2015.

**Background/Overview/Feasibility**

As part of the City's 5-Year Capital Improvement Program (CIP) and approved budget, plans are proposed to replace the existing bituminous pavement on the frontage road along the west side of Interstate Highway I-35 from the Moorhead Road, north one mile to its connection with Highway 33. This frontage road was turned back to the City of Cloquet by the MN Department of Transportation back in 1994 and since then has been maintained as a City Street. With the construction of a new rear entrance several years ago to the Black Bear Casino off of the Moorhead Road, traffic volumes on the frontage road have picked up considerably to where they now approach 2,500 vehicles per day. The condition of the existing bituminous pavement is now showing signs of severe distress and needs to be replaced.

The roadway was last overlaid by the State prior to turning it over to the City but due to the pavement's current condition an additional overlay is not recommended. It is proposed to grind and reclaim the existing pavement, mix it with the underlying gravel base and then place a new 3-1/2" bituminous pavement.

Preliminary plans for the project have been prepared and in accordance with MN Statutes Chapter 429 the City Council is required to schedule and give notice of a Public Hearing on the proposed improvement. During this meeting, the Council will take formal public input to assist them in their decision as to how the City should proceed.

**Policy Objectives**

To advance proposed capital improvement projects but prior to approval affected property owners shall be provided an opportunity to make comments in reference to the proposed improvement in accordance with State Statutes.

**Financial Impacts/Budget/Grant Considerations**

The approved 2015 CIP and budget include an estimated cost for this project of \$385,000, which would come from the Permanent Improvement Fund.

In accordance with current City policy, a portion of the construction costs would be assessable to individual properties along the project route. It is anticipated that assessments related to this project may be somewhat controversial due to the fact that the majority of the traffic served by this roadway is not local traffic.

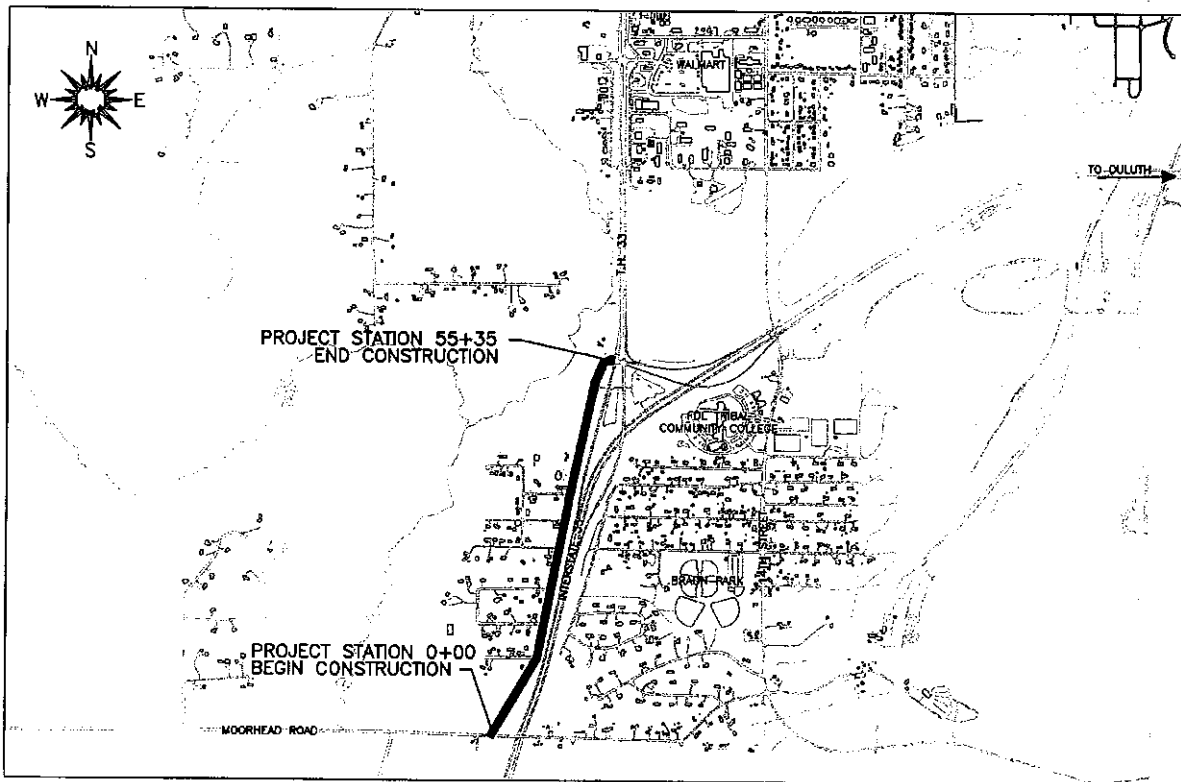
**Advisory Committee/Commission Action**

N/A

**Supporting Documentation Attached**

- Resolution No. 15-64.

**Map of Project Area**



West I-35 Frontage Road (South Highway 33)  
From Moorhead Road, North 1 Mile to Highway 33

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

**RESOLUTION NO. 15-64**

**RESOLUTION SETTING PUBLIC HEARING DATE ON  
THE PROPOSED 2015 PAVING IMPROVEMENT OF THE WEST I-35 FRONTAGE  
ROAD (SOUTH HIGHWAY 33) FROM MOORHEAD ROAD, NORTH  
APPROXIMATELY 1 MILE TO HIGHWAY 33.**

**WHEREAS**, In accordance with the City of Cloquet's Capital Improvement Program and approved budget, preliminary plans and an engineering study are being prepared for the improvement of the West I-35 Frontage Road (South Highway 33) from Moorhead Road, north one mile to Highway 33; and

**WHEREAS**, As part of this project the City proposes to reconstruct the existing roadway pavement; and

**WHEREAS**, A detailed report is being prepared by the Assistant City Engineer with reference to this proposed improvement; and

**WHEREAS**, It is anticipated that in accordance with current City policy a portion of the improvement costs would be assessable to adjacent properties along the project route pursuant to Minnesota Statutes, Chapter 429.

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

1. That the Council will consider the improvement of the West I-35 Frontage Road (South Highway 33) from Moorhead Road, north one mile to Highway 33 and the assessment of abutting properties for a portion of the cost, pursuant to Minnesota Statutes, Chapter 429. The total improvement is estimated to cost \$385,000.
2. A hearing shall be held on August 4, 2015, in the City Council Chambers at 7:00 p.m.
3. The City Administrator shall give mailed and published notice of such hearing and improvement as required by law.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET  
THIS 21<sup>st</sup> DAY OF JULY, 2015.**

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

ATTEST:

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



## DEPARTMENT OF PUBLIC WORKS

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Street - Water - Sewer – Engineering - Park  
www.ci.cloquet.mn.us

### REQUEST FOR COUNCIL ACTION

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To: City Council  
From: Caleb Peterson, Assistant Engineer  
Reviewed By: Brian Fritsinger, City Administrator  
Date: July 14, 2015



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**ITEM DESCRIPTION:** An Ordinance to Delete and Replace Chapter 18 of the Municipal Code Pertaining to Storm Water Management.

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#### Proposed Action

Staff recommends that the City Council **MOVE TO ADOPT ORDINANCE 450A, DELETING AND REPLACING CHAPTER 18 OF CITY CODE PERTAINING TO STORM WATER MANAGEMENT.**

#### Background/Overview

In 2007 the City was notified by the Minnesota Pollution Control Agency (MPCA) that it had been designated as a Municipal Separate Storm Sewer System (MS4). Developed under the Clean Water Act, the MS4 permit program is actually a federal (EPA) mandate which is administered by the MPCA. The permit requires the City to implement a number of programs and policies related to stormwater management with the goal of reducing non-point pollution of surface waters.

One requirement of the permit is for the City to develop and adopt regulatory mechanisms which address the following:

- **Illicit Discharge** - Any non-storm water contribution to a drainage system or natural water.
- **Construction Site Stormwater Management** – The permitting, plan review, erosion and sediment control requirements for construction sites and other land disturbing activities.
- **Post Construction Stormwater Management** – Volume control and pollutant management practices required for new and redevelopment projects.

Chapter 18 of City Code was adopted in January 2008 in order to comply with these requirements however the permit has since been reissued resulting in a number of changes which must now be implemented. Due to the extent of changes required, the ordinance has been presented to Council as a deletion and replacement of Chapter 18 of City Code. The following is an overview of the major changes.

#### **Section 18.3, Subdivision 2: Prohibited or Illicit Discharges.**

*This revision involves some additional language specifically addressing common exemptions to the rule which are allowed under our permit. Examples of such flow exemptions include irrigation systems, water line flushing, and uncontaminated groundwater sources. The Illicit Discharge rule has not changed.*

**Section 18.3, Subdivision 3: Illicit Connections.**

*This section was added to clarify the rights and responsibilities of the City and private property owners when a previously unknown connection to the storm sewer system is discovered. In most cases connections to the City system are perfectly legal however, the City is responsible to document such connections and ensure no Illicit Discharge exists. This section is a clarification of a specific situation and does not alter the actual prohibited discharge requirements.*

**Section 18.6: Post Construction Stormwater Management.**

*The current code addresses Post Construction Stormwater Management as part of the Construction Site Program. Under the new MS4 permit, the City is required to adopt volume and pollutant management standards which are above and beyond the current MPCA permit for construction activity. The primary difference between the two standards is the "trigger" at which point permanent treatment is required. Currently permitted projects can add up to one additional acre of impervious surface before providing permanent treatment on site. Under the new requirements, any increase in impervious surface must be treated. Basically we now must require no net hydraulic or pollutant impacts from a one inch rain storm on larger (1 acre or more) new or redevelopment projects. Section 18.6 was added to the code to address these new requirements.*

**Section 18.6, Subdivisions 1-3:**

*This section outlines project applicability, and plan submittal requirements for Post Construction Stormwater Management. All projects which disturb greater than once acre of land may fall under these requirements. This does not impact small sites such as additions and single family home construction.*

**Section 18.6, Subdivision 4: Volume Control and Pollutant Management.**

*Establishes the treatment standards required as part of the MS4 permit for new and redevelopment projects.*

*New Development (less than 15 percent existing impervious) – No net increase from pre-project conditions of discharge volume, suspended solids, and total phosphorus for a one inch rain event.*

*Redevelopment (15 percent or more existing impervious) – A net reduction from pre-project conditions of discharge volume, suspended solids, and total phosphorus.*

**Section 18.6, Subdivision 5: Volume Control and Pollutant Management, Exceptions and Mitigation.**

*Section a) addresses exceptions to the required volume control standards when infiltration practices are not feasible or prohibited due to existing site conditions. This language does not waive all responsibilities however it does allow for other less restrictive treatment options to be implemented.*

*Section b) creates a mitigation program whereby a developer can build off site treatment systems for suspended solids and total phosphorus when on-site treatment is not feasible. This language is not required by the MPCA however failure to include this program would be a more restrictive approach as any project not able to meet the requirements on-site would not be allowed.*



**Section 18.6, Subdivision 6: Maintenance of Structural Stormwater BMPs.**

*Establishes a process and mechanism whereby any infrastructure designed to meet the treatment standards is properly inspected and maintained to ensure it functions as designed. This is a direct requirements of both the MS4 and Construction permits.*

**Section 18.6, Subdivision 7: Financial Security.**

*Not required by the permit, this section was established to provide the City with protection additional protection in the event of a compliance issue.*

**Section 18.6, Subdivision 8: Impaired Waters and Total Maximum Daily Loads.**

*Not applicable in Cloquet today, this section is necessary if the MPCA were ever to establish a Stormwater related Total Maximum Daily Load on a local receiving water.*

**Section 18.7: Inspections.**

*This section establishes right of entry for the City to investigate and enforce any of the provisions within Chapter 18.*

**Section 18.8: Enforcement and Penalties.**

*Applicable to all provisions of Chapter 18, this section has been updated to allow declaration of a public nuisance under Chapter 7 of the City Code. The revision allows the city to seek reimbursement for any necessary abatement costs and was recommended by the City Attorney.*

**Policy Objectives**

N/A

**Financial/Budget/Grant Considerations**

No immediate impact is expected however plan reviews and design of post construction treatment facilities will result in additional demands on staff time. It is unclear how the new standards may impact the City's construction costs moving forward but any additional infrastructure costs should be at least partially offset by our ability to downsize storm sewers due to the decrease in flow.

**Advisory Committee/Commission Action**

N/A.

**Supporting Documents Attached**

- Ordinance No. 450A.

## ORDINANCE NO. 450A

### AN ORDINANCE TO DELETE AND REPLACE CHAPTER 18 OF THE MUNICIPAL CODE PERTAINING TO STORM WATER MANAGEMENT

The City Council of the City of Cloquet does hereby ordain the following:

**Section 1.** That Chapter 18 of the City Code be deleted in its entirety and replaced with the following:

#### **Section 18.1: General**

**18.1.01. Purpose and Objectives.** This Chapter sets forth uniform requirements for storm water management systems and practices within the City of Cloquet. In the event of any conflict between provisions of this Chapter or other regulations adopted by the City of Cloquet, the State of Minnesota, or Federal authorities, the more restrictive standard shall prevail.

The objectives of this Chapter are as follows:

- a) To promote, preserve, and enhance the natural resources within the City of Cloquet from adverse or undesirable impacts occasioned by development or other activities.
- b) To protect and promote the health, safety, and welfare of the people and property through effective storm water quantity and quality management practices.
- c) To regulate land development activity, land disturbing activity, or other activities that may have an adverse and/or potentially irreversible impact on storm water quantity, water quality and/or environmentally sensitive lands and to encourage compatibility between such uses.
- d) To establish detailed review standards and procedures for land development activities, as they relate to storm water management, throughout the City of Cloquet, thereby achieving a balance between urban growth and development and the protection of water quality.
- e) To provide for adequate storm water system analysis and design as necessary to protect public and private property, water quality and existing natural resources.

#### **Sectin 18.2: Definitions**

**18.2.01. Definitions.** For the purposes of this Chapter, the following terms, phrases, words, and their derivations shall have the meaning given. When not inconsistent with the context, words used in the present tense shall include the future tense. Words in the plural number shall include the singular number, and words in the singular number shall include the plural number. The word "shall" is always mandatory and not merely directory.

**Subd. 1. Applicant.** Any person or group that applies for a building permit, subdivision approval, zoning change, approach, excavation or special use permit, storm water plan approval, or any other permit which allows land disturbing activities. Applicant also means that person's agents, employees, and others acting under this person's or group's direction. The term "applicant" also refers to the permit holder or holders and the permit holder's agents, employees, and others acting under this person's or group's direction.

**Subd. 2. Best Management Practices (BMP's).** Erosion and sediment control and water quality management practices that are the most effective and practicable means of controlling, preventing, and minimizing the degradation of surface water, including; construction-phasing, minimizing the length of time soil areas are exposed, prohibitions, and other management practices published by federal, state, or designated area-wide planning agencies.

**Subd. 3. Buffer.** The buffer strip begins at the delineated edge of delineated wetlands or the "ordinary high water mark" for rivers and streams. This start point corresponds to the Minnesota Department of Natural Resources' definition of a "shoreline" in Minnesota Rules 6115.0030 (e.g. a stream 30 feet in width between banks with 100 foot buffer strips has a total protected width of 230 feet).

**Subd. 4. City.** The City of Cloquet or the City Council of the City of Cloquet.

**Subd. 5. City Engineer.** The City Engineer of the City of Cloquet or authorized agent.

**Subd. 6. Common Plan of Development or Sale.** A contiguous area where multiple separate and distinct land disturbing activities may be taking place at different times, or on different schedules, but under one proposed plan. This item is broadly defined to include design, permit application, advertisement or physical demarcation indicating that land disturbing activities may occur.

**Subd. 7. Control Measure.** A practice or combination of practices to control erosion and attendant pollution, see also Best Management Practices.

**Subd. 8. Council.** The City Council of the City of Cloquet.

**Subd. 9. Detention Facility.** A natural or manmade structure, including wetlands, used for the temporary storage of runoff and which may contain a permanent pool of water, or may be dry during times of no runoff.

**Subd. 10. Development.** Any land disturbance activity that changes the site's runoff characteristics in conjunction with residential, commercial, industrial or institutional construction or alteration.

**Subd. 11. Developer.** A person, firm, corporation, sole proprietorship, partnership, federal or state agency, or political subdivision thereof engaged in a land disturbance and/or land development activity.

**Subd. 12. Discharge.** The release, conveyance, channeling, runoff, or drainage, of storm water, including snowmelt.

**Subd. 13. DNR Catchment Area.** The Hydrologic Unit 08 areas delineated and digitized by the Minnesota DNR. DNR catchment areas may be locally corrected, in which case the local corrections may be used.

**Subd. 14. Drainage Easement.** A right to use the land of another for a specific purpose, such as a right-of-way for the movement of water across or under the land surface or the storage of water.

**Subd. 15. Erosion.** Removing the surface of the land by the action of water, wind, ice, or gravity. Erosion can be accelerated by the activities of man and nature.

**Subd. 16. Erosion Control.** Refers to methods employed to prevent erosion. Examples include soil stabilization practices, horizontal slope grading, temporary or permanent cover, and construction phasing.

**Subd. 17. Erosion & Sediment Control Plan (E&S Control Plan).** A written description and/or plan indicating the number, locations, sizes, and other pertinent information about best management practice methods designed to reduce erosion of the land surface and the deposition of sediment within a waterway. An E&S Control Plan is required as part of a Storm Water Management Plan. Both the Storm Water Management Plan and E&S Control Plans are used in developing the State mandated Storm Water Pollution Prevention Plan (SWPPP). An E&S Control Plan may be required for certain projects not requiring a full Storm Water Management Plan, as outlined in this ordinance or determined necessary by the City Engineer.

**Subd. 18. Exposed Soil Areas.** All areas of the construction site where the vegetation (trees, shrubs, brush, grasses, etc.) or impervious surface has been removed, thus rendering the soil more prone to erosion. This includes topsoil stockpile areas, borrow areas and disposal areas within the construction site. It does not include temporary stockpiles or surcharge areas of clean sand, gravel, concrete or bituminous, which have less stringent protection. Once soil is exposed, it is considered "exposed soil," until it meets the definition of "final stabilization."

**Subd. 19. Final Stabilization.** Means that all soil disturbing activities at the site have been completed, and that a uniform (evenly distributed, e.g., without large bare areas) perennial vegetative cover with a density of seventy (70) percent of the cover for unpaved areas and areas not covered by permanent structures has been established, or equivalent permanent stabilization measures have been employed. Simply sowing grass seed is not considered final stabilization. Where agricultural land is involved, such as when pipelines are built on crop or rangeland, final stabilization constitutes returning the land to its preconstruction agricultural use.

**Subd. 20. Green Infrastructure.** A wide array of practices at multiple scales that manage wet weather and that maintain or restore natural hydrology by infiltrating, evapotranspiring, or harvesting and using stormwater. On a regional scale, green infrastructure is the preservation or restoration of natural landscape features, such as forests, floodplains and wetlands, coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale, green infrastructure consists of site and neighborhood-specific practices.

**Subd. 21. Hydric Soils.** Soils that are saturated, flooded, or ponded long enough during the growing season to develop anaerobic conditions in the upper part of the soil profile.

**Subd. 22. Hydrophytic Vegetation.** Macrophytic (large enough to be observed by the naked eye) plant life growing in water, soil, or on a substrate that is at least periodically deficient in oxygen as a result of excessive water content.

**Subd. 23. Impervious Area.** A constructed hard surface that either prevents or retards the entry of water into the soil, and causes water to run off the surface in greater quantities and at an increased rate of flow than existed prior to development. Examples include rooftops, sidewalks, patios, driveways, parking lots, storage areas; and concrete, asphalt, or gravel parking lots and roads.

**Subd. 24. Illicit Connections.** An illicit connection is either of the following: (1) Any drain or conveyance, whether on the surface or subsurface, that allows an illegal discharge to enter the storm sewer system including but not limited to any conveyances that allows any non-storm water discharge including sewage, process wastewater, and wash water to enter the storm sewer system and any connections to the storm sewer system from indoor drains and sinks, regardless of whether said drain or connection had been previously allowed, permitted, or approved by the City OR, (2) any drain or conveyance connected from a commercial or industrial land use to the storm sewer system that has not been documented in plans, maps, or equivalent records and approved by the City.

**Subd. 25. Illicit Discharge.** (See PROHIBITED DISCHARGE).

**Subd. 26. Land Use Development.** The act of subdivision or platting properties for personal use, adding value or for the purposes of resale. This includes the construction and/or demolition of buildings, structures, roads, parking lots, paved storage areas, and similar facilities.

**Subd. 27. Land Disturbing Activity.** Any land change that may result in soil erosion from water or wind and the movement of sediments into or upon waters or lands within the City's jurisdiction, including construction, clearing & grubbing, grading, excavating, transporting and filling of land. Within the context of this ordinance, land disturbance activity does not mean:

- a) Minor land disturbance activities such as home gardens and an individual's home landscaping, repairs, and maintenance work, which will not result in sediments entering the storm water system.

- b) Additions or modifications to existing single family structures that result in creating under five thousand (5,000) square feet of exposed soil or impervious surface and will not result in sediments entering the storm water system.
- c) Construction, installation, and maintenance of trees, fences, signs, posts, poles, and electric, telephone, cable television, utility lines or individual service connections to these utilities, which result in creating under five thousand (5,000) square feet of exposed soil or impervious surface and will not result in sediments entering the storm water system.
- d) Tilling, planting, or harvesting of agricultural, horticultural, or silvicultural (forestry) crops.
- e) Emergency work to protect life, limb, or property and emergency repairs, unless the land disturbing activity would have otherwise required an approved erosion and sediment control plan, except for the emergency. If such a plan would have been required, then the disturbed land area shall be shaped and stabilized in accordance with the City's requirements as soon as possible.

**Subd. 28. Landowner.** Any person, firm, corporation or other entity holding title to or having a divided or undivided interest in land.

**Subd. 29. Local Detention.** Detention intended to serve only the developing area in question and no areas outside of the development boundaries. As such it is under the control of one owner or group of owners. This is also known as on-site detention.

**Subd. 30. Local Drainage System.** The storm drainage system which transports the minor and major storm water runoff to the major storm water system serving only the property within the development boundaries, under the control of one owner or group of owners. This is also known as the on-site drainage system.

**Subd. 31. Management Practice.** A practice or combination of practices to control erosion and water quality degradation.

**Subd. 32. Municipal Separate Storm Sewer System (MS4).** A conveyance or system of conveyances including roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels, or storm drains:

- a) owned or operated by a state, city, town, county, district, association, or other public body, created by or pursuant to state law, having jurisdiction over disposal of sewage, industrial wastes, stormwater, or other wastes, including special districts under state law such as a sewer district, flood control district, or drainage district or similar entity, or an Indian tribe or an authorized Indian tribe organization, or a designated and approved management Agency under section 208 of the federal Clean Water Act, United States Code, title 33, section 1288, that discharges into waters of the state
- b) designed or used for collecting or conveying stormwater
- c) that is not a combined sewer; and
- d) that is not part of a publicly owned treatment works as defined in 40 CFR § 122.2

**Subd. 33. National Pollutin Discharge Elimination System (NPDES).** Any permit or requirement enforced pursuant to the Clean Water Act as amended for the purposes of regulating Storm Water discharge.

**Subd. 34. New Development.** All construction activity that is not defined as redevelopment.

**Subd. 35. Noncompliance Fee.** The administrative penalty, or fee, for re-inspection of a property which may be assessed to a Permittee, Land Owner, Developer or their Contractor(s) for noncompliance with the provisions and/or conditions of an approved storm water plan and/or permit or the violation of any other provisions contained in this storm water ordinance.

**Subd. 36. Nationwide Urban Runoff Program (NURP).** An urban runoff study by the United States Environmental Protection Agency.

**Subd. 37. On-Site Detention.** (See Local Detention System).

**Subd. 38. On-Site Drainage System.** (See Local Drainage System).

**Subd. 39. Outlet.** Any discharge point, including storm sewers, into a watercourse, pond, ditch, lake or other body of surface water or groundwater.

**Subd. 40. Owner or Occupant.** Any person owning or using a lot, parcel of land, or premises connected to and discharging Storm Water into the storm water system of the City, and who pays for and is legally responsible for the payment of storm water rates or charges made against the lot, parcel of land, building or premises, if connected to the Storm Water system or who would pay or be legally responsible for such payment.

**Subd. 41. Permanent Cover.** Means "final stabilization." Examples include grass, gravel, asphalt, and concrete. See also the definition of "final stabilization." Any buildings, structures, landscaping and related features as part of a development project approved for construction or constructed prior to the passage of this ordinance.

**Subd. 42. Permanent Facilities.** Those features of a storm water management plan which are part of any natural or constructed storm water system that requires periodic maintenance to retain their operational capabilities. This includes but is not limited to storm sewers, infiltration areas, detention areas, ponds, channels, streets, etc.

**Subd. 43. Permit.** With in the context of this rule a "permit" is a written warrant or license granted for construction, subdivision approval, or to allow land disturbing activities.

**Subd. 44. Permittee.** Any person who applies for and receives approval of a storm water plan and/or permit from the City and/or State.

**Subd. 45. Person.** Any developer, individual, firm, corporation, partnership, franchise, association, owner, occupant of property, or agency, either public or private.

**Subd. 46. Pollutant.** Anything that causes or contributes to pollution, that when discharged, have the potential to do any of the following:

- a) Interfere with state designated water uses;
- b) Obstruct or cause damage to Waters of the State;
- c) Change water color, odor, or usability as a drinking water source through causes not attributable to natural processes affecting surface water or groundwater;
- d) Add an unnatural surface film on the water;
- e) Adversely change other chemical, biological, thermal, or physical condition, in surface water or groundwater;
- f) Harm human life, aquatic life, or terrestrial plant and wildlife.

Pollutants may include, but are not limited to: paints, varnishes, and solvents; oil and other automotive fluids; non-hazardous liquid and solid wastes and yard wastes; refuse, rubbish, garbage, litter, or other discarded or abandoned objects, ammunition ordinances, and accumulations, so that same may cause or

contribute to pollution; floatables; pesticides, herbicides, and fertilizers; hazardous substances and wastes; sewage, fecal coliform and pathogens; dissolved and particulate metals; animal wastes; wastes and residues that result from constructing a building or structure; and noxious or offensive matter of any kind.

**Subd. 47. Prohibited Discharge.** (Can also be referred to as Illicit Discharge.) A non-storm water discharge into the storm water system or a natural water, including but not limited to:

- a) Debris or other materials such as grass clippings, vegetative materials, tree branches, earth fill, rocks, concrete chunks, metal, other demolition or construction materials, or structures.
- b) The disposal or misuse of chemicals or any other materials that would degrade the quality of waters within the system, including, but not limited to chemicals (fertilizers, herbicides, pesticides, etc.) or petroleum based products (gasoline, oil, fuels, solvents, paints, etc.).
- c) Erosion and sediment originating from a property and deposited onto City streets, private properties or into the storm water conveyance system, including those areas not specifically covered under an approved Storm Water Management Plan or Storm Water Permit.
- d) Failure to remove sediments transported or tracked onto City streets by vehicles or construction traffic within 24 hours of it being deposited on the street.
- e) For the purposes of this ordinance, Prohibited Discharges do not include the following, unless information is available to indicate otherwise:

- Water line flushing;
- Landscape irrigation;
- Diverted stream flows;
- Rising ground water;
- Uncontaminated ground water infiltration;
- Uncontaminated pumped ground water;
- Discharges from potable water sources;
- Foundation drains;
- Air conditioning condensate;
- Irrigation water;
- Springs;
- Water from crawl space pumps;
- Footing drains;
- Lawn watering;
- Individual residential car washing;
- Flows from riparian habitats and wetlands;
- De-chlorinated swimming pool discharges and
- Street wash water

**Subd. 48. Public Storm Sewer.** A storm sewer that is owned and operated by the City and is located entirely within publicly owned land or easements.

**Subd. 49. Regional Detention.** Detention facilities provided to serve an area outside the development boundaries. A regional detention site generally receives runoff from multiple storm water sources and serves an area of approximately one quarter section.

**Subd. 50. Receiving Water.** Any lake, river, stream or wetland that receives stormwater discharges

**Subd. 51. Redevelopment.** Any construction activity where, prior to the start of construction, the areas to be disturbed have 15 percent or more of impervious surface(s).

**Subd. 52. Retention Facility.** A natural or man made structure that provides for the storage of all or a portion of storm water runoff.

**Subd. 53. Runoff.** The rainfall, snowmelt, dewatering, or irrigation water flowing over the grounds surface and into open channels, underground storm sewers, and detention or retention ponds.

**Subd. 54. Saturated Oil.** The highest seasonal elevation in the soil that is in a reduced chemical state because of soil voids being filled with water. Saturated soil is evidenced by the presence of redoximorphic features or other information.

**Subd. 55. Sediment.** Solid material or organic material that, in suspension, is being transported or has been moved by air, water, gravity, or ice, and deposited at another location.

**Subd. 56. Sediment Control.** The methods employed to prevent sediment from leaving the development site. Examples of sediment control practices include, but are not limited to silt fences, sediment traps, earth dikes, drainage swales, check dams, subsurface drains, pipe slope drains, storm drain inlet protection, and temporary or permanent sedimentation basins.

**Subd. 57. Site.** The entire area included in the legal description of the parcel or other land division on which the land development or land disturbing activity is proposed in the storm water plan or permit application.

**Subd. 58. Stabilized.** The exposed ground surface after it has been covered by sod, erosion control blanket, riprap, pavement or other material that prevents erosion. Simply sowing grass seed is not considered stabilization. Ground surfaces may be temporarily or permanently stabilized (also see Final Stabilization).

**Subd. 59. State.** The State of Minnesota.

**Subd. 60. Storm Sewer.** A pipe or conduit for carrying storm waters, surface runoff, and drainage, excluding sewage and industrial wastes.

**Subd. 61. Storm Water.** Means precipitation runoff, storm water runoff, snow melt runoff, and any other surface runoff and drainage. Storm water does not include construction site dewatering.

**Subd. 62. Storm Water Management.** The planned set of public policies and activities undertaken to regulate runoff and reduce erosion, and maintain or improve water quality under various specified conditions within various portions of the drainage system. It may establish criteria for controlling peak flows and/or runoff volumes, for runoff detention and retention, or for pollution control, and may specify criteria for the relative elevations among various elements of the drainage system. Storm water management is primarily concerned with limiting future flood damages and environmental impacts due to development, whereas flood control aims at reducing the extent of flooding that occurs under current conditions.

**Subd. 63. Storm Water Management Criteria.** Specific guidance provided to the engineer/designer to carry out drainage and storm water management policies. An example might be the specification of local design hydrology and use of the design storm.

**Subd. 64. Storm Water Management Plan.** (See STORM WATER POLLUTION PREVENTION PLAN (SWPPP)).

**Subd. 65. Storm Water Management Facilities.** Physical facilities that collect, store, convey, and treat storm water runoff in urban areas. These facilities normally include detention and retention facilities, streets, storm sewers, inlets, open channels, and special structures, such as inlets, manholes, and energy dissipaters.

**Subd. 66. Storm Water Pollution Prevention Plan (SWPPP).** A joint storm water and erosion and sediment control plan that is written as a prerequisite to obtaining an NPDES Storm Water Permit for Construction Activity, that when implemented will decrease soil erosion on a parcel of land and off-site non-point pollution. It involves both temporary and permanent controls. The SWPPP, which draws its information from a Storm Water Management Plan and is typically condensed, must be incorporated into the construction grading plans for the project.



**Subd. 67. Storm Water Retention Structure.** Storage designed to eliminate or reduce the frequency of subsequent surface discharge. Wet ponds are the most common type of retention storage (though wet ponds may also be used for detention storage). Anything manufactured, constructed, or erected for the purpose of retaining storm water, which is normally attached to or positioned on land, including portable structures, earthen structures, roads, parking lots, and paved storage areas.

**Subd. 68. Structural Stormwater BMP.** Stationary and permanent BMPs designed, constructed and operated to prevent or reduce the discharge of pollutants in stormwater.

**Subd. 69. Subdivision.** Any tract of land divided into building lots for private, public, commercial, industrial, etc. development for the purpose of sale, rent, or lease, including planned unit development."

**Subd. 70. System Charge or Assessment.** A charge for connecting an outlet to a regional storm water management facility, typically a pond. The charge is normally assessed to recover the proportional cost of constructing a regional pond or storm water treatment facility.

**Subd. 71. Temporary Protection.** Short-term methods employed to prevent erosion. Examples of such protection are straw, mulch, erosion control blankets, wood chips, and erosion netting.

**Subd. 72. Undeveloped Land.** Land that in its current state has not been impacted by significant land disturbance activities.

**Subd. 73. User.** Any person who discharges, causes, or permits the discharge of storm water into the City's Storm Water management system.

**Subd. 74. Violation.** The willful or negligent act of noncompliance with the conditions attached to an approved storm water plan and/or permit, or any other provisions contained in this ordinance, subject to enforcement and penalty or noncompliance fees.

**Subd. 75. Waters of the State.** (as defined in Minn. Stat. 115.01, Subd. 22) means all streams, lakes, ponds, marshes, watercourses, waterways, wells, springs, reservoirs, aquifers, irrigation systems, drainage systems and all other bodies or accumulations of water, surface or underground, natural or artificial, public or private, which are contained within, flow through, or border upon the state or any portion thereof.

**Subd. 76. Watercourse.** The natural path for the flow of water where there is sufficient natural and accustomed runoff to form and maintain a distinct and defined channel or an open channel facility that has been constructed for such purpose. This shall include any easements obtained for the purposes of runoff conveyance.

**Subd. 77. Waterway.** A channel that directs surface runoff to a watercourse, or to a storm sewer.

**Subd. 78. Wet Pond or Wet Detention Facility.** A Retention Facility which includes a permanent pool of water used for the purposes of providing for the treatment of storm water runoff.

**Subd. 79. Watershed Master Plan.** A plan that an engineer/designer formulates to manage urban storm water runoff for a particular project or drainage area. It typically addresses such subjects as characterization of the existing and future site development, land use, and grading plan, peak rates of runoff, flow duration, runoff volumes for various return frequencies, locations, criteria and sizes of detention or retention ponds and conveyances; runoff control features; land parcels, easement locations, opinions of probable costs, measures to enhance runoff quality, salient regulations, and how the plan addresses them, and consistency with secondary objectives such as public recreation, aesthetics, public safety, and groundwater recharge. It may be submitted to regulatory officials for their review for adoption.

**Subd. 80. Wetland or Wetlands.** (as defined in Minn. R. 7050.0130, Subp. F) and includes those areas that are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs, and similar areas. Constructed wetlands designated for wastewater treatment are not Waters of the State. For purposes of this definition, wetlands must have the following three attributes:

- a) A predominance of hydric soils;
- b) Are inundated or saturated by the surface or groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions; and
- c) Under normal circumstances support the prevalence of such vegetation.

### **Section 18.3: Waste Controls and Prohibited Discharges**

**18.3.01. Waste Controls and Prohibited or Illicit Discharges.** It shall be considered an offense for any person to cause or allow a Prohibited or Illicit Discharge into Waters of the State, including the City Storm Sewer System, or any Natural Waterway.

#### **Subd. 1. Illegal Disposal.**

- a) No person shall throw, deposit, place, leave, maintain, keep or permit to be thrown, placed, left, maintained or kept, any refuse, rubbish, garbage, or any other discarded or abandoned objects, articles, or accumulations, in or upon any street, alley, sidewalk, storm drain, inlet, catch basin conduit or drainage structure, business place, or upon any public or private plot of land in the City, so that the same might be or become a pollutant, except in containers, recycling bags, or other lawfully established waste disposal facility.
- b) No person shall intentionally dispose of grass, leaves, dirt, or other landscape debris into a water resource buffer, street, road, alley, catch basin, culvert, curb, gutter, inlet, ditch, natural watercourse, wetland, flood control channel, canal, storm drain or any natural waterway.

#### **Subd. 2. Prohibited or Illicit Discharges.**

- a) No Person shall throw, drain, or otherwise discharge, cause, or allow others under its control to throw, drain, or otherwise discharge into the MS4 any materials, including but not limited to Pollutants or waters containing any Pollutants, other than Storm Water, except for the Non-storm Water Discharges identified in (1) below. The commencement, conduct or continuance of any Illegal Discharge to the MS4 is prohibited except as described as follows:
  - 1) Certain categories of Non-storm Water Discharges are authorized under the City's MS permit because they have been evaluated by the City and identified as not being significant contributors of Pollutants: water line flushing, landscape irrigation, diverted stream flows, rising ground waters, uncontaminated groundwater infiltration (as defined at 40 CFR § 35.2005(b)(20)), uncontaminated pumped groundwater, discharges from potable water sources, foundation drains, air conditioning condensation, irrigation water, springs, water from crawl space pumps, footing drains, lawn watering, individual residential car washing, flows from riparian habitats and wetlands, de-chlorinated swimming pool discharges, street wash water, and discharges or flows from firefighting activities. These categories are hereby exempt from the discharge prohibitions established by this ordinance
  - 2) Discharges specified in writing by the City Engineer as being necessary to protect public health and safety.
  - 3) The prohibition shall not apply to any Non-storm Water Discharge permitted under an NPDES permit, waiver, or waste discharge order issued to the discharger and administered under the authority of the United States Environmental Protection Agency (EPA), provided that the discharger is in full compliance with all requirements of the permit, waiver, or order and other applicable laws and regulations, and provided that written approval has been granted for any discharge to the MS4.

**Subd. 3. Illicit Connection.**

- a) The construction, use, maintenance or continued existence of Illicit Connections to the MS4 is prohibited.
- b) This prohibition expressly includes, without limitation, Illicit Connections made in the past, regardless of whether the connection was permissible under law or practices applicable or prevailing at the time of connection.
- c) A Person is considered to be in violation of this ordinance if the Person connects a line conveying sewage to the MS4, or allows such a connection to continue.
- d) Illicit Connections in violation of this ordinance must be disconnected and redirected, within the timeframe specified in the Notice of Violation (NOV), to an approved onsite wastewater management system or the Sanitary Sewer System upon approval of the City Engineer.
- e) Any drain or conveyance that has not been documented in plans, maps or equivalent, and which may be connected to the MS4, shall be located by the owner or occupant of that property upon receipt of written Notice of Violation from the City Engineer requiring that such locating be completed. The Notice of Violation shall specify a reasonable time period within which the location of the drain or conveyance is to be determined, and shall require that the drain or conveyance be identified as storm sewer, sanitary sewer, or other, and further require that the outfall location or point of connection to the MS4, Sanitary Sewer System, or other discharge point be identified. Results of these investigations are to be documented and provided to the City Engineer.

**Subd. 4. Good Housekeeping Provisions.** Any owner or occupant of property within the City shall comply with the following good housekeeping requirements:

- a) No person shall leave, deposit, discharge, dump, or otherwise expose any chemical, septic waste or Prohibited Discharge in an area where discharge to streets, storm sewer systems, or natural waterways may occur. This section shall apply to both actual and potential discharges.
- b) Storage of Materials, Machinery, and Equipment:
  - 1) Objects, such as motor vehicle parts, containing grease, oil or other hazardous substances, and unsealed receptacles containing hazardous materials, shall not be stored in areas susceptible to runoff or discharge to streets, storm sewer systems, or natural waterways.
  - 2) Any machinery or equipment that is to be repaired or maintained in areas susceptible to runoff shall be placed in a confined area to contain or collect leaks, spills, or discharges without discharge to streets, storm sewer systems or natural waterways.
  - 3) No machinery or equipment shall be pressure washed for the removal of grease, oil or other hazardous substances, in an area susceptible to runoff or discharge to streets, storm sewer systems, or natural waterways.
- c) **Removal and Disposal of Debris, Residue and Hazardous Wastes.** All waste and unused building materials (including garbage, debris, cleaning wastes, animal wastes, wastewater, petroleum based products, fuels, paints, toxic materials, or other hazardous materials) shall be removed and properly disposed of off-site and shall not be allowed to be carried by runoff into a receiving channel, storm sewer system, or wetland. Hazardous wastes shall not be placed in a trash container.

**Section 18.4: General Storm Water Practices**

**18.4.01. General Storm Water Practices.** The following general storm water management practices and erosion control requirements shall apply to all land disturbing activities, regardless of project size and whether or not a NPDES Permit or SWPPP is required.

**Subd. 1. City Grading Permit Required.** No grading or land disturbing activity shall be performed without first having obtained a Grading Permit from the City Building Official, in accordance with the Minnesota State Building Code, as adopted by the City of Cloquet.

**Subd. 2. Land Disturbing Activity Involving the Construction of Single-Family or Two-Family Dwellings.** Construction of single family or two family dwellings must comply with in place approved BMPs and any existing permitted SWPPP for the subdivision, including NPDES Permit requirements and Subdivision Agreements. Upon the sale of individual lots, the new owners shall be required to file a Subdivision Registration Form with the MPCA, which allows the original permittee to transfer the responsibilities of the project NPDES permit for a portion of the site to another party without reapplying for permit coverage. Each new owner must complete this form and submit it to the MPCA and provide the assigned registration number to the City. A City issued Grading Permit shall also be required as provided for in Section 18.4.01, Subd. 1, above.

**Subd. 3. Utility Work or Any Other Work Within Street Right-of-ways.** Utility contractors working in a street right-of-way to repair existing or install new utilities, or any other work disturbing less than one acre, are required to provide appropriate inlet protection and sediment control during the course of the work so as to ensure the storm sewer system is protected from pollution. The utility contractor is also required to provide street sweeping as necessary to insure that sediment resulting from their activity does not enter the storm water system following construction. The street shall be swept within (1) working day of completion of all work on the site. All disturbed vegetation shall be replaced with seed or sod within seven (7) days of completion of utility installation on the site. The City will provide guidance regarding acceptable temporary protection BMPs for inlets and methods to stabilize the exposed soil areas until they meet the definition of final stabilization.

**Subd. 4. Erosion or Sedimentation Related to Any Activity.** Any land disturbing activity, regardless of project size, and whether conducted pursuant to this Chapter or otherwise, shall be undertaken in a manner designed to minimize surface runoff, and to prevent erosion and sedimentation. Whenever the City determines that any land disturbing activity on any private property has become a hazard to life or limb, endangers the property of another, adversely affects the safety, use, slope or soil stability of a public road, publicly controlled wetland, or watercourse, or results in sedimentation to the same, then the owner of the property upon which the land disturbance activity is located, or other person or agent in control of said property, upon receipt of notice in writing from the City, shall within the period specified therein, repair or eliminate such condition.

**Subd. 5. Sedimentation From Existing Facilities.** For all existing home sites, commercial or industrial developments, that are susceptible to erosion and the discharge of sediment onto or into public streets or storm sewers, the owner shall be responsible to provide for and pay for the cost of all necessary street sweeping and/or the removal of all discharged sediment. Furthermore, if such erosion and sedimentation continues to reoccur, the owner shall take such measures as may be necessary to stabilize the erosion or to otherwise provide sedimentation basins to prevent the discharge of sediment offsite or to the stormsewer system.

**Subd. 6.** All storm water must be discharged in a manner that does not cause nuisance conditions, erosion in receiving channels or on downslope or adjacent properties, or inundation in wetlands causing an adverse impact to the wetlands.

**Subd. 7. Land Alterations Not Permitted.** The following land alterations shall not be permitted:

- a) Any activities that cause unnecessary potential for soil erosion.
- b) Any land alterations, filling or grading that significantly retard or severely impede the drainage of adjacent properties or cause water to backup or pond on adjacent properties.

**18.4.02. Management of Site Vegetation.** Any Landowner shall provide for the installation and maintenance of vegetation on their property in accordance with the following criteria, regardless as to whether or not a Storm Water Management Plan or Storm Water Pollution Prevention Plan has been approved or is necessary under this Chapter:

**Subd. 1. Unimproved Land Areas.** Except for driveways, parking lots, sidewalks, patios, areas occupied by structures, landscaped areas, natural rock outcrop areas, or areas that have been otherwise improved, all areas shall be covered by plants or vegetative growth.

**Section 18.5: Construction Site Management and the National Pollution Discharge Elimination System (NPDES) Construction General Permit**

**18.5.01. NPDES Permit General Requirements.** It is unlawful to initiate any land development activity, land disturbing activity, or other construction activities which may result in an increase in storm water quantities, degradation of storm water quality, or restriction of flow in any storm sewer system, open ditch or natural channel, storm water easement, water body, or wetland outlet within the jurisdiction of the City, without having first complied with the terms of this Chapter and the most current version of NPDES general permit for construction.

**Subd. 1.** For construction or development projects, or any land disturbing activity that disturbs one or more acres of land, site owners and their construction operators must apply for coverage under the Minnesota Pollution Control Agency's (MPCA's) NPDES permit program.

**Subd. 2. SWPPP Review by City of Cloquet.** Prior to submitting any NPDES permit application to the MPCA, and prior to conducting any construction activity, a Storm Water Pollution Prevention Plan (SWPPP) must be completed and submitted to the City of Cloquet for review and approval.

**Subd. 3. Submission of SWPPP to State for Permit.** Following review and approval of the SWPPP by the City, the applicant shall make application to the Minnesota Pollution Control Agency (MPCA) for coverage under the National Pollutant Discharge Elimination System (NPDES) permit program and receive a valid permit.

**Subd. 4. Submission of NPDES Permit to City and Issuance of City Grading Permit.** Following the issuance of a NPDES Permit by the MPCA, the applicant shall provide a copy of the issued permit for the project to the City. At this point the City shall issue a Grading Permit in accordance with by the Minnesota State Building Code, as adopted by the City of Cloquet. No person shall commence construction activity until a NPDES permit for the project is issued by the MPCA and a Grading Permit has been issued, as required by the City of Cloquet.

**Subd. 5. Other Required Permits.** For certain construction or development projects, various other permits may also be required. It shall be the Applicant's responsibility to obtain any required permits from the City of Cloquet and other governmental agencies having any jurisdictional authority over the work to be performed. Typically, such agencies may include, but are not limited to the U.S. Army Corps of Engineers, the Minnesota Pollution Control Agency, the Minnesota Department of Natural Resources, the Minnesota Department of Transportation, the State Historical Preservation Office, and others.

**18.5.02. Stormwater Pollution Prevention Plan (SWPPP) Requirements.** Any person, firm, sole proprietorship, partnership, corporation, state agency, or political subdivision proposing a subdivision of land, a subdivision plat, or any type of construction project that results in a land disturbing activity involving 1 acre or more within the City, must submit to the City a Storm Water Pollution Prevention Plan (SWPPP) for review and approval, unless an exemption waiver is provided in accordance with this Section.

**Subd. 1.** The SWPPP shall be prepared in accordance with requirements of the MPCA's NPDES permit program. These requirements shall include a drawing or drawings delineating the features incorporated into the SWPPP, including details of perimeter protection, construction phasing, storm drain inlet protection, erosion control measures, temporary and final stabilization measures, drainage easements and storm water management facilities, including all BMP's to be utilized. In addition any construction specifications for the project shall contain technical provisions describing erosion, sedimentation, and water control measures to be utilized during and after construction as well as to define the entities responsible for the installation and maintenance of the BMP's. The project SWPPP must be incorporated into the construction project's specification documents.

**Subd. 2.** The SWPPP developed for all projects, including all plans, drawings, specifications, and computations for storm water management facilities, shall be prepared, reviewed and signed by a Professional Engineer registered in the State of Minnesota, except in the following cases:

All residential or non-commercial/industrial projects that include less than five acres of impervious surface.

- A) All residential development projects with an ultimate planned density of less than one-half (0.5) units per acre.

**Subd. 3.** The provisions of this Section shall also apply to any project site that is part of a larger Common Plan of Development or Sale that will disturb greater than or equal to one acre.

**Subd. 4. Subdivision Plat Approval and Subdivision Registration Process.** No subdivision approval, plat approval or building permit shall be issued, nor shall any land be disturbed until the SWPPP has been approved by the City and a copy of a State issued NPDES permit for the project has been provided to the City. Upon the sale of individual lots, the new owners shall be required to file a Subdivision Registration Form with the MPCA, which allows the original permittee to transfer the responsibilities of the project NPDES permit for a portion of the site to another party without reapplying for permit coverage. Each new owner must complete this form and submit it to the MPCA and provide the assigned registration number to the City.

**Subd 5.** For sites or projects that are less than one acre, but are within 100 feet of Special Waters or Protected Waters such as Otter Creek, Fond du Lac Creek, any protected wetlands, or are within an existing subdivision or development with documented flooding problems associated with storm water runoff, a SWPPP shall be provided to the City in compliance with the provisions of this Section to preserve or protect the water quality of downstream resources. In addition, a Grading permit must be obtained for all grading projects in accordance with the Minnesota State Building Code, as adopted by the City of Cloquet.

**Subd. 6. Erosion and Sediment Control.** Erosion and sediment control, at a minimum, shall meet the requirements and provisions defined in the most current MPCA NPDES General Storm Water Permit for Construction Activities, also referred to as the NPDES Construction Permit.

**Subd. 7. Storm Water Detention/Retention/Treatment Facilities.** Storm Water Detention, Retention or Treatment facilities proposed to be constructed in the Storm Water Management Plan shall be designed and maintained according to the most current practices as reflected in the Nationwide Urban Runoff Program study and in accordance with the MPCA's NPDES Permit requirements. All above ground Storm Water Detention, Retention or Treatment Facilities shall have a minimum setback from all property lines as established by the Cloquet Zoning Ordinance.

**Subd. 8. Regional Ponds.** Regional ponds may be used provided they are constructed ponds, (not a natural wetland or water body) and designed in accordance with the NPDES permit program requirements for all water from impervious surfaces that reach the pond. Permittees shall not construct regional ponds in wetlands, regardless of their condition, quality or designation, unless such wetlands are mitigated in accordance with applicable rules. The owner must obtain written authorization from the City or private entity that owns and maintains the regional pond. If the City is the owner of the regional pond, the City may apply a System Charge or Assessment that would cover a prorated share of the pond's construction and operation and maintenance costs.

**Subd. 9. Adequacy of Outlets.** The adequacy of any Outlet used as a discharge point for proposed Storm Water Management Systems must be assessed and documented to the satisfaction of the City Engineer. To the extent practicable, hydraulic capacities of downstream natural channels, storm sewer systems, or streets shall be evaluated to determine if they have sufficient conveyance capacity to receive and accommodate post-development runoff discharges and volumes. In addition, projected velocities in downstream natural or manmade channels shall not exceed that which is reasonably anticipated to cause erosion.

**Subd. 10. Storm Water Discharges to Trunk Highway Right-of-Way.** For development projects which lie adjacent to trunk highway right-of-ways and include Storm Water Management Systems that will discharge storm water onto highway right-of-way, a drainage permit must first be obtained from the Minnesota Department of Transportation (Mn/DOT) prior to the City approving any SWPPP for the project.

**Subd. 11. Drainage Easements and Discharges to Adjacent Property.** No constructed Storm Water Management Systems or Permanent Facilities, proposed as part of the SWPPP for a development, may discharge storm water onto adjacent property unless a drainage easement is in place or the peak design flow rate for the Permanent Facilities maintains the pre-development existing flow rates and hydrologic conditions for the 2-year, 10-year, and 100-year rainfall events.

**Subd. 12. Exemptions.** Exemptions to the SWPPP requirements of this section include:

- a) An individual SWPPP is generally not required for individual lots or properties located within a subdivision or plat for which a SWPPP has already been approved. All construction, however, must be in accordance with the previously permitted SWPPP for the subdivision, including the NPDES Permit requirements and Subdivision Agreement. (See Section 18.4.02, Subd. 4).
- b) A parcel for which a building permit has been approved on/or before the effective date of this Chapter and an NPDES permit was not required.
- c) Any land disturbance activity not associated with building construction that will affect less than 1 acre of undeveloped land.
- d) Emergency work to protect life, limb, or property.

#### **18.5.03. Plan Review.**

**Subd. 1. SWPPP Requirements.** The SWPPP shall include all requirements of the most current NPDES Construction Permit and address the applicable provisions of this ordinance.

- a) **Review and Approval of SWPPP.** The City shall review and approve the proposed development plan and SWPPP prior to the submission of an application to the MPCA for a NPDES Permit.
- b) **Modification of Plan.** Modifications to the SWPPP or plans shall be submitted to the City for review and approval.

#### **18.5.04. Inspections.**

**Subd. 1. Inspections By Owner, Owner's Contractor or Owner's Agent.** In accordance with MPCA requirements, the SWPPP for a project must identify the person responsible for the completion of routine inspections of the site to insure compliance with the SWPPP and the effectiveness of all BMPs employed. At a minimum, inspections of the site must take place once every seven (7) days during active construction and within 24 hours after a rainfall event greater than 0.5 inches in 24 hours. A written record of rainfall amounts received onsite, as well as a written record of all inspections and maintenance conducted during construction must be maintained by the responsible person and be made available to the City upon request.

**Subd. 2. City inspections.** The City may conduct inspections on a regular basis to monitor erosion and sediment control practices. In all cases the inspectors will attempt to work with the builder or developer to maintain proper erosion and sediment control at all sites. In cases where cooperation is withheld, construction stop work orders may be issued by the City until erosion and sediment control measures meet the requirements of this ordinance. *Inspections as defined in this provision do not fulfill the inspections and maintenance requirements of the owner and/or contractor as required by the NPDES Construction Permit Program and Subdivision 1 of this Section.*

**Subd 3. Notification of Failure of the SWPPP.** The City may notify the permit holder of the failure of the SWPPP's measures.

- a) **Initial contact.** The initial contact will be to the party or parties listed on the application and/or the SWPPP as contacts. Except during an emergency action, forty-eight (48) hours after notification by the City or seventy-two (72) hours after the failure of erosion control measures, whichever is less, the City at its discretion, may begin corrective work. Such notification should be in writing, but if it is verbal, a written notification should follow as quickly as practical. If after making a good faith effort to notify the responsible party or parties, the City has been unable to establish contact, the City may proceed with corrective work. There are conditions when time is of the essence in controlling erosion. During such a condition the City may take immediate action, and then notify the applicant as soon as possible.
- b) **Erosion off-site.** If erosion breaches the perimeter of the site, the applicant shall immediately develop a cleanup and restoration plan, obtain the right-of-entry from the adjoining property owner, and implement the cleanup and restoration plan within forty-eight (48) hours of obtaining the adjoining property owner's permission. In no case, unless written approval is received from the City, may more than seven (7) calendar days go by without corrective action being taken. If in the discretion of the City, the permit holder does not repair the damage caused by the erosion, the City may do the remedial work required. When restoration to wetlands and other resources are required, the applicant should be required to work with the appropriate agency to ensure that the work is done properly.
- c) **Erosion into streets, wetlands or water bodies.** If eroded soils (including tracked soils from construction activities) enter or appear likely to enter streets, wetlands, or other water bodies, cleanup and repair shall be immediate. The applicant shall provide all traffic control and flagging required to protect the traveling public during the cleanup operations.
- d) **Failure to do corrective work.** When an applicant fails to conform to any provision of this policy within the time stipulated, the City may take the following actions.
  - 1) Issue a stop work order, withhold the scheduling of inspections, and/or the issuance of a Certificate of Occupancy.
  - 2) Revoke any permit issued by the City to the applicant for the site in question or any other of the applicant's sites within the City's jurisdiction.
  - 3) If circumstances exist such that noncompliance with this ordinance poses an immediate danger to the public health, safety and welfare, as determined by the City, the City may take emergency preventative action to correct the deficiency or hire a contractor to correct the deficiency. The issuance of a permit constitutes a right-of-entry for the City or its contractor to enter upon the construction site for the purpose of correcting deficiencies in erosion control.
  - 4) Require reimbursement to the City for all costs incurred in correcting stormwater pollution control deficiencies. If payment is not made within sixty (60) days after costs are incurred by the City, then the City may assess the remaining amount against the property. As a condition of the permit, the owner shall waive notice of any assessment hearing to be conducted by the City, concur that the benefit to the property exceeds the amount of the proposed assessment, and waive all rights by virtue of Minnesota Statute 429.081 to challenge the amount or validity of such assessment costs related to cleanup or corrective actions taken by the City.

### **18.6: Post Construction Stormwater Management**

**Subd. 1. Applicability.** Every applicant for subdivision approval or a permit to allow land disturbing activities of one acre or greater, including projects that are less than one acre that are part of a larger common plan of development or sale, must meet the requirements of this ordinance. No subdivision approval or permit to allow land disturbing activities shall be issued until approval of the stormwater management plan in accordance with the provisions of this ordinance. The provisions of this ordinance do not apply to:



- a) The plowing, tilling, planting, or harvesting of agricultural, horticultural, or silvicultural crops.
- b) Site development of individual lots for which a stormwater management plan was approved as part of a larger common development plan in accordance with this ordinance.
- c) Property for which a grading permit was approved by the city on or before the effective date of this ordinance.
- d) Subdivisions for which a preliminary plat was approved by the city council on or before the effective date of this ordinance.

**Subd. 2. Site Plan Submittal.** Owners and/or operators of construction activity must submit site plans to the city that meet the requirements of Subd. 3 of this Section (following), for review and approval prior to start of construction activity.

**Subd. 3. Calculations.** Hydrologic and hydraulic design calculations must be submitted for the pre-development and post-development conditions for the two-, ten-, and 100-year events. Such calculations shall include:

- a) Description of the design storm frequency, intensity and duration;
- b) Time of concentration;
- c) Soil curve numbers or runoff coefficients;
- d) Peak runoff rates and total runoff volumes for each watershed area;
- e) Infiltration rates, where applicable;
- f) Culvert capacities;
- g) Flow velocities;
- h) Data on the increase in rate and volume of runoff for the design storms used; and
- i) Documentation of sources for all computation methods and field test results.

**Subd. 4. Volume Control and Pollutant Management.** Stormwater volume management practices shall infiltrate or retain a runoff volume equal to one inch times the area of proposed increase of impervious surface(s) on site. Green Infrastructure techniques and practices (including, but not limited to, infiltration, evapotranspiration, reuse/harvesting, conservation design, urban forestry, and green roofs), shall be given preference as design options consistent with zoning, subdivision and Planned Unit Development (PUD) requirements.

- a) New development projects (*less than 15 percent existing impervious*) shall achieve no net increase from pre-project conditions (on an annual average basis) of:
  - 1) Stormwater discharge volume, unless precluded by the stormwater management limitations in c) below.
  - 2) Stormwater discharge of Total Suspended Solids (TSS).
  - 3) Stormwater discharge of Total Phosphorus (TP).

- b) Redevelopment projects (*15 percent or more existing impervious*) shall achieve a net reduction from pre-project conditions (on an annual average basis) of:
  - 1) Stormwater discharge volume, unless precluded by the stormwater management limitations in c) below.
  - 2) Stormwater discharge of TSS.
  - 3) Stormwater discharge of TP.
- c) The use of infiltration techniques are prohibited when the infiltration structural stormwater BMP will receive discharges from, or be constructed in, the following areas:
  - 1) Where industrial facilities are not authorized to infiltrate industrial stormwater under an NPDES/SDS Industrial Stormwater Permit.
  - 2) Where vehicle fueling and maintenance occur.
  - 3) Where less than three (3) feet of separation from the bottom of the infiltration system to the elevation of the seasonally saturated soils or the top of bedrock exists.
  - 4) Where high levels of contaminants in soil or groundwater will be mobilized by infiltrating stormwater.
- d) The use of infiltration techniques will be restricted when the infiltration device will be constructed in areas:
  - 1) With predominately Hydrologic Soil Group D (clay) soils.
  - 2) Within 1,000 feet up-gradient, or 100 feet down-gradient of active karst features.
  - 3) Within a Drinking Water Supply Management Area (DWSMA) as defined in Minn. R. 4720.5100, subp. 13.
  - 4) Where soil infiltration rates are more than 8.3 inches per hour.

In these restricted areas, the city engineer may request additional information and/or testing to ensure that infiltration basins will perform properly and that groundwater is adequately protected.

- e) Mill and overlay and other resurfacing activities are not considered fully reconstructed.
- f) For linear projects a reasonable attempt must be made to obtain right-of-way during the project planning process for volume control practices. Projects where the lack of right-of-way precludes the installation of volume control practices to meet a) or b) above, exceptions as described in Subd. 5 below can be applied.

**Subd. 5. Volume Control and Pollutant Management, Exceptions and Mitigation.**

- a) **Exceptions.** A lesser volume control standard on the site of the original construction activity may be applied, at the discretion of the city, under the following circumstances:
  - 1) The owner and/or operator of a construction activity is precluded from infiltrating stormwater due to limitations under Subd. 3. c), d) or f).
  - 2) The owner and/or operator of the construction activity implements to the maximum extent practicable volume reduction techniques, other than infiltration, on the site of

the original construction activity that reduce stormwater discharge volume but may not meet the requirements of post-construction stormwater management .

- b) **Mitigation.** If the owner and/or operator of a construction activity believes that the requirements for TP and/or TSS cannot be met on the site of the original construction activity, the owner and/or operator must provide appropriate documentation to the city as support. Stormwater discharges that do not meet the TP and/or TSS standards on the site of the original construction activity may be mitigated off-site at the city's discretion. The proposed mitigation must meet the following criteria:
- 1) Mitigation project areas should be selected in the following order of preference and in consultation and with approval by the city:
    - a) Locations that yield benefits to the same receiving water that receives runoff from the original construction activity.
    - b) Locations within the same Department of Natural Resource (DNR) catchment area as the original construction activity.
    - c) Locations in the next adjacent DNR catchment area up-stream.
    - d) Locations within the city.
  - 2) Mitigation projects must involve the creation of new structural stormwater BMPs, the retrofit of existing structural stormwater BMPs, or the use of a properly designed regional structural stormwater BMP.
  - 3) Routine maintenance of structural stormwater BMPs required by this section cannot be used to meet mitigation requirements.
  - 4) Mitigation projects must be completed within 24 months after the start of the original construction activity.
- c) If the mitigation project is a private structural stormwater BMP and the city is not responsible for long-term maintenance of the project, the city will require written and recorded documentation of maintenance responsibilities.

**Subd. 6. Maintenance of Structural Stormwater BMPs.** Maintenance of any structural stormwater BMP that the city determines to be private shall meet the following requirements:

- a) A permanent public easement shall be provided to the city for access for inspection and/or maintenance purposes. Costs incurred by the city for any maintenance of private systems will be billed and/or assessed to the owner/operator.
- b) Recorded inspection and maintenance agreements that define inspection and maintenance responsibilities are required. A minimum annual inspection for private systems shall be required. These requirements are transferrable to any party that becomes the owner/operator of the site.
- c) An inspection and maintenance plan shall be developed, approved and included as an attachment to the maintenance agreement. At a minimum, maintenance plans must include the following:
  - 1) Responsible person(s) for completing inspections and conducting maintenance.
  - 2) Frequency of inspections and maintenance.

- 3) Inspection checklist and type of maintenance anticipated.
- d) If site configurations or structural stormwater BMPs change, causing decreased BMP effectiveness, new or improved structural stormwater BMPs must be implemented to meet the requirements of this section.
- e) The property owner shall keep on file all structural stormwater BMP annual inspection and maintenance records for 5 years and submit to the City as requested.

**Subd. 7. Financial Security.** The City shall require the submittal of a letter of credit or other financial security in a form acceptable to the city in the amount of \$5,000 to ensure the stormwater treatment systems are installed correctly and in accordance with this ordinance.

**Subd. 8. Impaired Waters and Total Maximum Daily Loads.** If a site drains to a surface water that has been listed as impaired pursuant to section 303(d) of the federal Clean Water Act more stringent water quality measures may be required. If a total maximum daily load (TMDL) has been written for the impaired water then all best management practices deemed necessary to comply with the requirements of the TMDL must be implemented.

## **Section 18.7: Inspections**

### **18.7.01. Powers and Authority of Inspectors.**

**Subd. 1. Right of Entry.** The City Engineer and those individuals acting under his direction and control are authorized to enter all properties at any reasonable time for the purposes of inspection, observation, measurement, sampling and testing pertinent to discharge to the Municipal Separate Storm Sewer Systems (MS4) as often as may be reasonably necessary to determine compliance with this Chapter 18 of the Cloquet City Code.

It shall be unlawful for any person to refuse entrance to or impede the City Engineer or an inspector acting under his direction and control in the performance of his/her duties, and the City Engineer and every such inspector shall have the right to enter all such properties and every part thereof necessary for the performance of such inspection, observation, measurement, sampling and testing as authorized under this section, upon display of proper identification.

**Subd. 2. Indemnification.** While performing the necessary work on private properties referred to in Section 18.7.01, Subd. 1, above, the City Engineer and those individuals acting under his direction and control shall observe all safety rules applicable to the premises established by the owner, and the owner shall be held harmless for injury or death to such employees, and the City respectively shall indemnify the owner against loss or damage to its property by City employees and against liability claims and demands for Personal injury or property damage asserted against the owner and growing out of the gauging and sampling operation, except as such may be caused by negligence of the owner or the failure of the owner to maintain safe conditions as required under this ordinance.

**Subd. 3. Easements.** The City Engineer and other duly authorized employees of the City have the right to enter all private properties through which the City holds a utility easement for the purposes of, but not limited to, inspection, observation, measurement, sampling, repair, and maintenance of any portion of the stormwater facilities lying within said easement. All entry and subsequent work, if any, on said easement, shall be done in full accordance with the terms of the easement pertaining to the private property involved.

## **Section 18.8: Enforcement and Penalties**

**18.8.01. Enforcement and Penalties.** Any person, or entity failing to comply with or violating any of these regulations, may be deemed guilty of a misdemeanor and be subject to a fine up to the maximum amount for a misdemeanor offense as established under Minnesota Statutes. In addition, any such violation may be deemed to create a public nuisance, and the City may seek abatement as provided in Chapter 7, and may seek reimbursement for all costs necessarily incurred in abating the nuisance. Further, all land use and building permits may be

suspended until the applicant has corrected the violation. Each day that a violation exists shall constitute a separate offense.

**Section 18.9: Abrogation and Greater Restrictions**

**18.9.01. Abrogation and Greater Restrictions.** It is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions, however, where this ordinance imposes greater restrictions, the provisions of this ordinance shall prevail. All other ordinances inconsistent with this ordinance are hereby repealed to the extent of the inconsistency only. In the event that there is a governing entity that has a more restrictive requirement, the more stringent requirement is required.

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

Passed this \_\_\_\_\_ day of July, 2015.

CITY OF CLOQUET

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

ATTEST:

\_\_\_\_\_  
Its City Administrator



**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: July 15, 2015

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**ITEM DESCRIPTION:** Street Maintenance Person Appointment

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**Proposed Action**

Staff recommends that the City Council move to approve the one year probationary appointment of Jeremiah Johnson to the position of Street Maintenance Person position effective August 10, 2015.

**Background/Overview**

In late 2014, the City initiated the internal hiring process for a Qualified Pumphouse Operator due to the pending retirement of the incumbent. As a result, a series of internal promotions have been previously approved by the City Council and have continued.

The vacancy in the Street Maintenance Person Position is the last of three vacancies. No internal candidates expressed interest in the Street Maintenance Person position and the City followed an external hiring process to fill the position. After conducting interviews and completing background checks, the City has offered the position to Jeremiah Johnson. Mr. Johnson has accepted the offer subject to Council approval and his satisfactory completion of a pre-employment drug test. Mr. Johnson is currently with JMF Construction.

**Policy Objectives**

The hiring of this position is consistent with previous actions of the City Council. It will allow the Street Department to continue to provide maintenance services in both city streets and parks.

**Financial/Budget/Grant Considerations**

The position is currently funded through the City's General Fund and budgeted (including wages and benefits) at approximately \$63,000.

**Advisory Committee/Commission Action**

None. Though the City Council, as part of its 2012 and 2015 strategic planning retreat, adopted a goal related to City staffing.

**Supporting Documentation Attached**


- None



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## REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Holly Butcher, Community Development Director  
Reviewed/Approved By: Brian Fritsinger, City Administrator   
Date: July 14, 2015

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**ITEM DESCRIPTION: CLOQUET SMALL CITIES DEVELOPMENT PROGRAM (SCDP) CONTRACTS AND POLICIES 2015-2017**

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### Proposed Action

Staff recommends the City Council move to approve and adopt the following items related to activating the Small Cities Development Program grant funding from the State of Minnesota:

1. City of Cloquet Small Cities Development Program (SCDP) Policy Manual 2015-2017.
2. Small Cities Development Program Grant Contract with the State of Minnesota DEED and City of Cloquet.
3. Contract for Grant Administration Services with Lakes and Pines Community Action Council for Owner-occupied and Rental Rehabilitation SCDP Projects in Cloquet.
4. Contract for Grant Administration Services with Carlton County for Commercial Rehabilitation SCDP Projects in Cloquet.
5. **RESOLUTION NO. 15-63, A RESOLUTION SUPPORTING THE PROHIBITION OF EXCESSIVE FORCE IN NONVIOLENT CIVIL RIGHTS DEMONSTRATIONS.**

### Background/Overview

Small Cities Development Program (SCDP) funds are available for cities under 50,000 in population to apply for for owner-occupied housing rehabilitation, rental housing rehabilitation, and/or commercial rehabilitation. Cities may apply for a single purpose or comprehensive application. A comprehensive application is defined as a proposal from a community that has two or more interrelated projects which by their nature require a coordination of housing, public facilities, or economic development activities. The City of Cloquet submitted a pre-application in November of 2014 and then a final application in February 2015 for a comprehensive owner-occupied housing, rental, and commercial rehabilitation project. **In May 2015, the City received notice that they received \$885,500 in SCDP grant funding, which is the full amount for which the City applied.**



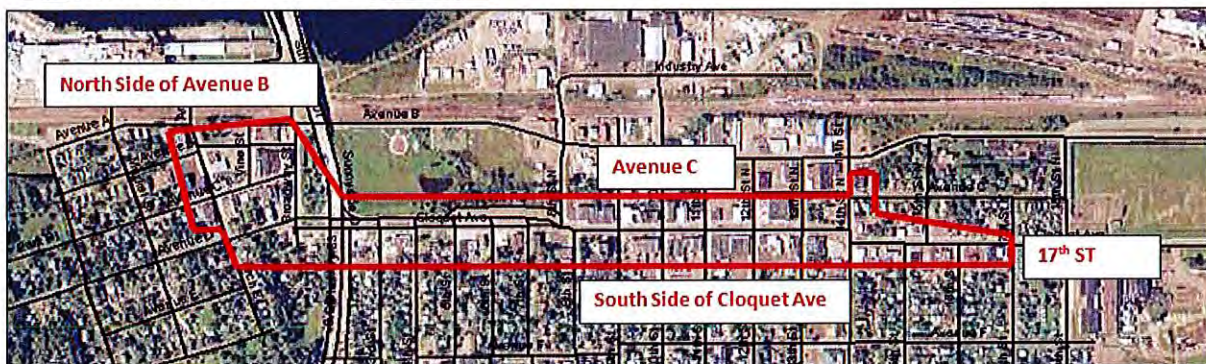
Attached the Council will find the Cloquet SCDP Policy and Procedures Manual that outlines the program for the City. The Council should note that one key “in-kind” contribution as part of our application to DEED, and noted in the attached Cloquet SCDP Policy Manual, is for **the City to waive building permit fees associated with all SCDP Cloquet rehabilitation projects**, however it is the expectation of the City that all contractors obtain building permits for these projects, have required inspections conducted, all of which will be checked up on by grant administrators with this project.

As such the Council will find attached a contract for execution with the State of Minnesota DEED. Staff conducted extensive pre-work screening, drive-by assessments, and outreach in the community. Based on data and assessments, the City identified Target Areas for the grant as follows:

### RESIDENTIAL Cloquet Target Area



### COMMERCIAL Cloquet Target Area







**COMMUNITY DEVELOPMENT DEPARTMENT**

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The funding received for Cloquet will be allocated as follows:

- For **24 owner-occupied rehabilitation projects**. The minimum project threshold is \$10,000 and the maximum is \$15,000. The City will use 100% SCDP funds towards these projects, 30% of which is a Revolving Loan Fund (RLF) repayment to the City in an effort to not financially burden home owners with required cash down to enter the program.
- For **8 single family configured rental rehabilitation projects**. The minimum project threshold is \$10,000 and the maximum is \$20,000. The City will use 70% SCDP funding and the property owners will be required to match the projects with 30% funding. Several regional funding programs such as the Rental Deferred Loan Program (RRDL) can be paired with SCDP to meet this 30% requirement.
- For **11 commercial rehabilitation projects**. The minimum project threshold is \$15,000 and the maximum is \$25,000. The “11<sup>th</sup> project” identifies the \$25,000 in EDA funding earmarked for the Ed’s Bakery building at 1013 Cloquet Avenue that was used as match funding for this grant application. The City will use 70% SCDP funding and the property owners will be required to match the projects with 30% funding. Several regional funding programs may be eligible for use such as the Cloquet EDA RLF and Carlton County RLF along with regional banks to meet this 30% requirement.

The receipt of these funds will require the City to contract with certified service providers that have taken required classes to administer SCDP funding (prevailing wage administration, lead, asbestos, environmental review etc.). As such the Council will find two separate contracts attached for administration services. The logic by the City was to leverage different administrators versed in different funding streams and topic areas. Lakes and Pines C.A.C. will administer the owner-occupied and rental rehabilitation projects and Carlton County will administer the commercial rehabilitation projects.

**LAKES AND PINES COMMUNITY ACTION COUNCIL SCDP ADMINISTRATION**

Fed. Obj. Codes*	Activity	# of units/goals	SCDP Cost Per unit	SCDP Cost/ without admin	Total SCDP Admin	SCDP Admin %	Total SCDP Costs
LMI & S&B	Owner Occupied Rehabilitation	24	\$15,000	\$ 360,000			\$ 360,000
LMI & S&B	Owner Occupied Rehabilitation ADMIN	-	\$2,250		\$ 54,000	15.0%	\$ 54,000
LMI & S&B	Rental Rehabilitation	8	\$20,000	\$ 160,000			\$ 160,000
LMI & S&B	Rental Rehabilitation ADMIN	-	\$3,000		\$ 24,000	15.0%	\$ 24,000
		<b>32</b>		<b>\$ 520,000</b>	<b>\$ 78,000</b>		<b>\$ 598,000</b>
			<b>Totals</b>				



**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)

**CARLTON COUNTY SCDP ADMINISTRATION**

Fed. Obj. Codes*	Activity	# of units /goals	SCDP Cost Per unit	SCDP Cost/without admin	Total SCDP Admin	SCDP Admin %	Total SCDP Costs	Total Leveraged Resources	Source of Leveraged Funds	Totals
S&B	Commercial Rehabilitation	11	\$25,000	\$250,000			\$ 250,000	\$25,000 city cash (c) for Ed's Bakery	City of Cloquet RLF (Federal CDBG)	\$ 275,000
S&B	Commercial Rehabilitation ADMIN				\$ 37,500	13.635%				\$ 37,500
									TOTALS	\$ 312,500

**Policy Objectives**

In 2014 the City of Cloquet completed the Cloquet-Scanlon Housing Study to better understand the needs and issues in the community related to housing. This goal was supported and reviewed by the Cloquet EDA which led to the creation of the Cloquet-Scanlon Housing Task Force who was awarded a Minnesota Housing Partnership grant to develop a housing implementation plan. The City has also been active this year in further discussing the need for a rental registry. The City's Comprehensive Plan has a housing component and applying for SCDP funding to improve rehabilitate existing housing stock strives to meet those goals.

The Council will note the attached resolution related to the prohibition of excessive force during non-violent civil rights demonstrations, as SCDP funding is derived from federal sources through the State of Minnesota DEED Office, the City is asked to acknowledge components of the Civil Rights Act.

**Advisory Committee/Commission Action**

In October 2014 the Cloquet EDA reviewed the SCDP project and recommended approval to the Council. In October 2014 the Council approved the Cloquet project to proceed into application processes with DEED as crafted.

**Financial/Budget/Grants/Impacts**

There are no immediate financial impacts at this time. The Council should be aware that the Finance Director will be actively involved in monitoring funds dispersed with this program and the Community Development Department will have increased inspections and grant monitoring as required being a grant recipient. Under the terms of these agreements, the City will be using State monies to cover the administrative costs of the contracts with our partners. The City will also be giving up its share of the



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building permit fees associated with the projects. With the total valuation of the projects around \$795,000, this will result in lost building permit fees of approximately \$13,301.25.

**Supporting Documents Attachments**

- A. City of Cloquet SCDP Policy Manual 2015-2017
- B. Small Cities Development Program Grant Contract with the State of Minnesota DEED and City of Cloquet
- C. Contract for Administration Lakes and Pines C.A.C. (Owner-occupied and Rental Rehab)
- D. Contract for Administration Carlton County (Commercial Rehab)
- E. Resolution No. 15-63

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

**RESOLUTION NO. 15-63**

**A RESOLUTION SUPPORTING THE PROHIBITION OF EXCESSIVE FORCE  
IN NONVIOLENT CIVIL RIGHTS DEMONSTRATIONS**

**WHEREAS**, the City of Cloquet has been selected by the State of Minnesota to receive Small Cities Development Program funds, funds which are derived from the Federal government via Community Development Block Grants; and

**WHEREAS**, as a receipt of federal funding, the federal government via the State of Minnesota requires the City of Cloquet acknowledge the Civil Rights Act by prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against individuals engaged in nonviolent civil rights demonstrations; and

**WHEREAS**, The City of Cloquet also will enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstration within its jurisdiction; and.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET**, that the City of Cloquet supports the prohibition of excessive force in nonviolent civil rights demonstrations.

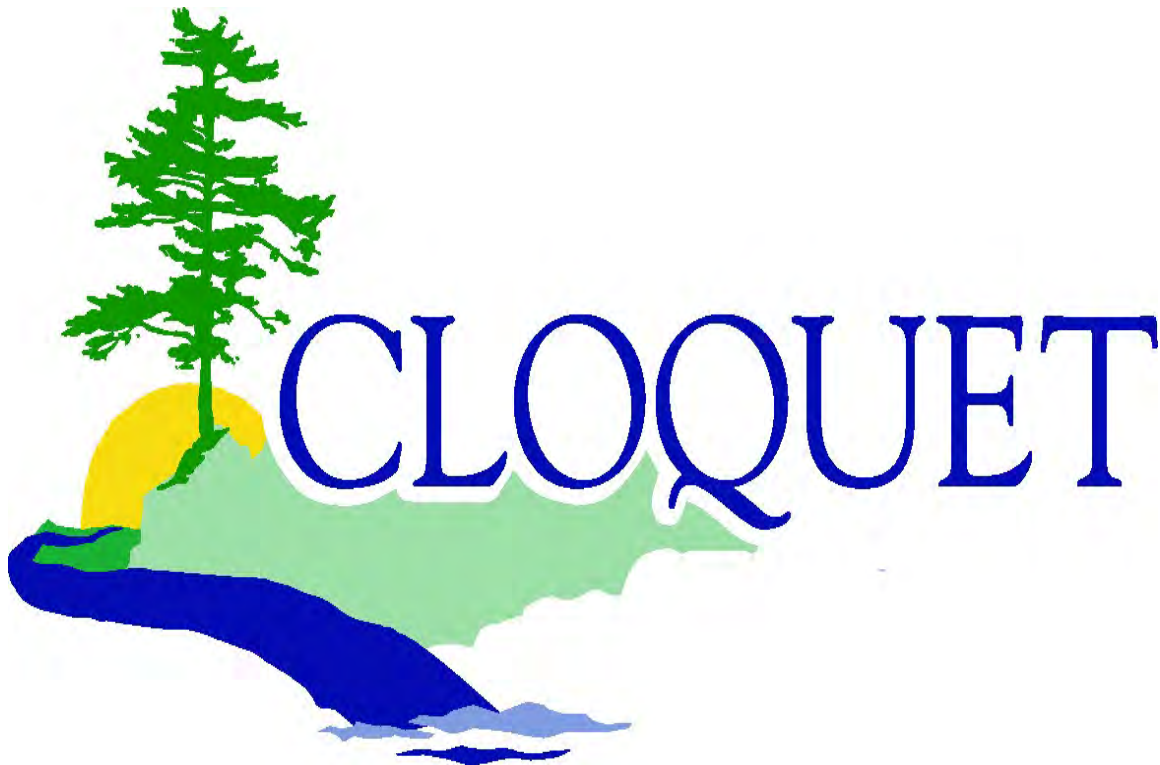
**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS  
21<sup>st</sup> DAY OF JULY, 2015.**

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

ATTEST:

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

**City of Cloquet**  
**Small Cities Development Program**  
**Policy & Procedure Manual**  
**2015 – 2017**



**CITY OF MORA SMALL CITIES DEVELOPMENT PROGRAM  
POLICIES PROCEDURES  
TABLE OF CONTENTS**

	Page
<b>I. Purpose</b>	<b>1</b>
<b>II. Program Administration</b>	<b>1</b>
A. Program Background	1
B. Program Summary	1
C. Program Responsibilities	4
<b>III. Owner-Occupied Housing Rehabilitation</b>	<b>4</b>
A. Eligibility Requirements	4
1. Applicant	4
2. Income	5
3. Property	6
B. Qualifying Improvements	7
C. Ineligible Improvements	8
D. Application Process	9
E. Bid Process	10
1. Work write-up	10
2. Bid packages	10
3. Contractor Selection/Contract Award	10
F. Loan Closing	11
1. Property Owner Co-payment	11
2. Deferred Loan	12
G. Construction	12
1. Contractor Proceed to Work Order	12
2. Completion Requirements	13
3. Payment Requirements	13
4. Change Orders	14
H. Close-Out	14
<b>IV. Rental Rehabilitation</b>	<b>15</b>
A. Eligibility Requirements	15
1. Applicant	15
2. Tenants and Rent	16
3. Property	17
B. Qualifying Improvements	18
C. Ineligible Improvements	19
D. Application Process	20
E. Bid Process	21
1. Work write-up	21
2. Bid packages	21
3. Contractor Selection/Contract Award	22
F. Loan Closing	22
1. Property Owner Co-payment	22
2. Deferred Loan	23
G. Construction	23
1. Contractor Proceed to Work Order	23
2. Completion Requirements	24
3. Payment Requirements	24
4. Change Orders	25

**CITY OF MORA SMALL CITIES DEVELOPMENT PROGRAM**

**POLICIES PROCEDURES**

**TABLE OF CONTENTS**

H. Close-Out	26
<b>V. Commerical Rehabilitation</b>	<b>26</b>
A. Eligibility Requirements	26
1. Applicant	26
2. Property	27
B. Qualifying Improvements	28
C. Ineligible Improvements	29
D. Application Process	29
E. Bid Process	30
1. Work write-up	30
2. Bid packages	30
3. Contractor Selection/Contract Award	31
F. Loan Closing	31
1. Property Owner Co-payment	32
2. Deferred Loan	32
G. Construction	32
1. Contractor Proceed to Work Order	32
2. Completion Requirements	33
3. Payment Requirements	33
4. Change Orders	34
H. Close-Out	35
<b>VI. Program Income</b>	<b>35</b>
A. Active SCDP Grant	35
B. Inactive SCDP Grant	35
<b>VII. Data Privacy</b>	<b>35</b>
<b>VIII. Conflict of Interest</b>	<b>36</b>
<b>IX. Marketing</b>	<b>36</b>
<b>X. Record Retention</b>	<b>36</b>
<b>XI. Fair Housing/Equal Employment Opportunity</b>	<b>37</b>
<b>XII. Lead Based Paint</b>	<b>37</b>
<b>XIII. Asbestos</b>	<b>38</b>
A. Inspection Requirements	39
B. Inspection Exemptions	39
C. Demolition Requirements	39
<b>XIV. Federal Labor Standards</b>	<b>40</b>
<b>XV. Anti-Displacement/Relocation Assistance Plan</b>	<b>40</b>
<b>XVI. Section 3</b>	<b>40</b>
<b>XVII. Program Close-Out</b>	<b>41</b>
<b>XVII. Denial, Complaint &amp; Appeal Procedures</b>	<b>41</b>
<b>XIX. Amendment Procedures</b>	<b>42</b>

**I. Purpose:**

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The overall goal of the City of Cloquet Small Cities Development Program is to rehabilitate low income housing and deteriorating commercial buildings in the identified target areas within the City of Cloquet.

**II. Program Administration:**

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**A. Program Background-**

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The Community Development Block Grant (CDBG) is a federal program that provides funding for housing and community development. In 1974, Congress passed the Housing and Community Development Act, Title I, which authorized the development of the CDBG program. The program, administered by the U.S. Department of Housing and Urban Development, consists of two components: an entitlement program that provides funds directly to urban areas of and a Small Cities Development Program (SCDP), which provides funding to non-entitlement communities.

The Minnesota Department of Employment and Economic Development (DEED), Business and Community Development Division, is responsible for state administration of the federally funded community development and assistance programs, included SCDP.

The goal of the SCDP is to develop viable, eligible communities by providing decent housing and suitable living environments and expanding economic opportunities, principally for persons of low and moderate income.

The City of Cloquet received a SCDP grant to be used to establish a rehabilitation loan program to conserve, rehabilitate and improve residential and commercial properties within the City of Cloquet. The City of Cloquet has contracted with Lakes & Pines Community Action Council, Inc. of Mora, Minnesota to administer the owner-occupied and rental rehabilitation programs. The City of Cloquet has contracted with Carlton County, Minnesota to administer the commercial rehabilitation program.

**B. Program Summary-**

---

The City of Cloquet received a SCDP grant award in the amount of \$885,500 for use towards rehabilitating: 24 units of owner-occupied housing which must be occupied by low to moderate income homeowners, 8 units of single family rental properties which must be occupied by low to moderate income homeowners at Fair Market Rents and 11 commercial buildings (includes the City's \$25,000 match dollars towards 1013 Cloquet Avenue).



1. Deferred Loans:

Deferred loans will be made to each eligible property owner for owner-occupied and commercial rehabilitation projects, with no obligation to repay as long as the owner maintains ownership of the property for seven (7) years after the date the loan is closed. If the property changes ownership during the seven year period, the owner will be required to pay a percentage of the original loan amount for each year that remains on the term which is annually reduced by 1/7 or 14%. For rental rehabilitation projects, the owner must maintain ownership of the property for five (5) years after the date the loan is closed. If the property changes ownership during the five year period, the owner will be required to pay a percentage of the original loan amount for each year that remains on the term which is annually reduced by 1/5 or 20%.

- a. For owner-occupied rehabilitation housing, the property owner must also occupy the home as their principal place of residence during the seven year term. If the home is no longer their principal place of residence, repayment of the loan will be required as stated above.
- b. For rental rehabilitation housing, property owners must rent to tenants making 80% or less of median County income as annually determined by HUD at Fair Market Rents for Carlton County for five years.
- c. For commercial rehabilitation, the property owner must have a bona fide business occupy the building during the seven year term.

2. Federal Objective:

a. Owner-occupied Housing Rehabilitation-

Property owners applying for owner-occupied housing rehabilitation loans will be required to have gross income below eighty percent (80%) of the county median income, also known as the Low to Moderate Income (LMI) guidelines determined by the United States Department of Housing and Urban Development (HUD).

b. Rental Housing Rehabilitation-

Property owners applying for rental rehabilitation loans will be required to rent to tenants having gross income below eighty percent (80%) of the county median income, also known as the Low to Moderate Income (LMI)

guidelines determined by the United States Department of Housing and Urban Development (HUD) and rent at Fair Market Rent rates established by HUD for Carlton County.

c. Commercial Rehabilitation-

Property owners applying for commercial rehabilitation loans will NOT be required to supply income information in order to be eligible. However, the commercial property must be substandard in order to qualify. Dilapidated and standard buildings will not be eligible for rehabilitation loans.

3. The cost of each individual project can not exceed seventy-five percent (75%) of the current market value, unless economic viability can be shown.
4. SCDP funds can not be used to refinance existing mortgages or loans, and can not be used to pay off existing debt.
5. Residential dwellings constructed prior to 1978 will be required to have a lead risk assessment conducted to detect if any lead based paint hazards are present. If lead based paint hazards are identified, they will be required to be corrected. SCDP funds can be used to eliminate lead based paint hazards. See Part XI for more information on the Lead Based Paint Hazard requirements.
6. All buildings and dwellings on which exterior work is to be done will be photographed, described and referred to the Minnesota Historical Society for determination of historical significance.
7. No properties that lie within a floodplain will be rehabilitated.
8. Single wide mobile homes are not eligible to be rehabilitated nor are manufactured homes.
9. Labor Standards:

Labor standards laws apply to projects using SCDP funds and involving physical construction such as public facilities, commercial rehabilitation. Rehabilitation of single family, owner-occupied detached housing units and single family rental rehabilitation is exempt from labor standards.

When a contract for work that includes SCDP funds is bid or awarded, the contractor and subcontractors must comply with the applicable labor standards laws. Carlton County, as the program administrator for commercial rehabilitation is required to ensure compliance with these laws. See Part XIV

for more information on the labor standards requirements.

**C. Program Responsibilities-**

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1. The City of Cloquet is the grantee and will be responsible for complying with the assurances set forth in the SCDP Grant Agreement.
2. Lakes & Pines Community Action Council, Inc. will act as the implementing agency for the owner-occupied and rental rehabilitation projects and will be responsible for the activities specified in the contract for service agreement with the City of Cloquet. Carlton County Economic Development will act as the implementing agency for the commercial rehabilitation projects and will be responsible for the activities specified in the contract for service agreement with the City of Cloquet.
3. Lakes & Pines and Carlton County staff will be responsible for the review and approval or denial of each application, property and loan.

**III. Owner-occupied Housing Rehabilitation:**

---

A portion of the City of Cloquet's Small Cities Development Program grant is to be used to rehabilitate low to moderate income owner-occupied housing. Property owners can apply for funds to help fix-up their home through a deferred loan program, which defers interest and payments for seven (7) years, at which time if the property is still owned and occupied by the original borrower, the loan is forgiven and considered a grant.

**A. Eligibility Requirements-**

---

1. Applicant:
  - a. Applicant must individually or in aggregate have a qualifying interest in the property consisting of at least:
    - i. One-third (1/3) interest in the fee title, subject to a mortgage, and must be able to secure the signatures of all remaindermen and spouses with interest in the property as loan guarantors.
    - ii. One-third (1/3) interest as purchaser in a contract for deed and able to secure the signatures of all parties and their spouses having interest in the property, both as contract vendor and contract vendee.

- iii. A valid life estate, which is recorded and appears in the records of Carlton County and must be able to secure the signatures of all remaindermen and spouses with interest in the property.
  - ix. Properties in a trust are not eligible for rehabilitation.
- b. The applicant must occupy the unit as their principal place of residence. The unit must be a permanent structure and taxed as real property.
  - c. Applicant must carry sufficient household insurance to rebuild the home in case of fire, storm, or other accidents. Prior to beginning rehabilitation work, each building rehabilitated with loan proceeds shall be insured by the owner against loss by fire and other perils, in accordance with lending institution standards. A certificate of insurance shall be included in the project file, and the City of Cloquet listed with the insurance company as a mortgage holder.
  - d. Applicant must be current on paying property taxes, mortgage payments, as well as current or in good standing on payment of municipal bills.
2. Income:

The most current household income will be used when determining eligibility for the program. Income for the purpose of the owner-occupied housing rehabilitation program shall be defined as gross annual income including salary, commissions, bonuses, interest, dividends, tips, capital gains or sales of securities, annuities, pensions, rental property income (adjusted as allowed by the IRS), partnerships, estate or trust income, child support, alimony, social security, Minnesota Family Investment Program (MFIP), and miscellaneous income. Gross annual income from all employment shall be deemed to be the net profit from said self employment, as declared by the applicant in Schedule C, F, or E, Part 740 or any other such schedule as may be hereafter promulgated, but including all depreciation as income. All income shall be verified in writing. The following examples listed below are considered acceptable:

- a. An income verification letter or form, which is signed by a third party at the source of income;
- b. The previous three years tax returns shall be used for those applicants who are self-employed or having variable incomes;
- c. Signed third party verifications from banks, savings and loans, insurance

companies and etc;

- d. Copies of unemployment benefit letter, social security benefit letter, etc.

Department of Housing & Urban Development  
SECTION 8 INCOME  
LIMITS CARLTON COUNTY  
(as of March 2015)

Family Size	Maximum Gross Income
1	\$ 35,750
2	\$ 40,850
3	\$ 45,950
4	\$ 51,050
5	\$ 55,150
6	\$ 59,250
7	\$ 63,350
8	\$ 67,400

Property:

The owner occupied property must be located within the City of Cloquet in Carlton County within the City's identified target area and be of permitted use. Prior to rehabilitation, the unit must be substandard, however after rehabilitation is complete, the unit must be capable of meeting HUD Section 8 Housing Quality Standards and Minnesota Energy Conservation Standards. After rehabilitation has been completed, the unit must have a minimum life expectancy of at least 15 years.

- a. Definitions for Standard, Substandard, Substandard but Suitable for Rehabilitation, and Dilapidated Properties:
  - i. Standard: A property that needs only slight repair or maintenance. A property in this condition would not be eligible.
  - ii. Substandard: A property that needs more than two major improvements to systems\* or minor structural components\*\* of the property or replacement of one major structural component of the property. A property in this condition would be suitable for rehabilitation.
  - iii. Dilapidated: A property that needs replacement of two or more major structural components of the property

and major improvements to two or more systems of the property. A property in this condition would not be eligible.

\*Systems of the home: Heating, plumbing, electrical, windows and doors, etc.

\*\*Structural components:

Minor: Roof, siding, beams, posts, basement concrete floor, partial (less than 33%) basement, wall repair, etc.

Major: Complete basement replacement, majority of the floor joists need replacement, wall stud replacement, majority of the roof rafters need replacement, etc.

- b. Mobile homes and manufactured homes are not eligible.

## **B. Qualifying Improvements-**

---

Each application will be reviewed and prioritized as it relates to the objectives listed below:

1. Work necessary to put the property into decent, safe, sound and sanitary condition including, but not limited to, the following:
    - a. Water and/or sewer system improvements to meet health and safety codes.
    - b. The rehabilitation, removal or replacement of elements of the dwelling structure, including mechanical systems, foundation, floors, walls, roof, wiring, and other improvements, such as weatherization, insulation, siding, and steps. The term "mechanical systems" includes such items as heating system, plumbing work, water heater, electrical and sanitary fixtures and smoke alarms.
    - c. Adapting property for use of a handicapped accessibility options.
    - d. Additions\* to a dwelling will only be allowed if:
      - i. No indoor bathroom exists
      - ii. Greater than one person per room exists, excluding the bathroom
- \* When possible interior additions will be utilized

2. All rehabilitation work must comply with HUD Section 8 Minimum Quality Housing Standards for decent, safe and sanitary housing and the Minnesota Energy Efficiency Standards.
3. Those deficiencies which affect the health, safety, energy, and structural integrity of the unit will be addressed before any other improvements can be considered.
4. Only permanent improvements, which correct defects and deficiencies, will be considered. Loans will not be used for strictly cosmetic purposes. Permanent improvements are those with a projected useful life of at least 15 years and make the unit habitable, safe, and structurally sound.
5. Properties with historical or community significance will be given higher priority than those with none.
6. Properties with high visibility or that will have a major impact within the community will be given higher priority.
7. Applicants that qualify for similar programs such as the Minnesota Housing Finance Agency Rehabilitation Loan Program and USDA's Senior Grant program will be asked to use those funds prior to using SCDP funds to rehabilitate their property. This action will allow the City to serve more households with SCDP funds that would not otherwise qualify for assistance.
8. The final determination of priority of the application ultimately lies with Lakes & Pines and Carlton County administrators with consultation from City staff to attain the goals and priorities listed within this manual.

### **C. Ineligible Improvements-**

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Financial assistance under this program shall not be available for:

1. New construction for the purpose of expanding the size of the structure, except as required for overcrowding conditions
2. Materials, fixtures, equipment or landscaping of a type and quality that exceeds that customarily used in properties of the same general type as the property to be rehabilitated.
3. Appliances and secondary heating systems.
4. Purchase, installation or repair of furnishings.

5. Accessory buildings, garages, sheds, driveways, and fences

#### **D. Application Process-**

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At the beginning of the program, each property owner who filled out a commitment letter that aided in the funding the whole grant application made to the State, will be contacted to request an application. Lakes and Pines will also publish a funding news release in all local papers in Cloquet. Applicants will be responsible for mailing their application into Lakes and Pines within forty-five (45) days of receipt; otherwise their file will be closed. Home visits can be provided for those applicants who are home bound or are otherwise incapable of coming in to apply. The applicant will be given the Fact Sheet for the City of Cloquet Small Cities Development Program, a publication that explains SCDP program eligibility and requirements. Applications will be accepted on a first come, first served basis. Property owners interested in a SCDP loan to rehabilitate their property may obtain information concerning the program by contacting Lakes and Pines C.A.C., Inc. at (320) 679-1800 during normal office hours or by writing to Lakes & Pines at 1700 Maple Avenue East, Mora, Minnesota 55051.

1. A Lakes and Pines staff member can assist property owners in completing their application and supporting information.
2. All personal and financial information provided about homes and families living therein are considered private data as defined by the Minnesota Government Data Practices Act; (MS 268.12, Subd. 12).
3. The applicant will be responsible for obtaining any financial and other information necessary to determine their eligibility for the program.
4. The applicant cannot be in violation of city code while receiving assistance from the program. Lakes and Pines will allow the applicant sixty (60) days to become compliant before discontinuing the application process.
5. After the application has been received in the mail, Lakes & Pines will certify the information provided regarding the applicant's income, and the nature and extent of the applicant's ownership interest in the property for which the loan is being sought. Income will be verified through third party verification.
6. Once the application is approved:
  - a. Lakes & Pines will arrange with the applicant for an inspection to be made of the property for which the loan is being sought. On the basis of the inspection, made jointly by a field staff and the applicant, an inspection report will be prepared in accordance with the HUD Section 8 Housing



Quality Standards for decent, safe and sanitary housing. The inspection report will also identify violations and other deficiencies that may be eligible under the SCDP.

- b. If the unit was built before 1978, a second inspection, a lead risk assessment, will be conducted on the property by a qualified Lead Risk Assessor, to be provided by Lakes and Pines. The Lead Risk Assessor will develop a report based on the inspection. All identified hazards will be addressed.
7. All applicants for the program must receive an approval or denial letter within 60 days of review of their project file.

#### **E. Bid Process-**

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1. Work Write-Up/Scope of Work

The field staff will prepare a work description for the applicant at the completion of the property inspection, or as soon thereafter as possible. The field manager will prepare a cost estimate based on the work description. This estimate will be compared with bids solicited by the property owner to determine the reasonableness of the bids. If the selected bid exceeds the maximum loan limit, the property owner and Lakes & Pines will modify or eliminate items of work necessary to reduce the cost. However, the items of work necessary to bring the property to decent, safe and sanitary levels will not be eliminated.

2. Bid Package

Lakes and Pines will send several bid packages to the property owner. The property owner will solicit bids from eligible contractors. The property owner will be given thirty (30) days to obtain at least two bids on all work in the bid package. Contractors bidding on projects must be able to provide proof of licensure, insurance, worker's compensation and tax identification numbers.

- a. Lakes & Pines will establish and maintain a current listing of eligible contractors and subcontractors who are interested in doing rehabilitation work financed through the rehabilitation loan program.
- b. Applicants will not be allowed to act as their own contractor.

3. Contractor Selection/Contract Award

After a satisfactory bid and work proposal have been obtained, an agreement

will be reached between Lakes & Pines staff person and the applicant as to the extent of the rehabilitation work required and/or proposed, and a contract for the work will be sent to the chosen contractor. All rehabilitation contracts shall be between the property owner and the contractor. The property owner will select the contractor to whom the contract shall be awarded. Contracts shall be awarded on a competitive bid basis whenever practicable. Lakes & Pines may make recommendations concerning the award of contracts. If the property owner awards the contract to a contractor not recommended by Lakes & Pines and if the contract price is higher than the cost estimates Lakes & Pines provides, then Lakes and Pines staff may require the property owner to pay the additional contract amount.

- a. Any unsuccessful bidders will receive notice of the successful contract award and amount.

#### **F. Loan Closing-**

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A loan closing will be held after the contractor has signed and returned the contract, and has supplied Lakes & Pines with the required license and insurance information; funds will be set aside for the rehabilitation project. On the loan closing date, a Lakes and Pines C.A.C., Inc. staff member will meet with the applicant to review all documents involved in the transaction, sign the rehabilitation contract, explain the repayment of the loan and have the applicant sign the Deferred Loan Repayment Agreement and Mortgage, and that the mortgage will be recorded at the Carlton County Recorder's Office, 301 Walnut Avenue, P.O. Box 70 Carlton, MN 55718 (218) 384-9122.

#### **Property Owner Co-payment**

The City's owner-occupied rehabilitation program is structured using 100% SCDP funds, 30% of which cover the property owner co-payment in an effort to ease property owner's burden of otherwise having to come up with 30% down payment for the program. As such, the owner-occupied program will be structured with a 30% loan repayment to the City of Cloquet at 3% interest for a term of seven (7) years which matches the terms of the SCDP deferred loan program.

- a. Whenever possible, Lakes & Pines C.A.C., Inc. will advise property owners of funds that can be coordinated with SCDP funds for rehabilitation projects. MHFA Loans, DOE Weatherization, LIHEAP - ERR; Rural Development loans, and other funds will be coordinated with SCDP funds to cover rehabilitation costs.

1. Deferred Loan

Deferred loans will be made to each eligible property owner for owner-occupied rehabilitation projects, with no obligation to repay as long as the owner maintains ownership of the property for seven (7) years after the date the loan is closed. If the property changes ownership during the seven year period, the owner will be required to pay a percentage of the original loan amount for each year that remains on the term which is annually reduced by 1/7 or 14%. For owner-occupied rehabilitation housing, the property owner must also occupy the home as their principal place of residence during the seven year term. If the home is no longer their principal place of residence, repayment of the loan will be required as stated above.

a. Security for repayment is as follows:

A mortgage will be filed against the property in the amount of the loan to ensure repayment of the loan. After the borrower or their heir has occupied the rehabilitated residential property for seven years, the loan will be forgiven in its entirety.

b. Maximum loan amounts are as follows:

Loans shall not exceed \$15,000 (SCDP funds) per owner-occupied residential dwelling (minimum \$10,000). Generally, project costs exceeding this amount shall be paid by the owner or through the coordination with other funds. Lakes and Pines staff may make special exceptions to this rule. Reasons for special exceptions must be clearly documented and included in the project file.

**G. Construction-**

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Work activities on the property can not start until all the paperwork is completed. Failure to do so can result in a loss of security in the funds.

1. Contractor Proceed to Work Order

After the loan closing documentation has been completed, the contractor(s) will be notified in writing that work can begin. Included with the *Proceed to Work Order*, will be paperwork that is necessary for payment requests. Contractors are required to pull a building permit with the City and have required building code inspections done on the project, the City will waive permit fees associated with the building permit for a SCDP City project.

2. Completion Requirements

The contractor(s) will have ninety (90) days to complete the project. In extenuating circumstances an extension may be granted by the program administrator.

3. Payment Requirements

a. In order to process a payment the following must be submitted and reviewed for completeness and accuracy by administrative staff:

- Detailed invoice with labor & materials itemized
- Notarized Contractor's Sworn Statement
- Lien waivers from contractor and all sub-contractors
- Signed Completion Certificate or Payment Request form

b. No pre-payments for materials or overhead costs will be allowed. Payment will only be issued for work that has been completed and materials that are installed.

c. Twenty percent (20%) of the total bid for any item or the entire project can be held for retainage.

d. In order for a payment to be released, all the paperwork listed as needed for processing must be complete AND the Completion Certificate or Payment Request form must be signed by all parties: Contractor, Inspector, Property Owner & Administrative staff.

e. All payments by the City to the contractor shall be made by check, payable to the contractor.

f. For contracts of less than \$7,500, a single payment shall be made to the contractor upon satisfactory completion of the work. An exception can be made in cases where weather is a contributory factor. For contracts greater than \$7,500, partial payments may be made to the contractor.

g. In the event a dispute arises between the SCDP applicant and the contractor with respect to the rehabilitation work, Lakes & Pines shall take appropriate action in accordance with provisions of the Contractor-Owner Agreement. If such a dispute cannot be readily resolved between the applicant and the contractor, Cloquet may make payments directly to the contractor, provided the work has been satisfactorily completed and certified by the field staff and the zoning official/licensed building official for the jurisdiction of the property.

- h. Lakes and Pines shall advise the applicant of any noncompliance in the rehabilitation work or of an incorrect invoice submitted by the contractor if the work completed is not in accordance with the requirements of the Contractor-Homeowner Agreement. The applicant, with the assistance of Lakes & Pines shall be requested to obtain appropriate corrective action from the contractor. No payment shall be made on the rehabilitation contract until the contractor has satisfactorily completed the necessary action.
  - i. Upon completion of all work, a request for final payment shall be made on the same form as required for progress payments and shall contain the same certification and signatures required for such payments. Request for final payment shall include a release by the contractor, subcontractor and suppliers of all liens, and a copy of each warranty due the owner for the work.
  - j. Administrative staff should keep copies of all payment documentation, including and not limited to the above mentioned documentation required from the contractor. A copy of the contractor's payment should be maintained in the file, along with the date that the check was released.
4. Change Orders

Changes that affect the work that is to be completed should be made in writing, any verbal agreements WILL NOT be honored. Approval of change orders is needed from the administrative staff, if the work is to be completed with SCDP funds. Change order will only be allowed for the following reasons:

- a. Changes need to rectify hidden deficiencies that were discovered during construction.
- b. Changes needed to be made to the original specifications because of unforeseen difficulties arising during construction.

#### **H. Close-Out-**

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1. After all funds have been disbursed for the loan; a closing statement will be prepared which shall account for disposition of the full SCDP loan. The original closing statement shall be retained and a signed copy shall be mailed to the applicant.
2. A review of each property will be made following closeout action. This review will determine if all documents have been properly executed and are contained in the file.

#### IV. Residential Rental Rehabilitation:

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A portion of Cloquet's Small Cities Development Program grant is to be used to rehabilitate low to moderate income single family rental housing. Property owners can apply for funds to help fix-up their properties that are occupied by low to moderate income persons, through a deferred loan program. Interest and payments are deferred for five (5) years, at which time if the property is still owned by the original borrower and occupied by low to moderate income persons, the loan is forgiven and considered a grant. During the five (5) year term of the loan, rents cannot be raised above the Fair Market Rent established for Carlton County by HUD nor beyond thirty percent (30%) of the total household's income and economic displacement cannot occur. See Part XV for more information on Anti-Displacement and Relocation.

##### A. Eligibility Requirements-

###### 1. Applicant:

a. Applicant must individually or in aggregate have a qualifying interest in the property consisting of at least:

i. 1/3 interest in the fee title, subject to a mortgage, and must be able to secure the signatures of all remaindermen and spouses with interest in the property as loan guarantors.

ii. 1/3 interest as purchaser in a contract for deed and able to secure the signatures of all parties and their spouses having interest in the property, both as contract vendor and contract vendee.

iii. A valid life estate, which is recorded and appears in the records of Carlton County and must be able to secure the signatures of all remaindermen and spouses with interest in the property.

iv. Properties in a trust are not eligible.

b. The property must be a permanent structure and taxed as real property.

c. Applicant must carry sufficient property insurance to rebuild the building in case of fire, storm, or other accidents. Prior to beginning rehabilitation work, each building rehabilitated with loan proceeds shall be insured by the owner against loss by fire and other perils, in accordance

with lending institution standards. A certificate of insurance shall be included in the project file, and the City of Cloquet listed with the insurance company as a mortgage holder.

d. Applicant must be current on paying property taxes, municipal bills (if applicable) and mortgage payments.

e. Only single family rental homes are eligible for the City of Cloquet SCDP rental rehabilitation program, as such duplexes, triplexes etc. are not eligible for rehabilitation.

## 2. Tenants and Rent:

The single family unit must be occupied by LMI households, and the units must have rents that are affordable.

a. The most current household income will be used when determining eligibility for the program. Income for the purpose of the residential rental rehabilitation program shall be defined as gross annual income including salary, commissions, bonuses, interest, dividends, tips, capital gains or sales of securities, annuities, pensions, rental property income (adjusted as allowed by the IRS), partnerships, estate or trust income, child support, alimony, social security, Minnesota Family Investment Program (MFIP), and miscellaneous income. Gross annual income from all employment shall be deemed to be the net profit from said self-employment, as declared by the applicant in Schedule C, F, or E, Part 1040 or any other such schedule as may be hereafter promulgated, but including all depreciation as income. All income shall be verified in writing. The following examples listed below are considered acceptable:

i. An income verification letter or form, which is signed by a third party at the source of income;

ii. The previous three years tax returns shall be used for those applicants who are self-employed or having variable incomes;

iii. Signed third party verifications from banks, savings and loans, insurance companies etc.

iv. Copies of unemployment benefit letter, social security benefit letter, etc.

Department of Housing & Urban Development  
SECTION 8 INCOME LIMITS  
CARLTON COUNTY  
(as of March 2015)

Family Size	Maximum Gross Income
1	\$ 35,750
2	\$ 40,850
3	\$ 45,950
4	\$ 51,050
5	\$ 55,150
6	\$ 59,250
7	\$ 63,350
8	\$ 67,400

Department of Housing & Urban Development  
FAIR MARKET RENT  
CARLTON COUNTY  
(as of March 2015)

Single Family House Size	Maximum Fair Market Rent
1 bedroom	\$ 574
2 bedroom	\$ 755
3 bedroom	\$ 984
4 bedroom	\$ 1,096

3. Property:

The property must be located in the designated target area within the City of Cloquet in Carlton County and be of permitted use. Prior to rehabilitation, the unit must be substandard, however after rehabilitation is complete the unit must be capable of meeting HUD Section 8 Housing Quality Standards and Minnesota Energy Conservation Standards. After rehabilitation has been completed the unit must have a minimum life expectancy of at least 15 years.

a. Definitions for Standard, Substandard, Substandard but Suitable for Rehabilitation, and Dilapidated Properties:

i. Standard: A property that needs only slight repair or maintenance. A property in this condition would not be eligible.

ii. Substandard: A property that needs more than two major improvements to systems\* or minor structural components\*\* of the property or replacement



of one major structural component of the property. A property in this condition would be suitable for rehabilitation.

iii. Dilapidated: A property that needs replacement of two or more major structural components of the property and major improvements to two or more systems of the property. A property in this condition would not be eligible.

\*Systems of the home: Heating, plumbing, electrical, windows and doors, etc.

\*\*Structural components:

Minor: Roof, siding, beams, posts, basement concrete floor, partial (less than 33%) basement, wall repair, etc.

Major: Complete basement replacement, majority of the floor joists need replacement, wall stud replacement, majority of the roof rafters need replacement, etc.

b. Mobile homes and Manufactured homes are not eligible.

## **B. Qualifying Improvements-**

Each application will be reviewed and prioritized as it relates to the objectives listed below:

1. Work necessary to put the property into decent, safe, sound and sanitary condition including, but not limited to, the following:
  - a. Well and/or sewer system improvements to meet health and safety codes.
  - b. The rehabilitation, removal or replacement of elements of the dwelling structure, including mechanical systems, foundation, floors, walls, roof, wiring, and other improvements, such as weatherization, insulation, siding, and steps. The term "mechanical systems" includes such items as heating system, plumbing work, water heater, electrical and sanitary fixtures and smoke alarms.
  - c. Adapting property for use of a handicapped accessibility options.
  - d. Additions\* to a dwelling will only be allowed if:

- i. No indoor bathroom exists
    - ii. Greater than one person per room exists, excluding the bathroom
- \* When possible interior additions will be utilized

2. All rehabilitation work must comply with HUD Section 8 Minimum Quality Housing Standards for decent, safe and sanitary housing and the Minnesota Energy Efficiency Standards.

3. Those deficiencies which affect the health, safety, energy, and structural integrity of the unit will be addressed before any other improvements can be considered.

4. Only permanent improvements, which correct defects and deficiencies, will be considered. Loans will not be used for strictly cosmetic purposes. Permanent improvements are those with a projected useful life of at least 15 years and make the unit habitable, safe, and structurally sound.

6. Properties with historical significance will be given higher priority than those with none. Properties identified by the local government as a high priority will also be prioritized as such.

7. Properties with high visibility or that will have a major impact within the community will be given higher priority.

8. The final determination of priority of the application ultimately lies with Lakes & Pines and City staff to attain the goals and priorities listed within this manual.

### **C. Ineligible Improvements-**

Financial assistance under this program shall not be available for:

1. New construction for the purpose of expanding the size of the structure, except as required for overcrowding conditions
2. Materials, fixtures, equipment or landscaping of a type and quality that exceeds that customarily used in properties of the same general type as the property to be rehabilitated.
3. Appliances and secondary heating systems.
4. Purchase, installation or repair of furnishings.

5. Accessory buildings, garages, sheds, driveways, and fences

#### **D. Application Process-**

At the beginning of the program, each property owner who filled out a commitment letter that aided in the funding the whole grant application made to DEED, will be contacted to request an application, prior to the funding being opened to the rest of the Cloquet target area property owners. The City of Cloquet will maintain the list of property owners who submitted their commitment letters and will screen that list based on receiving previous funding, improvements needed and community impact. Upon screening, the City will send the property owner a letter and copy Lakes and Pines, at which time Lakes and Pines will mail the property owner an application. Site visits can be provided for those applicants who are home bound or are otherwise incapable of coming in to apply. The applicant will be given the Fact Sheet for the Cloquet Small Cities Development Program, a publication that explains SCDP program eligibility and requirements. Applications will be accepted on a first come, first served basis. Property owners interested in a SCDP loan to rehabilitate their property may obtain information concerning the program by contacting Lakes and Pines C.A.C., Inc. at (320) 679-1800 during normal office hours or by writing to the Agency at 1700 Maple Avenue East, Mora, Minnesota 55051.

1. A Lakes and Pines staff member will assist property owners in completing their application and supporting information.
2. All personal and financial information provided about units and families living therein are considered private data as defined by the Minnesota Government Data Practices Act; (MS 268.12, Subd. 12).
3. The applicant will be responsible for obtaining any financial and other information necessary to determine their eligibility for the program.
4. The applicant cannot be in violation of City Code while receiving assistance from the program. Lakes and Pines will allow the applicant sixty (60) days to become compliant before discontinuing the application process.
5. After the application has been received in the mail, the Agency will certify the information provided regarding the applicant's income, and the nature and extent of the applicant's ownership interest in the property for which the loan is being sought. Income will be verified through third party verification.
6. Once the application is approved:

a. The Agency will arrange with the applicant for an inspection to be made of the property for which the loan is being sought. On the basis of the inspection, made jointly by a field manager and the applicant, an inspection report will be prepared in accordance with the HUD Section 8 Housing Quality Standards for decent, safe and sanitary housing. The inspection report will also identify violations and other deficiencies that may be eligible under the SCDP.

b. If the property was built before 1978, a second inspection, a lead risk assessment, will be conducted on the property by a qualified Lead Risk Assessor, to be provided by Lakes and Pines. The Lead Risk Assessor will develop a report based on the inspection. All identified hazards will be addressed.

7. All applicants for the program must receive an approval or denial letter within 60 days of review of their project file.

#### **E. Bid Process-**

##### **1. Work Write-Up/Scope of Work**

The field manager will prepare a work description for the applicant at the completion of the property inspection, or as soon thereafter as possible. The field manager will prepare a cost estimate based on the work description. This estimate will be compared with bids solicited by the property owner to determine the reasonableness of the bids. If the selected bid exceeds the maximum loan limit, the property owner and the Agency will modify or eliminate items of work necessary to reduce the cost. However, the items of work necessary to bring the property to decent, safe and sanitary levels will not be eliminated.

##### **2. Bid Package**

Lakes and Pines will send several bid packages to the property owner. The property owner will solicit bids from eligible contractors. The property owner will be given thirty (30) days to obtain at least two bids on all work in the bid package. Contractors bidding on projects must be able to provide proof of licensure, insurance, worker's compensation and tax identification numbers.

a. The City and Lakes and Pines Community Action Council, Inc. will establish and maintain a current listing of eligible contractors and subcontractors who are interested in doing rehabilitation work financed through the rehabilitation loan program.

- a. Applicants will not be allowed to act as their own contractor.

3. Contractor Selection/Contract Award

After a satisfactory bid and work proposal have been obtained, an agreement will be reached between the Agency staff person and the applicant as to the extent of the rehabilitation work required and/or proposed, and a contract for the work will be sent to the chosen contractor. All rehabilitation contracts shall be between the property owner and the contractor. The property owner will select the contractor to whom the contract shall be awarded. Contracts shall be awarded on a competitive bid basis whenever practicable. The Agency may make recommendations concerning the award of contracts. If the property owner awards the contract to a contractor not recommended by the Agency and if the contract price is higher than the bid price the Agency recommends, the Lakes and Pines staff may require the property owner to pay the additional contract amount.

- a. Any unsuccessful bidders will receive notice of the successful contract award and amount.

#### **F. Loan Closing-**

A loan closing will be held after the contractor has signed and returned the contract, and has supplied Lakes & Pines with the required license and insurance information; funds will be set aside for the rehabilitation project. On the loan closing date, a Lakes and Pines C.A.C., Inc. staff member will meet with the applicant to review all documents involved in the transaction, sign the rehabilitation contract, explain the repayment of the loan and have the applicant sign the Deferred Loan Repayment Agreement and Mortgage, and that the mortgage will be recorded at the Carlton County Recorder's Office, 303 Walnut Ave #1, Carlton, Minnesota 55718 (218) 384-9122.

1. Property Owner Co-payment

The property owner will be notified and consulted with regarding the 30% co-payment requirement PRIOR to the contractor being awarded the contract. Work can be scaled back to make the co-payment more affordable for the property owner if needed. Co-pays will only be waived if the property owner provides sufficient proof to Lakes and Pines' staff regarding their debt to income ratio as well as their ability to secure a traditional home improvement loan from a separate funding source. The property owner will be required to produce the co-payment in the form of a cashier's or certified check at the time of the loan closing. When paying contractors, the property owner's money will be utilized first, and the SCDP funds for the balance.

a. Whenever possible, Lakes & Pines C.A.C., Inc. will advise property owners of funds that can be coordinated with SCDP funds for rehabilitation projects. MHFA Rental Rehabilitation Deferred Loan Program and other funds will be coordinated with SCDP funds to cover rehabilitation costs.

2. Deferred Loan

For rental rehabilitation projects, the owner must maintain ownership of the property for five (5) years after the date the loan is closed. If the property changes ownership during the five year period, the owner will be required to pay a percentage of the original loan amount for each year that remains on the term which is annually reduced by 1/5 or 20%. For rental rehabilitation housing, property owners must rent to tenants making 80% or less of median County income as annually determined by HUD at Fair Market Rents for Carlton County for five years.

a. Security for repayment is as follows:

- i. A mortgage will be filed against the property in the amount of the loan to ensure repayment of the loan. After the borrower or their heir has maintained ownership of the property for five years, the loan will be forgiven in its entirety.
- ii. Minimum loan amounts are as follows: \$10,000 (SCDP funds). Maximum loan amounts are as follows: \$20,000 (SCDP funds).

Loans shall not exceed \$20,000 per unit/property. Generally, project costs exceeding this amount shall be paid by the owner or through the coordination with other funds.

**G. Construction-**

Work activities on the property cannot start until all the paperwork is completed. Failure to do so can result in a loss of security in the funds.

1. Contractor Proceed to Work Order

After the loan closing documentation has been completed, the contractor(s) will be notified in writing that work can begin. Included with the *Proceed to*

Work Order, will be paperwork that is necessary for payment requests. Contractors are required to pull a building permit with the City and have required building code inspections done on the project, the City will waive permit fees associated with the building permit for a SCDP City project.

2. Completion Requirements

The contractor(s) will have ninety (90) days to complete the project. In extenuating circumstances an extension may be granted by the program administrator.

3. Payment Requirements

a. In order to process a payment the following must be submitted and reviewed for completeness and accuracy by administrative staff:

- Detailed invoice with labor & materials itemized
- Notarized Contractor's Sworn Statement
- Lien waivers from contractor and all sub-contractors
- Signed Completion Certificate or Payment Request form

c. No pre-payments for materials or overhead costs will be allowed. Payment will only be issued for work that has been completed and materials that are installed.

d. Twenty percent (20%) of the total bid for any item or the entire project can be held for retainage.

e. In order for a payment to be released, all the paperwork listed as needed for processing must be complete AND the Completion Certificate or Payment Request form must be signed by all parties: Contractor, Inspector, Property Owner & Administrative staff.

f. All payments by the City to the contractor shall be made by check, payable to the contractor.

g. For contracts of less than \$7,500, a single payment shall be made to the contractor upon satisfactory completion of the work. An exception can be made in cases where weather is a contributory factor. For contracts greater than \$7,500, partial payments may be made to the contractor.

h. In the event a dispute arises between the SCDP applicant and the contractor with respect to the rehabilitation work, the Agency shall take

appropriate action in accordance with provisions of the Contractor-Owner Agreement. If such a dispute cannot be readily resolved between the applicant and the contractor, the City of Cloquet may make payments directly to the contractor, provided the work has been satisfactorily completed and certified by the field manager and the zoning official/licensed building official for the jurisdiction the property is located in.

i. Lakes and Pines shall advise the applicant of any noncompliance in the rehabilitation work or of an incorrect invoice submitted by the contractor if the work completed is not in accordance with the requirements of the Contractor-Homeowner Agreement. The applicant, with the assistance of the Agency shall be requested to obtain appropriate corrective action from the contractor. No payment shall be made on the rehabilitation contract until the contractor has satisfactorily completed the necessary action.

j. Upon completion of all work, a request for final payment shall be made on the same form as required for progress payments and shall contain the same certification and signatures required for such payments. Request for final payment shall include a release by the contractor, subcontractor and suppliers of all liens, and a copy of each warranty due the owner for the work.

k. Administrative staff should keep copies of all payment documentation, including and not limited to the above mentioned documentation required from the contractor. A copy of the contractor's payment should be maintained in the file, along with the date that the check was released.

#### 4. Change Orders

Changes that affect the work that is to be completed should be made in writing, any verbal agreements WILL NOT be honored. Approval of change orders is needed from the administrative staff, if the work is to be completed with SCDP funds. Change order will only be allowed for the following reasons:

- a. Changes need to rectify hidden deficiencies that were discovered during construction.
- b. Changes needed to be made to the original specifications because of unforeseen difficulties arising during construction.



## **H. Close-Out-**

1. After all funds have been disbursed for the loan; a closing statement will be prepared which shall account for disposition of the full SCDP loan. The original closing statement shall be retained and a signed copy shall be mailed to the applicant.
2. A review of each property will be made following closeout action. This review will determine if all documents have been properly executed and are contained in the file.

## **V. Commercial Rehabilitation:**

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A portion of the City of Cloquet Small Cities Development Program grant is to be used to rehabilitate deteriorating commercial properties in the target area of the City of Cloquet. Property owners can apply for funds to help fix-up their properties through a deferred loan program. Interest and payments are deferred for seven (7) years, at which time if the property is still owned by the original borrower the loan is forgiven and considered a grant. For commercial rehabilitation, the property owner must have a bona fide business occupy the building during the seven year term.

### **A. Eligibility Requirements-**

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1. Applicant:
  - a. Applicant must individually or in aggregate have a qualifying interest in the property consisting of at least:
    - i. One-third (1/3) interest in the fee title, subject to a mortgage, and must be able to secure the signatures of all remaindermen and spouses with interest in the property as loan guarantors.
    - ii. One-third (1/3) interest as purchaser in a contract for deed and able to secure the signatures of all parties and their spouses having interest in the property, both as contract vendor and contract vendee.
    - iii. A valid life estate, which is recorded and appears in the records of Carlton County and must be able to secure the signatures of all remaindermen and spouses with interest in the property.
    - iii. Properties held in a trust are not eligible for rehabilitation.

- b. The property must be a permanent structure and taxed as real property.
  - c. Applicant must carry sufficient property insurance to rebuild the building in case of fire, storm, or other accidents. Prior to beginning rehabilitation work, each building rehabilitated with loan proceeds shall be insured by the owner against loss by fire and other perils, in accordance with lending institution standards. A certificate of insurance shall be included in the project file, and the City of Cloquet listed with the insurance company as a mortgage holder.
  - d. Applicant must be current on paying property taxes, mortgage payments, as well as current or in good standing on payment of municipal bills.
2. Property:

The property must be of permitted use, located in Carlton County and within the set target area located in Cloquet. Prior to rehabilitation, the unit must be substandard. After rehabilitation has been completed the unit must have a minimum life expectancy of at least 15 years.

- a. Definitions for Standard, Substandard, Substandard but Suitable for Rehabilitation, and Dilapidated Properties:

- i. Standard: A property that needs only slight repair or maintenance. A property in this condition would not be eligible.
- ii. Substandard: A property that needs more than two major improvements to systems\* or minor structural components\*\* of the property or replacement of one major structural component of the property. A property in this condition would be suitable for rehabilitation.
- iii. Dilapidated: A property that needs replacement of two or more major structural components of the property and major improvements to two or more systems of the property. A property in this condition would not be eligible.

\*Systems of the home: Heating, plumbing, electrical, windows and doors, etc.

**\*\*Structural components:**

Minor: Roof, siding, beams, posts, basement concrete floor, partial (less than 33%) basement, wall repair, etc.

Major: Complete basement replacement, majority of the floor joists need replacement, wall stud replacement, majority of the roof rafters need replacement, etc.

- b. Buildings used for general conduct of government are not eligible.

**B. Qualifying Improvements-**

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Carlton County staff, in consultation with the City, will consider each application as it relates to the priorities and objectives listed below:

1. Work necessary to put the property into decent, safe, sound and sanitary condition including, but not limited to, the following:
  - a. Exterior repairs/improvements
  - b. Code violation corrections
  - c. Adapting property for use of a handicapped accessibility options
  - d. Energy improvements
2. Those deficiencies which affect the health, safety, energy, and structural integrity of the unit will be addressed before any other improvements can be considered.
3. Only permanent improvements, which correct defects and deficiencies, will be considered. Permanent improvements are those with a projected useful life of at least 15 years and make the unit safe and structurally sound.
4. Properties with historical significance will be given higher priority than those with none. Properties identified by the local government as a high priority will also be prioritized as such.
5. Properties with high visibility or that will have a major impact within the community will be given higher priority.
6. Properties with existing businesses will be given higher priority than properties with no businesses existing within the building during the application process. It is the SCDP policy to require empty commercial

buildings to show proof of a viable business occupying the space within six (6) months of the rehabilitation activities being completed.

7. The final determination of priority of the application ultimately lies with Carlton County and City staff to attain the goals and priorities listed within this manual.

### **C. Ineligible Improvements-**

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Financial assistance under this program shall not be available for:

1. Remodeling type improvements.
2. Materials, fixtures, equipment or landscaping of a type and quality that exceeds that customarily used in properties of the same general type as the property to be rehabilitated.
3. Appliances and secondary heating systems.
4. Purchase, installation or repair of furnishings.
5. Accessory buildings, garages, sheds, driveways, and fences.

### **D. Application Process-**

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At the beginning of the program, each property owner who filled out a commitment letter that aided in the funding the whole grant application made to the State, will be contacted to request an application. Applicants will be responsible for mailing their application into Carlton County within forty-five (45) days of receipt; otherwise their file will be closed. Home visits can be provided for those applicants who are home bound or are otherwise incapable of coming in to apply. The applicant will be given the Fact Sheet for the City of Cloquet Small Cities Development Program, a publication that explains SCDP program eligibility and requirements. Applications will be accepted on a first come, first served basis. Property owners interested in a SCDP loan to rehabilitate their property may obtain information concerning the program by contacting Carlton County Economic Development at (218) 384-9564 during normal office hours or by writing to the Agency at P.O. Box 607 Carlton, MN 55718.

1. A Carlton County staff member will assist property owners in completing their application and supporting information.
2. All personal and financial information provided about units and families living therein are considered private data as defined by the Minnesota Government Data Practices Act; (MS 268.12, Subd. 12).

3. The applicant will be responsible for obtaining any financial and other information necessary to determine their eligibility for the program.
4. The applicant cannot be in violation of city code while receiving assistance from the program. Carlton County will allow the applicant sixty (60) days to become compliant before discontinuing the application process.
6. After the initial application intake day has been held, or the application has been received in the mail, the Agency will certify the application information such as mortgage verification, applicant's ownership interest in the property for which the loan is being sought.
7. Once the application is approved:
  - a. The Agency will arrange with the applicant for an inspection to be made of the property for which the loan is being sought. On the basis of the inspection, made jointly by a field manager and the applicant, an inspection report will be prepared. The inspection report will identify violations and other deficiencies that may be eligible under the SCDP.
8. All applicants for the program must receive an approval or denial letter within 60 days of review of their project file.

#### **E. Bid Process-**

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##### 1. Work Write-Up/Scope of Work

The field manager will prepare a work description for the applicant at the completion of the property inspection, or as soon thereafter as possible. The field manager will prepare a cost estimate based on the work description. This estimate will be compared with bids solicited by the property owner to determine the reasonableness of the bids. If the selected bid exceeds the maximum loan limit, the property owner and the Agency will modify or eliminate items of work necessary to reduce the cost. However, the items of work necessary to bring the property to decent, safe and sanitary levels will not be eliminated.

##### 2. Bid Package

Carlton County will send several bid packages to the property owner. The property owner will solicit bids from eligible contractors. The property owner will be given thirty (30) days to obtain at least two bids on all work in the bid package. Contractors bidding on projects must be able to provide proof of

licensure, insurance, worker's compensation and tax identification numbers.

- a. The Carlton County will establish and maintain a current listing of eligible contractors and subcontractors who are interested in doing rehabilitation work financed through the rehabilitation loan program.
- b. Applicants will not be allowed to act as their own contractor.
- c. As required by the Secretary of Labor in accordance with the Federal Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5) the prevailing wage packet will be included in every bid package. All laborers and mechanics employed by contractors and subcontractors in the performance of rehabilitation work financed in whole or in part by the Federal government, specifically commercial buildings, shall be paid wages at rates not less than those prevailing on similar construction in Carlton County.

3. Contractor Selection/Contract Award

After a satisfactory bid and work proposal have been obtained, an agreement will be reached between the Agency staff person and the applicant as to the extent of the rehabilitation work required and/or proposed, and a contract for the work will be sent to the chosen contractor. All rehabilitation contracts shall be between the property owner and the contractor. The property owner will select the contractor to whom the contract shall be awarded. Contracts shall be awarded on a competitive bid basis whenever practicable. The Agency may make recommendations concerning the award of contracts. If the property owner awards the contract to a contractor not recommended by the Agency and if the contract price is higher than the bid price the Agency recommends, the Carlton County staff may require the property owner to pay the additional contract amount.

- a. Any unsuccessful bidders will receive notice of the successful contract award and amount.

**F. Loan Closing-**

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A loan closing will be held after the contractor has signed and returned the contract, and has supplied Carlton County with the required license and insurance information; funds will be set aside for the rehabilitation project. On the loan closing date, a Carlton County staff member will meet with the applicant to review all documents involved in the transaction, sign the rehabilitation contract, explain the repayment of the loan and have the applicant sign the Deferred Loan Repayment Agreement and Mortgage, and that the mortgage will be recorded at the Carlton County Recorder's Office, 301 Walnut Avenue, P.O. Box 70 Carlton, MN 55718 (218) 384-9122.

1. Property Owner Co-payment

The property owner will be notified and consulted with regarding the 30% co-payment requirement PRIOR to the contractor being awarded the contract. Work can be scaled back to make the co-payment more affordable for the property owner if needed. The property owner will be required to produce the co-payment in the form of a cashier's or certified check at the time of the loan closing. When paying contractors, the property owner's money will be utilized first, and the SCDP funds for the balance.

- a. Whenever possible, Carlton County will advise property owners of funds that can be coordinated with SCDP funds for rehabilitation projects including City and County revolving loan funds.

2. Deferred Loan

Deferred loans will be made to each eligible property owner for commercial rehabilitation projects, with no obligation to repay as long as the owner maintains ownership of the property for seven (7) years after the date the loan is closed. If the property changes ownership during the seven year period, the owner will be required to pay a percentage of the original loan amount for each year that remains on the term which is annually reduced by 1/7 or 14%. For commercial rehabilitation, the property owner must have a bona fide business occupy the building during the seven year term.

- a. Security for repayment is as follows:

- ii. A mortgage will be filed against the property in the amount of the loan to ensure repayment of the loan. After the borrower or their heir has maintained ownership of the property for seven years, the loan will be forgiven in its entirety.

- b. Loans shall not exceed \$25,000 (SCDP funds) per building.

**G. Construction-**

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Work activities on the property can not start until all the paperwork is completed. Failure to do so can result in a loss of security in the funds.

1. Contractor Proceed to Work Order

After the loan closing documentation has been completed, the contractor(s) will be notified in writing that work can begin. Included with the *Proceed to*

Work Order, will be paperwork that is necessary for payment requests. Contractors are required to pull a building permit with the City and have required building code inspections done on the project, the City will waive permit fees associated with the building permit for a SCDP City project.

2. Completion Requirements

The contractor(s) will have ninety (90) days to complete the project. In extenuating circumstances an extension may be granted by the program administrator.

3. Payment Requirements

a. In order to process a payment the following must be submitted and reviewed for completeness and accuracy by administrative staff:

- Detailed invoice with labor & materials itemized
- Notarized Contractor's Sworn Statement
- Lien waivers from contractor and all sub-contractors
- Signed Completion Certificate or Payment Request form
- Weekly payroll forms as required by Federal Labor Standards

b. No pre-payments for materials or overhead costs will be allowed. Payment will only be issued for work that has been completed and materials that are installed.

c. Twenty percent (20%) of the total bid for any item or the entire project can be held for retainage.

d. In order for a payment to be released, all the paperwork listed as needed for processing must be complete AND the Completion Certificate or Payment Request form must be signed by all parties: Contractor, Inspector, Property Owner & Administrative staff.

d. All payments by the City to the contractor shall be made by check, payable to the contractor.

e. For contracts of less than \$7,500, a single payment shall be made to the contractor upon satisfactory completion of the work. An exception can be made in cases where weather is a contributory factor. For contracts greater than \$7,500, partial payments may be made to the contractor.

f. In the event a dispute arises between the SCDP applicant and the contractor with respect to the rehabilitation work, the Agency shall take



appropriate action in accordance with provisions of the Contractor-Owner Agreement. If such a dispute cannot be readily resolved between the applicant and the contractor, the City of Cloquet may make payments directly to the contractor, provided the work has been satisfactorily completed and certified by the field manager.

- g. Carlton County shall advise the applicant of any noncompliance in the rehabilitation work or of an incorrect invoice submitted by the contractor if the work completed is not in accordance with the requirements of the Contractor-Homeowner Agreement. The applicant, with the assistance of the Agency shall be requested to obtain appropriate corrective action from the contractor. No payment shall be made on the rehabilitation contract until the contractor has satisfactorily completed the necessary action.
- h. Upon completion of all work, a request for final payment shall be made on the same form as required for progress payments and shall contain the same certification and signatures required for such payments. Request for final payment shall include a release by the contractor, subcontractor and suppliers of all liens, and a copy of each warranty due the owner for the work.
- i. Administrative staff should keep copies of all payment documentation, including and not limited to the above mentioned documentation required from the contractor. A copy of the contractor's payment should be maintained in the file, along with the date that the check was released.

#### 4. Change Orders

Changes that affect the work that is to be completed should be made in writing, any verbal agreements WILL NOT be honored. Approval of change orders is needed from the administrative staff, if the work is to be completed with SCDP funds. Change order will only be allowed for the following reasons:

- a. Changes need to rectify hidden deficiencies that were discovered during construction.
- b. Changes needed to be made to the original specifications because of unforeseen difficulties arising during construction.

#### **H. Close-Out-**

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1. After all funds have been disbursed for the loan; a closing statement will be prepared which shall account for disposition of the full SCDP loan. The original

closing statement shall be retained and a signed copy shall be mailed to the applicant.

2. The Agency will review of each property will be made following closeout action. This review will determine if all documents have been properly executed and are contained in the file.

## **VI. Program Income:**

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### **A. Active SCDP Grant-**

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All repaid loans shall be used as program income and deposited in Cloquet's Small Cities Development Program account and will be used for rehabilitation in a manner consistent with the existing Small Cities Development Program Policy Procedures Manual. Funds repaid on an LMI owner-occupied home shall be used to rehabilitate another LMI owner-occupied home. The revolving SCDP account shall be audited in the same manner at the same time as regular SCDP funds.

### **B. Inactive SCDP Grant-**

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All repaid loans shall be used as program income and deposited in the City of Cloquet's Small Cities Development Program account and will be used for rehabilitation in a manner consistent with the existing Small Cities Development Program Policy Procedures Manual. A separate accounting record will be kept so that a clear, auditable account can be maintained to show how these funds have been utilized. Funds repaid on an LMI owner-occupied home shall be used to rehabilitate another LMI owner-occupied home. Should repaid loan funds be received by Cloquet, Lakes & Pines or Carlton County could be contacted to assist in the allocation of the funds to an eligible property owner. No more than fifteen percent (15%) of the repaid funds may be applied to administrative expenses.

## **VII. Data Privacy**

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All applicant's names, addresses and amounts of assistance received is considered public data under the Minnesota Data Practices Act. Other information provided is considered private data. Lakes & Pines, Carlton County and Cloquet will use the private data only when it is required for administration and it may be shared with person or agencies such as:

- Staff and other persons involved in program administration
- Local loan committee members who approve applications
- Auditors who perform required audits of the program
- Authorized personnel from the Minnesota Department of Employment and Economic Development or other local, state and federal agencies providing

- funding assistance for the loan
- Members of the local governing board for the purpose of addressing/resolving applicant complaints
- Persons authorized by the applicant to see it
- Law enforcement personnel in the case of suspected fraud or other enforcement authorities as required

Private data can not be released to anyone else or used in any other way unless permission is received. Data must be released however, if court ordered or as required by law. Minnesota law gives applicants the right to see and obtain copies of the data maintained on them, to be told the contents and meaning of the data and to challenge the accuracy and completeness of the data.

#### **VIII. Conflict of Interest**

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No member of the City of Cloquet governing body and no official, employee, immediate family member or agent of the City of Cloquet, Carlton County, or Lakes and Pines C.A.C., Inc., who exercises policy, decision-making functions or responsibilities in connection with the planning and implementation of the City of Cloquet SCDP shall directly or indirectly benefit from this program. This prohibition shall continue for one year after an individual's relationship with the City of Cloquet, Carlton County or Lakes and Pines C.A.C., Inc. Carlton County and Lakes and Pines C.A.C., Inc. shall screen for conflicts of interest, and the Department of Employment and Economic Development may issue exceptions with documentation of a public disclosure and the submission of the City attorney's opinion regarding the conflict.

#### **IX. Marketing:**

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Outreach for the program will be provided by the following means:

- A. News releases to newspapers and informing target area residents and contractors of the availability of funds for the program.
- B. Direct mailings to program pre-applicants and information on the City's website.
- C. Development and distribution of a Fact Sheet describing the program.
- D. Advertisements for qualified contractors to be considered for inclusion on the contractor's list.

#### **X. Record Retention:**

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Lakes and Pines C.A.C., Inc. and Carlton County shall maintain written records of SCDP

activities including official action of meetings regarding SCDP activities, loan applications and related documents, and other SCDP business matters for the entirety of the program and six (6) years after. All individual project files will be maintained as confidential records at the office of Carlton County and Lakes and Pines Community Action Council, Inc. At Program end or upon termination of the contract agreement between the City of Cloquet and Carlton County and Lakes and Pines C.A.C., Inc., all records relating to the City of Cloquet SCDP will be transferred to the City of Cloquet for retention for at least seven (7) years or until all liens have been released.

**XI. Fair Housing/ Equal Employment Opportunity:**

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It is the policy of the City of Cloquet to work to further fair housing opportunities in our programs and to administer our housing programs in a way that all residents of similar incomes have equal access to programs regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, sexual orientation, or families status.

No person or business will be denied services, contracts for project services, or access to program information and materials due to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, sexual orientation, or familial status. There will be no discrimination of persons in the administration of the SCDP.

It is the policy of the City of Cloquet that marketing efforts will be such that no potentially eligible applicants or providers of services are excluded from participating. Affirmative marketing will include efforts to reach people who have traditionally not participated in similar programs or have not been aware of available assistance. This includes, but is not limited to, single heads of households, people of color or people with disabilities.

**XII. Lead Based Paint:**

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The elimination of lead based paint is a priority of this Small Cities Development Program. The Small Cities Development Program Lead-Based Paint Policies and Process shall apply to the housing and residential rental rehabilitation activities:

- A. All residential properties built before 1978 must have a risk assessment with paint inspections, performed by a certified lead risk assessor. The Risk Assessment Report must be part of the rehabilitation project file.
- B. All homeowners/renters must receive the lead hazard brochure “Renovate Right – Important Lead Hazard Information for Families, Child Care Providers and Schools”. Rehabilitation files must indicate that owners/renters have received a copy of the brochure.
- C. All homeowners/renters must receive the HUD Notice “Summary Risk

- Assessment Notice” (Owner Step by Step Rehab Guide: Step Four, Page 67 and Renter Step by Step Guide: Step Four, Page 56). Rehabilitation files must show receipt of the Notice.
- C. Work Write Ups/Specifications must incorporate (or reference by addendum) the required lead hazard reduction options identified within the Risk Assessment Report. The Write Up/Specification should include provisions for required lead safe work practices, site preparation, prohibited practices and cleaning. This can be accomplished in the Work write-ups by reference to MN Rules 4761.1170-1190, Hazard Reduction Methods.
  - D. Owner-Contractor contract language must include prohibition of use of lead based paint, requirement for appropriately trained workers/supervisors and conducting work in accordance with lead safe work practices.
  - E. Appropriately trained workers and/or supervisors must carry out lead hazard reduction work. Training for licensed workers and supervisors must be conducted by approved training providers. Costs for training is grant eligible.
  - F. Residents must receive a Hazard Reduction Completion Notice, when lead hazard work has been carried out on the property (Owner Step by Step Rehab Guide: Step Seven, Page 137 and Renter Step by Step Guide, Step Seven, Page 128). Rehabilitation files must document receipt of the Notice.
  - G. Temporary relocation policies must be developed for both renters and owners. The Uniform Act does not cover owners; however, policies should be developed to cover situations where homeowners may have to leave their homes during construction. Renters are covered by the URA and must be provided with temporary relocation if necessary. A General Notice of Non Displacement must be sent to renters, as well as the Notice of Temporary Relocation, if temporary relocation is required.
  - I. All units must receive clearance examination, where a risk assessment was conducted and/or lead hazard reduction was carried out. Trained Sampling Technicians may conduct clearance examinations. A copy of the clearance must be in the project file.

### **XIII. Asbestos:**

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Three state agencies are involved with the enforcement of asbestos laws, rules and regulations. The Minnesota Pollution Control Agency (MPCA) enforces the National Emission Standards Hazardous Air Pollutants (NESHAP) law which governs the national emission standards for asbestos including inspection and the determination of regulated asbestos activities for renovation and demolition projects. The Minnesota Department of Health

(MDH) has responsibility for regulating removal or disturbance of asbestos containing materials (ACM) and for licensing and certification for persons performing asbestos related work, inspection for asbestos, management of asbestos or design of asbestos removal. The Minnesota Department of Labor and Industry regulates protection of asbestos workers through OSHA regulations.

#### **A. Inspection Requirements-**

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NESHAP requires inspection for asbestos prior to demolition or renovation in public and commercial buildings and residential buildings with five or more units. MDH requires that if an inspection is done, that it is conducted by an individual certified as an asbestos inspector by MDH. This requirement is not tied to any particular funding source, but applies to ALL renovation projects. All commercial buildings and all residential buildings of five or more units must be inspected by a certified asbestos inspector during the initial inspection to determine building deficiencies. It is only required that the area where rehabilitation/renovation activities will occur be inspected for asbestos. An inspection for asbestos on the entire building is NOT required if rehabilitation does not affect the entire building. A certified asbestos inspector must conduct the asbestos inspection.

#### **B. Inspection Exemptions-**

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An asbestos inspection by a certified asbestos inspector is NOT required for single family detached homes or residential buildings of four or fewer units prior to rehabilitation or renovation activities. However, if an inspection for asbestos is done, it must be done by an MDH certified inspector.

#### **C. Demolition Requirements-**

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Whenever a building is being demolished, whether the building contains asbestos or not, a "Notification of Intent to Perform a Demolition Project" must be sent to the MPCA at least seven days before the work begins. This allows MPCA to ensure the entire building has had a thorough inspection for the presence of asbestos. MPCA may schedule an inspection of the project to determine compliance with the asbestos NESHAP.

In commercial or public buildings, if asbestos is present in quantities greater than the requirements allowed by state law, the asbestos material must be removed prior to the demolition by a licensed asbestos abatement contractor in accordance with all applicable federal and state rules and regulations. Disposal of asbestos containing materials from renovation or demolition must be done in accordance with MPCA regulations.

**XIV. Federal Labor Standards:**

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All laborers and mechanics employed by contractors and subcontractors in the performance of rehabilitation work financed in whole or in part through the SCDP Comprehensive Rehabilitation Program, specifically for commercial properties, shall be paid wages at rates not less than those prevailing on similar construction in Carlton County, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5).

**XV. Anti-Displacement/Relocation Assistance Plan:**

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The City of Cloquet as a grantee of the SCDP is required to certify, adopt and make public a Residential Anti-displacement and Relocation Assistance Plan, before starting grant activities. This plan will assist the City and Lakes & Pines should residents need to be relocated due to extensive rehabilitation or where lead work is involved. Whether relocation is likely or not, all tenants in all buildings to be rehabilitated must be provided with a timely written notice so that they can be informed of their rights and responsibilities as part of the project. To avoid both economic displacement and loss of affordable residential rental units, rents will be tracked in both residential and commercial properties so that:

- Residential rents are not increased as a result of the project activities beyond what is affordable for the existing tenant (this includes all tenant paid utilities, not including phone/cable/internet, generally rents are affordable if they are no more than 30% of gross income). If this occurs, the tenant is considered displaced and relocation will need to be paid for up to five years.
- Residential rents on rehabilitation units are not set beyond the Fair Market Rents or the City's adopted payment standard. If this occurs the unit is no longer affordable and proof must be provided on how the unit will be replaced by an affordable unit within three years of completion.
- Commercial rents are not raised for one year after the rehabilitation is complete or after the end of the existing lease period.

If affordable housing units, either rental or owner-occupied, either occupied or vacant but occupiable, are demolished or converted to a use other than affordable housing, before the activity starts, a public Housing Replacement Plan that shows that the demolished/converted housing will be replaced by units that will be affordable and will remain so for at least seven years.

**XVI. Section 3:**

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The City of Cloquet as a grantee of the SCDP has the following plan to direct employment

and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low-and very low-income persons, particularly those who are recipients of government assistance for housing.

Section 3 is a HUD requirement that is intended to ensure that when employment or contracting opportunities are available on HUD funded projects, preference is given to low-and very low-income persons or businesses. Being a Section 3 Business is not required; however preference is given to those businesses.

The City of Cloquet will attempt to recruit low-income residents through at least one of the following efforts by:

1. Local advertising media, signs prominently displayed at the project site, contacts with the community organizations and public or private agencies operating within Carlton County.
2. Participate in a HUD program or other program which promotes the training or employment of Section 3 residents.
3. Participate in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.

Cloquet will require all contractors to complete and submit the Section 3 Business Certification Form prior to awarding contracts. Cloquet, Carlton County and Lakes & Pines will keep a list of Section 3 businesses. While being a Section 3 business is not required for the program, preference will be given to qualified, competitive Section 3 businesses.

#### **XVII. Program Close-Out:**

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Thirty days after completion of the City of Cloquet SCDP, a final annual report will be completed and submitted to DEED.

At program end or upon termination of the contract agreement between the City of Cloquet and both Lakes and Pines C.A.C. and Carlton County, all records relating to the City of Cloquet SCDP will be transferred to Cloquet for retention. Refer to Part X for more information on record retention requirements post close-out.

#### **XVIII. Denial, Complaint & Appeal Procedures:**

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- A. Denial Procedures: If an applicant is denied for any reason, a letter of denial will be sent to the applicant within ten working days. The denial letter will outline the reason for denial and inform the applicant of the appeals process.
- B. Complaint Procedures: If an applicant has a concern about the management of their individual project file or the level of assistance awarded, the concern



should be directed to the project manager, or lead administrative person. If a solution is needed, it will be documented.

C. Appeal Procedures: If an applicant believes that a reported concern was not managed properly, or if an applicant feels that they were wrongly denied assistance, the following is the appeals process:

1. Applicant must submit an appeal in writing within 14 days of being denied, OR 14 days after the solution to their original concern was supposed to occur.
2. The letter will be presented to the City Council at the next scheduled meeting. The City will notify the applicant of the date of the meeting. If the applicant would like to attend the meeting, the City must receive written notice of such.
3. The City Council will notify the applicant of its decision regarding the appeal, in writing within one week of the decision.
4. All appeals should be addressed to:

City of Cloquet  
**SCDP Appeals Process**  
Attn: City Administrator  
1307 Cloquet Avenue  
Cloquet, MN 55720

#### **XIX. Amendment Procedures:**

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The City of Cloquet reserves the right to revise this manual as needed. This manual may be revised at anytime. Changes and additions to this manual must be approved by the Cloquet City Council and by the Department of Employment and Economic Development. The council must adopt all changes and additions by resolution.

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**CITY OF CLOQUET  
SMALL CITIES DEVELOPMENT PROGRAM  
ADMINISTRATIVE BUDGET & FISCAL PROCEDURES**

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**I. Purpose:**

The purpose of this operating procedure is to describe fiscal procedures to be used in the administration of the City of Cloquet Small Cities Development Program (SCDP). The grantee of record is the City of Cloquet (City) and the administering agency is Lakes and Pines Community Action Council, Inc. (Lakes & Pines).

**II. Budget:**

The City agrees to make available \$78,000 to cover the administrative expenses of the project. Lakes & Pines shall be responsible for preparing and submitting a detailed budget to City officials for approval. Furthermore, the City agrees to grant Lakes & Pines flexibility among budget line items of up to 10% of the overall administrative budget.

**III. General Accounting:**

For all expenditures of funds made pursuant to this agreement, Lakes & Pines shall keep financial records, including invoices, contracts, receipts, vouchers, and other documents sufficient to evidence in proper detail the nature and propriety of the expenditures. Accounting methods shall be in accordance with Uniform Guidance. The City shall have access to said records upon request.

**IV. Financial Institution:**

The City will have the responsibility for opening or designating a separate checking account for SCDP transactions, providing signatories and ordering and printing the checks for the SCDP account.

**V. Payment Processing:**

Once overall administrative or contractor expenses have met or exceeded the minimum payment requirement amount of \$2,000, set by the Department of Employment & Economic Development (DEED), Lakes & Pines will prepare the following:

- For administrative expenses, Lakes & Pines will submit a detailed invoice to the City.
- For contractor payments, Lakes & Pines will review contractor invoices and submit to the City for processing.
- For all payments, the City will prepare the funding source Reimbursement Payment Request Form (PRF) and submit the PRF along with the administrative invoice, if applicable.

City staff will sign the PRF and immediately email the PRF to DEED to request funds from the SCDP for pending payments.

The City processes checks for payment on the Wednesday prior to the City Council meetings which meet on the first and third Tuesday of each month. Payment requests from contractors are due to Lakes & Pines' office by the end of the day on the Tuesday the week prior to the Council meetings. SCDP administrative invoices will be mailed to the City prior to the City invoice due date. Lakes & Pines can also electronically mail the RPF and administrative invoice to City staff the same day the paper copies are put into the mail.

**VI. Receipt and Release of Funds:**

DEED processes SCDP payment requests every two weeks on Friday. PRF's are due to DEED from SCDP communities by noon the Friday before. DEED electronically deposits the requested funds into the SCDP account for the City. Contractor payments will not be released until the work has passed required inspections.

**VII. Reporting:**

Lakes & Pines shall be responsible for the preparation of the financial report in accordance with the contract reporting requirements.

**VIII. Audit:**

Administrative funds provided to Lakes & Pines under this agreement shall be audited by an independent auditing firm in accordance with the Single Audit Act. Lakes & Pines will seek and enter into an agreement with the auditing firm and shall be responsible for payment of the audit from administrative funds. Lakes & Pines will give the U.S. General Accounting Office, the U.S. Department of Housing & Urban Development, State of Minnesota, Department of Employment & Economic Development, Minnesota Pollution Control Agency, the Legislative Auditor, and State Auditor's Office, through any authorized representatives, access to and the right to examine all records, books, papers, and documents related to the grant.

**IX. Record Retention:**

All records pertaining to the grant will be maintained at Lakes & Pines for the duration of the program. Subsequent to an acceptable audit and resolving of all questioned costs, all records will be forwarded to the City.

**APPROVED BUDGET**

<b>General Program Administration</b>	<b>Budgeted Amount</b>
Salaries	\$35,880.00
Fringe	\$12,090.00
Staff Travel	\$9,600.00
Recording Fees	\$1,472.00
Lead Equipment Maintenance	\$300.00
Publications & Advertising	\$100.00
Copy Costs	\$50.00
Postage	\$1,000.00
Phone	\$50.00
Office Supplies	\$400.00
Staff Training	\$200.00
Custodial Services, Office Rent & Utilities	\$400.00
Technology & Fiscal Services	\$9,200.00
Administrative	\$3,058.00
Human Resources	\$3,900.00
Insurance	\$200.00
Consultants-Audits & Fees	\$100.00
<b>Subtotal General Administration</b>	<b>\$78,000.00</b>

<b>Housing Rehabilitation</b>	<b>Budgeted Amount</b>
Contractor Payments/Deferred Loans	\$360,000.00
<b>Subtotal Housing Rehabilitation</b>	<b>\$ 360,000.00</b>

<b>Rental Rehabilitation</b>	<b>Budgeted Amount</b>
Contractor Payments/Deferred Loans	\$ 160,000.00
<b>Subtotal Rental Rehabilitation</b>	<b>\$ 160,000.00</b>

<b>Total Administrative Budget</b>	<b>\$78,000.00</b>
<b>Total Rehabilitation Budget</b>	<b>\$520,000.00</b>
<b>Total Budget</b>	<b>\$ 598,000.00</b>

STATE OF MINNESOTA  
GRANT CONTRACT

DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT  
BUSINESS AND COMMUNITY DEVELOPMENT DIVISION

Small Cities Development Program Grant Contract  
Grant No: CDAP-14-0038-O-FY15  
City of Cloquet Comprehensive Project

This grant contract is between the State of Minnesota, acting through the Department of Employment and Economic Development, Business and Community Development Division, (STATE) and the City of Cloquet, 1307 Cloquet Avenue, Cloquet, MN 55720-1656 ("GRANTEE").

**Recitals**

1. The State has been allocated funds by the United States Department of Housing and Urban Development under the Community Development Block Grant Program (CDBG) and is authorized to administer the funds pursuant to Minnesota Statutes 116J.401(2). Under Minn. Stat. 116J.402, the State is empowered to enter into contracts as necessary to perform the Commissioner's duties.
2. The State is in need of local units of government to administer projects in accordance with the Small Cities Development Program (SCDP), Minnesota Rules chapter 4300.
3. The Grantee represents that it is duly qualified and agrees to perform all activities and duties described in this grant contract to the satisfaction of the State.

**Grant Contract**

**1 Terms of Grant Contract**

*1.1 Effective date:* June 30, 2015.

*1.2 Expiration date:* December 31, 2017, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

*1.3 Survival of Terms.* The following clauses survive the expiration or cancellation of this grant contract: 8. Liability; 9. Audits; 10. Government Data Practices and Intellectual Property; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; 15. Data Disclosure; 18. Assessments; and 30. Program Income.

**2 Grantee's Duties**

*2.1* The Grantee has made application to the State for the purpose of administering a SCDP project in the manner described in Grantee's "APPLICATION," which is incorporated into this agreement by reference.

The Grantee, who is not a state employee, is awarded funds to provide financial assistance to address the need for decent, safe, affordable housing, economic development and public facility needs, and provide a suitable living environment by expanding economic opportunities, principally benefiting low to moderate income households. The activities may include: Housing Rehabilitation – (This includes owner-occupied and single family, duplex and multi-family rental units), Commercial Rehabilitation, and Public Facility Improvements: (i.e., construction or improvements to water and wastewater systems, etc.)

Specific grantee activity will be detailed and set forth in Clause 4.1(a)

**2.2 Provisions for Contracts and Sub-grants.**

(a) **Contract Provisions.** The Grantee must include in any contract and sub-grant, in addition to provisions that define a sound and complete agreement, such provisions that require contractors and sub-grantees to comply with applicable state and federal laws.

(b) **Job Listing Agreements.** Minn. Stat. § 116L.66, subd.1, requires a business or private enterprise to list any vacant or new positions with the state workforce center if it receives \$200,000 or more a year in grants from the State. If applicable, the business or private enterprise shall list any job vacancy in its personnel complement with MinnesotaWorks.net at www.minnesotaworks.net as soon as it occurs.

(c) **Payment of Contractors and Subcontractors.** The Grantee must ensure that all contractors and subcontractors performing work covered by this grant are paid for their work that is satisfactorily completed.

(d) **Secondary Applying Communities.** Any secondary applying community that is a part of this project must comply with all applicable laws and regulations as stated in this grant agreement. All secondary applying communities will complete the DEED —Local Community Resolution for Secondary Communities” and provide to the State in order to benefit from State assistance outlined in 4.1.

**3 Time**

The grantee must comply with all of the time requirements described in this grant contract. In the performance of this grant, time is of the essence.

**4 Compensation and Payment**

**4.1 Compensation.** The Grantee will be reimbursed according to the budget breakdown provided in the table below to support the activities listed in this table:

Fed. Obj.	Activity Code	Activity Title	Unit Goal	Number of households /persons served	Number of LMI households /persons served	SCDP Funds	Other Funds	Total
LMH	14A	Res. Owner Rehab.	24	24	24	\$360,000	\$240,000	\$600,000
LMH	14B	Rental Rehab.	8	8	8	160,000	60,000	220,000
SBA	14E	Commercial Rehab.	10	10		250,000	100,000	350,000
	21A	Administration				115,500	0	115,500
		<b>Totals</b>				<b>\$885,500</b>	<b>\$400,000</b>	<b>\$1,285,500</b>

(a) **Reduction in Actual Cost.** For projects that involve construction of public facilities, conversion for new housing, or rehabilitation of 8 housing units or more under one site: If bids are 25 percent or more less than estimated project costs presented in the Grantee’s Application, the Grantee must contact the State. Grant amount may be reduced.

(b) **Total Obligation.** The total obligation of the State for all compensation and reimbursements to the Grantee under this grant contract will not exceed **\$885,500**.

(c) **Pre-agreement Costs.** Grantee may incur administrative costs prior to the fully executed grant agreement. This would include work on the environmental clearance, producing rehabilitation policies and procedures, and costs associated with attending SCDP implementation training.

**4.2 Payment**

(a) **Disbursements.** The State will disburse funds to the Grantee pursuant to this Contract, based upon payment requests submitted by the Grantee and reviewed and approved by the State.

Payment requests will be processed on a bi-weekly calendar basis with the calendar being provided by the State. The total amount of grant funds requested must be two thousand dollars (\$2,000) or more in each payment request. The final payment request, and payment requests made in the two week periods prior to June 30 and September 30 of each year, may be under \$2,000.

The State has authority to withhold payment of administrative funds if adequate progress on contractual goals is not being met.

- (a) **Federal Funds.** Payments under this grant contract will be made from federal funds obtained by the State through Title 1 CFDA number 14.228 of the Housing and Community Development Act of 1974, as amended. The Grantee is responsible for compliance with all federal requirements imposed on these funds and accepts full financial responsibility for any requirements imposed by the Grantee's failure to comply with federal requirements.

Funds made available pursuant to this agreement shall be used only for expenses incurred in performing and accomplishing such purposes and activities during the grant period described above. Notwithstanding all other provisions of this agreement, it is understood that any reduction or termination of Housing and Urban Development funds provided to the State may result in a reduction to the Grantee.

Where provisions of the Grantee's Application are inconsistent with other provisions of this agreement, the other provisions of this agreement shall take precedence over the provisions of the Application.

- (b) **Eligible Costs.** Eligible costs include the costs identified in the Section 4(a) of this Contract that are incurred during the contract period and are also eligible for the CDBG program.

## 5 **Conditions of Payment**

All activities and duties provided by the Grantee under this grant contract must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law, or in violation of this contract.

## 6 **State's Authorized Representative and Grantee's Project Director**

The State's Authorized Representative is Patrick Armon, Grants Specialist, 1<sup>st</sup> National Bank Building, Suite E200, 332 Minnesota Street, St. Paul, MN 55101-1351, 651-259-7455, patrick.armon@state.mn.us, or his successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the activities and duties provided under this grant contract.

The Grantee's Project Director is Holly Butcher, Community Development Director, City of Cloquet, 1307 Cloquet Avenue, Cloquet, MN 55720, or her successor. If the Grantee's Project Director changes at any time during the grant period, the Grantee must immediately notify the State.

## 7 **Assignment, Amendments, Waiver, and Grant Contract Complete**

**7.1 Assignment.** The Grantee shall neither assign nor transfer any rights or obligations under this grant contract without the prior written consent of the State, approved by the same parties who executed and approved this grant contract, or their successors in office.

**7.2 Amendments and Revisions.** Any changes to this contract including, scope of the project and project activities, the budget, policy outlined in the Application, or the expiration date must be approved in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant contract, or their successors in office.

**7.3 Waiver.** If the State fails to enforce any provision of this grant contract, that failure does not waive the

provision or the State's right to enforce it.

**7.4 Grant Contract Complete.** This grant contract contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant contract, whether written or oral, may be used to bind either party.

## **8 Liability**

Subject to the provisions and limitations of Minn. Stat. §466, the Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant contract by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant contract.

## **9 State and Federal Audits and Monitoring**

Under Minn. Stat. §16B.98, subd.8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant agreement or transaction are subject to examination and will be accessible to the General Accounting Office, the U.S. Department of Housing and Urban Development, State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. The State shall monitor grantee performance as outlined in its Action Plan to HUD. The Grantee will make all books, records, documents, and accounting procedures and practices accessible for any monitoring. Monitoring will be based on forms provided by the State.

The Grantee shall comply with the requirements of the Single Audit Act Amendments of 1996 (P.L. 104-156). When a Grantee expends over \$750,000 in federal funds during their fiscal year, an A-133 audit is required to be submitted for that year.

## **10 Government Data Practices and Intellectual Property**

**10.1 Government Data Practices.** The Grantee and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant contract. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data referred to in this clause by either the Grantee or the State.

If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

**10.2 Intellectual Property Rights.** In the event that the Grantee secures a copyright protection on any of the work product created as part of the project, the Grantee agrees to and does hereby grant to the State and its officers, agents, and employees acting within the scope of their official duties, a royalty-free, non-exclusive, and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others to do so for the use by the State, its divisions, instrumentalities, and local subdivisions, all materials, reports, writings, sound recordings, pictorial reproductions, drawings, or other graphical representations, and works developed and/or used in connection with the Project now or hereafter covered by copyright.

## **11 Workers' Compensation**

The Grantee certifies that it is in compliance with Minn. Stat. § 176.181, subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.



## **12 Publicity and Endorsement**

**12.1 Publicity.** Any publicity regarding the subject matter of this grant contract must identify the State as the sponsoring agency. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant contract.

**12.2 Endorsement.** The Grantee must not claim that the State endorses its products or services.

## **13 Governing Law, Jurisdiction, and Venue**

Minnesota law, without regard to its choice-of-law provisions, governs this grant contract. Venue for all legal proceedings out of this grant contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

## **14 Termination**

**14.1 Termination by the State.** The State may immediately terminate this grant contract with or without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for activities satisfactorily performed.

**14.2 Termination for Cause.** The State may immediately terminate this grant contract, or any activity outlined in Section 4.1(a), if the State finds that there has been a failure to comply with the provisions of this grant contract, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. Termination of an activity outlined in 4.1 could occur due to no submissions of disbursement requests within a 12-month period of time. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

**14.3 Termination for Insufficient Funding.** The State may immediately terminate this grant contract if:

- a) It does not obtain funding from the Department of Housing and Urban Development;
- b) Or, if funding cannot be continued at a level sufficient to allow for the payment of the activities outlined in 4.1(a) of this agreement. Termination must be by a written notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

## **15 Data Disclosure**

Under Minn. Stat. § 270C.65, subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

## **Other Provisions**

## **16 Accounting**

For all expenditures of funds made pursuant to this Contract, the Grantee must keep financial records, including properly executed contracts, invoices, and other documents sufficient to evidence in proper detail the nature and propriety of the expenditures. Accounting methods must be in accordance with generally accepted accounting principles.

**17 Uniform Relocation Assistance and Real Property Acquisition Policies Act**

Permanent easements of land required for any public facilities improvement made using SCDP funds, or in conjunction with SCDP activities, must be acquired in conformance with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (49 CFR 24). Budget modification, if necessary to achieve compliance, must be approved in writing by the State.

Unless otherwise approved in writing by State, use of SCDP funds to purchase real property is limited to the value established by appraisal(s) conducted in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. Reuse of real property that is acquired with SCDP funds must be approved by the State.

**18 Assessments**

Grantee will not assess the SCDP funds share of any public facilities project.

**19 Debarment and Suspension Certification**

(If applicable) The Grantee agrees to follow the President's Executive Order 12549 and the implementing regulation "Non-procurement Debarment and Suspension: Notice and Final Rule and Interim Final Rule," found at 53 FR 19189, May 26, 1988, as amended at 60 FR 33041, June 26, 1995, including Appendix B, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions;" unless excluded by law or regulation. Evidence that contractors are not debarred will be maintained over the life of the grant.

Eligible Contractors: All Grantees are required to verify that all contractors, subcontractors and sub-recipients are not listed on the Federal publication that lists debarred, suspended and ineligible contractors. Evidence of this determination must be readily available to the State throughout the life of the project.

**20 Conflict of Interest**

The Grantee must comply with the Conflict of Interest provisions of Minn. Stat. § 471.87 – 471.88 and Subpart K of 24 CFR, Part 570.611 of the Code of Federal Regulations. Grantee will screen for conflicts of interest in any activity that involves individual assistance and exceptions for participation for individual assistance must be approved by DEED.

**21 Federal Environmental Standards**

Unless the State indicates otherwise and prior to release of funds, the Grantee is required to conduct an environmental review on project activities to comply with the National Environmental Policy Act of 1969 (NEPA), as amended. Disbursement of funds from the State will not occur until State has issued an environmental clearance to the Grantee.

Grantee must maintain environmental review documentation and records and make them available to the public.

**22 Drug-free Workplace/Drug-Free Workplace Awareness Program**

The Grantee agrees to provide a drug free workplace by notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the Grantee's workplace and specifying actions that will be taken against employees for violation of such prohibition. The Grantee must have an Awareness Program, or establish a drug free workplace awareness program to inform employees about the dangers of drug abuse, the availability of drug counseling and penalties for violations of the drug free workplace policy. Prior to release of funds, Grantee will provide evidence of a drug-free workplace to the State. If applicable, all secondary communities involved with this project will adhere to this condition.

**23 Prohibition of Excessive Force Policy**

The Grantee agrees to adopt and enforce a policy to prohibit the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations (P.L. 101-144, Section 519). Prior to release of funds, Grantee will provide evidence of a Prohibition of Excessive Force

Policy to the State. If applicable, all secondary communities involved with this project will adhere to this condition.

**24 Residential Anti-displacement and Relocation Assistance Plan**

The Grantee agrees to adopt, make public and follow a "residential anti-displacement and relocation assistance plan" in accordance with Section 104(d) of the Housing and Community Development Act of 1974, as amended. This plan must include steps to minimize displacement of residents caused by project activities. Prior to release of funds, Grantee will provide evidence of a Residential Anti-displacement and Relocation Assistance Plan to the State. If applicable, all secondary communities involved with this project will adhere to this condition.

**25 Fair Housing**

Grantee agrees to abide by and promote all Fair Housing Regulations during the grant period, including conducting at least one unique activity to affirmatively further fair housing each year that the grant remains open. Activities must be reported via the State's Annual Report each year.

**26 Policies and Procedures**

Where applicable and prior to release of funds, Grantee must approve and maintain policies and procedures which are consistent with the Application and consistent with current SCDP guidance and policy. All policies and procedures must adhere to federal and/or state requirements.

**27 Federal Labor Standards**

When applicable, Grantee must comply with all federal Davis Bacon and Related Act requirements (DBRA). Grantee must follow DEED's "2 Step Instructions" that are available on the SCDP portion of the DEED website in order to comply with DBRA. Grantee must submit the DEED "Note of Contract Award" to DEED staff within 14 days of each contract award where DBRA applies and before using grant funds to pay contractors or subcontractors. For projects involving a public facility or rental rehabilitation of eight or more units, copies of the first payroll for each contractor and/or subcontractor working on the project will be provided to DEED staff for review before any cash disbursements for the activity are issued by the State.

**28 Use of Out of State Contractors**

The Grantee must comply with Minnesota Statutes, Section 290.9705 by either:

- A. Depositing with the State, eight percent of every payment made to non Minnesota construction contractors, where the contract exceeds \$50,000; or
- B. Receiving an exemption from this requirement from the Minnesota Department of Revenue.

**29 Reporting**

Grantee shall submit reports annually during the grant period to the State by October 15, or the date designated by the State. All other reports must be in accordance with the reporting requirements set forth in Minnesota Rule 4300.3200. Grantee shall use the reporting forms provided by the State.

**30 Program Income**

Program Income is defined as any income equal to or exceeding \$35,000 in a federal fiscal year (October 1-September 30) received by the Grantee from repayments on deferred or installment loans made from SCDP grants. Any income received from these SCDP loans that total less than \$35,000 in a federal fiscal year, is not Program Income, but must be reused for an SCDP approved purpose. Total Program Income expenditures for the year must be reported on the expenditures section of the annual report.

Grantee agrees to have a "CDP Income Reuse Plan" on file that states how Program Income and other funds generated from the grant will be reused. This plan should prescribe that funds will be reused for an approved SCDP purpose and be consistent with the Grantee's Application. If the funds received by the Grantee cannot be utilized by the Grantee within a reasonable amount of time, the State may ask for the funds.

Annual Post Closeout Program Income Reporting: Following grant closeout, the Grantee must report Program Income to the state by October 15 of each year. Reporting must include Program Income:

- Funds received during the federal fiscal year,
- Expended during the federal fiscal year, and the funds
- Balance at the end of the federal fiscal year.

This reporting will be completed online using the ~~“Post Closeout Online Reporting”~~ and if applicable the ~~“Post Closeout Program Income Expenditure Reporting Form”~~ located on the DEED/SCDP website. These forms can be found on this webpage: <http://mn.gov/deed/government/financial-assistance/community-funding/>.

Grantees should track Program Income (\$35,000 or more received in a fiscal year) and other income from SCDP loans (under \$35,000 in a year) with separate accounts. These funds do not include Minnesota Investment Funds.

Refer to SCDP A-Z Guide for additional information.

### **31 Procurement**

The Grantee must maintain documentation that shows that professional services were procured in accordance with "The Common Rule," Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, at 24 CFR, Part 85, as amended. Services obtained from an HRA, RDC, or nonprofit organization do not have to be procured by competitive negotiation, but contracts for these services must only be on a cost reimbursement basis, accounted for in accordance with "The Common Rule."

All construction contracts will require competitive bidding, unless waived by the State.

### **32 Equal Employment & Section 3**

Grantee must include Executive Order 11246 (Standard Federal Equal Employment Opportunity Construction Contract Specifications) as well as the Section 3 Clause §135.38, notice regarding economic opportunities for low and very low income persons in all Grantee bidding and contract documents for which the construction costs exceed \$100,000. All Grantees must have a Section 3 and Women or Minority-Owned Business plan documenting how they will promote the use of Section 3 and women or minority-owned contractors and collect the SCDP Section 3 and Women or Minority-Owned Business Certification form(s) from all contractors used on the project.

### **33 Public Hearing**

The Grantee will hold a second public hearing (first was held for submission of Application) that includes a citizen participation opportunity midway through the implementation period to solicit public feedback on grant progress and results. The public hearing must be publicly advertised and minutes from the hearing and evidence that the hearing was publicly advertised will be provided to the State, if requested. Documentation that the second public hearing was held will be made on the final report to DEED.

### **34 Record Retention**

The Grantee will maintain all grant related records and files for six years after grant closeout. If applicable, the Grantee will maintain files for all individual, SCDP deferred or installment loans until they have expired.

### **35 Bid Specifications**

For projects that involve construction of public facilities, new housing construction, conversion for new housing, or rehabilitation of 8 housing units or more under 1 site: Grantee will provide State with bid specifications (not maps or architectural drawings) for review and approval.

### **36 Rental Development Agreement**

When applicable and prior to release of funds, the Grantee will provide the State with a development agreement between the Grantee and developer and, if applicable, the management company who will manage the building(s). The agreement(s) will include provisions to ensure that rents and utility costs charged for housing units meet

current DEED standards and incomes of tenants are within the current HUD section 8 limits. If applicable, the agreement would also ensure against the economic displacement (rents and utilities raised to above 30% of a household's gross, monthly income) of any current housing tenants.

**37 National Objectives**

All activities outlined in the Grantee Application and table contained in 4.1 shall meet a National Objective as outlined by the CDBG program. In the event that any facility used for multi-family rental housing no longer meets the Benefit to Low and Moderate Income People National Objective, the SCDP construction funds used to construct or renovate the facility will be returned to the State within a reasonable time frame. This provision will expire five years after the closeout date associated with the final Grant Adjustment Notice, unless a different time period is contained in the Application.

**38 Lead Based Paint**

For activities that involve the renovation of housing, the Grantee will follow the DEED lead policy that is outlined on the SCDP web site.

The State and Grantee acknowledge their assent to this agreement and agree to be bound by its terms through their signatures entered below.

**1. STATE ENCUMBRANCE VERIFICATION**

*Individual certifies that funds have been encumbered as required by Minn. Stat. ' ' 16A.15 and 16C.05.*

Signed: Michael Mays

Date: 06/29/2015

SWIFT Contract/PO No(s).3-211060

**3. STATE AGENCY**

By: \_\_\_\_\_  
(with delegated authority)

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

Date: \_\_\_\_\_

**2. GRANTEE**

The Grantee certifies that the appropriate person(s) have executed the grant contract on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: \_\_\_\_\_

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

Date: \_\_\_\_\_

By: \_\_\_\_\_

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

Date: \_\_\_\_\_

Distribution:  
Agency  
Grantee  
State's Authorized Representative - Photo Copy

City of Cloquet  
Grant #CDAP-14-0038-O-FY15

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**CONTRACT AGREEMENT FOR ADMINISTRATION OF THE  
SMALL CITIES DEVELOPMENT PROGRAM  
BY AND BETWEEN CLOQUET, MINNESOTA AND  
LAKES AND PINES C.A.C., INC. OF MORA, MINNESOTA**

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**I. Identity of Parties:**

The parties to this contract shall be the City of Cloquet, located within the state of Minnesota hereinafter referred to as “City” and Lakes and Pines Community Action Council, Inc. of Mora, Minnesota hereinafter referred to as “Lakes and Pines”.

**II. Duration:**

The City agrees to contract with Lakes and Pines for services described in Section III below for a minimum of thirty (30) months commencing on July 1, 2015 through December 31, 2017, unless the contract is extended by mutual agreement between the City and Lakes and Pines.

**III. Duties and Responsibilities:**

This contract agreement provides for technical and administrative assistance to the City in carrying out the owner-occupied and rental rehabilitation activities under the Small Cities Development Program grant awarded to the City by the Department of Employment and Economic Development.

This technical and administrative assistance to be provided to the City by Lakes and Pines shall include the following:

1. Maintenance of all records.
2. Compliance with all environmental, labor standards and civil rights requirements.
3. Preparation of correspondence and reports to the Department of Employment and Economic Development of the State of Minnesota.
4. Completion of all the Small Cities Development Program grant conditions and submitting required documentation of those conditions to the Department of Employment and Economic Development.
5. Preparation of all contracts for services of rehabilitation.
6. Preparation of all documents and forms needed to make rehabilitation loans and grants.
7. Distribution of public information about the City of Cloquet Small Cities Development Program to citizens, although it will be noted that the City of Cloquet will also be doing some of these activities as well.

8. Determination of the eligibility of properties and property owners for rehabilitation loans and grants.
9. Submission of progress reports to the City and the Department of Employment and Economic Development on the City of Cloquet Small Cities Development Program activities, as requested.
10. Processing participant applications by obtaining supplemental data.
11. Conducting property inspections with special attention to:
  - a. Health and safety factors
  - b. Energy conservation
  - c. Preservation of basic structure
12. Preparation of inspection write-ups on needed and eligible rehabilitation work.
13. Duplication of write-ups and other necessary papers for property owners and contactors.
14. Providing property owners with a listing of contractors that have licenses and insurance on file with the City of Cloquet. Lakes and Pines will also verify with the City that each project has pulled a building permit and has had required state building code inspections conducted on the project (the City will waive building permit fees) and zoning has been reviewed, if applicable, by the City.
15. Reviewing bids for completeness, accuracy and fair costs. Identifying acceptable bid(s).
16. Conducting initial, interim and final inspections during the rehabilitation process.
17. Obtaining appropriate signatures on required completion papers that will be delivered or mailed to person(s) authorized to make final payment.
18. Allowing appropriate annual audits and performing the close-out of the City of Cloquet Small Cities Development Program as required by the Minnesota Department of Employment and Economic Development.

#### **IV. Compensation:**

Certain funds are available for administration purposes. An operating budget and fiscal procedures document have been prepared and are acceptable to both the City and Lakes and Pines, and shall become a part of this contract. Lakes and Pines agrees to perform all services for a cost not to exceed \$78,000, the amount designated by the Department of Employment and Economic Development for program administration.



<b>Fed. Obj. Codes*</b>	<b>Activity</b>	<b># of units/goals</b>	<b>SCDP Cost Per unit</b>	<b>SCDP Cost/ without admin</b>	<b>Total SCDP Admin</b>	<b>SCDP Admin %</b>	<b>Total SCDP Costs</b>
<i>LMI &amp; S&amp;B</i>	<i>Owner Occupied Rehabilitation</i>	24	\$15,000	\$ 360,000			\$ 360,000
<i>LMI &amp; S&amp;B</i>	<i>Owner Occupied Rehabilitation ADMIN</i>	-	\$2,250		\$ 54,000	15.0%	\$ 54,000
<i>LMI &amp; S&amp;B</i>	<i>Rental Rehabilitation</i>	8	\$20,000	\$ 160,000			\$ 160,000
<i>LMI &amp; S&amp;B</i>	<i>Rental Rehabilitation ADMIN</i>	-	\$3,000		\$ 24,000	15.0%	\$ 24,000
		32		\$ 520,000	\$ 78,000		\$ 598,000
			<i>Totals</i>				

**V. General Terms:**

1. Services specified in Section III of this contract may be subcontracted by Lakes and Pines with the prior approval of the City.
2. The contract shall be subject to modification at any time provided there is mutual agreement in writing between Lakes and Pines and the City on the proposed modifications.
3. The contract shall be subject to termination provided that the respective party (Lakes and Pines or the City) be given 60 days written notice.
4. Compliance with Regulations. Lakes and Pines and the City ensure that the applicable state and federal acts or regulations listed in the Grant Agreement with the State of Minnesota are complied with.
5. The City shall not be responsible for the activities of employees of Lakes & Pines, its agents, assigns, or contractors performing the work on the Small Cities Development Program project.
6. Lakes & Pines shall defend, indemnify and hold harmless the City, its members, officers, and employees from all liability and claims for damages arising from bodily injury, death,

property damage, sickness, disease, or loss and expenses resulting from or alleged to result from Lakes & Pines' operation under this contract.

7. Lakes & Pines shall not be responsible for the activities of employees of the City, its agents, assigns, or contractors performing the work on the Small Cities Development Program project.
8. The City shall defend, indemnify and hold harmless Lakes & Pines, its members, officers, and employees from all liability and claims for damages arising from bodily injury, death, property damage, sickness, disease, or loss and expenses resulting from or alleged to result from the City's operation under this contract.

IN WITNESS, WHEREOF, the City of Cloquet has caused this contract to be duly executed in its behalf and the Lakes and Pines has caused the same to be duly executed on its behalf;

City of Cloquet

Lakes and Pines Community Action Council, Inc.

\_\_\_\_\_  
Mayor – David Hallback

\_\_\_\_\_  
Board Chair- Gene Anderson

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Administrator – Brian Fritsinger

\_\_\_\_\_  
Executive Director- Robert Benes

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

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**CITY OF CLOQUET**  
**SMALL CITIES DEVELOPMENT PROGRAM**  
**ADMINISTRATIVE BUDGET & FISCAL PROCEDURES**

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**I. Purpose:**

The purpose of this operating procedure is to describe fiscal procedures to be used in the administration of the City of Cloquet Small Cities Development Program (SCDP). The grantee of record is the City of Cloquet (City) and the administering agency is Lakes and Pines Community Action Council, Inc. (Lakes & Pines).

**II. Budget:**

The City agrees to make available \$78,000 to cover the administrative expenses of the project. Lakes & Pines shall be responsible for preparing and submitting a detailed budget to City officials for approval. Furthermore, the City agrees to grant Lakes & Pines flexibility among budget line items of up to 10% of the overall administrative budget.

**III. General Accounting:**

For all expenditures of funds made pursuant to this agreement, Lakes & Pines shall keep financial records, including invoices, contracts, receipts, vouchers, and other documents sufficient to evidence in proper detail the nature and propriety of the expenditures. Accounting methods shall be in accordance with Uniform Guidance. The City shall have access to said records upon request.

**IV. Financial Institution:**

The City will have the responsibility for opening or designating a separate checking account for SCDP transactions, providing signatories and ordering and printing the checks for the SCDP account.

**V. Payment Processing:**

Once overall administrative or contractor expenses have met or exceeded the minimum payment requirement amount of \$2,000, set by the Department of Employment & Economic Development (DEED), Lakes & Pines will prepare the following:

- For administrative expenses, Lakes & Pines will submit a detailed invoice to the City.
- For contractor payments, Lakes & Pines will review contractor invoices and submit to the City for processing.
- For all payments, the City will prepare the funding source Reimbursement Payment Request Form (PRF) and submit the PRF along with the administrative invoice, if applicable.

City staff will sign the PRF and immediately email the PRF to DEED to request funds from the SCDP for pending payments.

The City processes checks for payment on the Wednesday prior to the City Council meetings which meet on the first and third Tuesday of each month. Payment requests from contractors are due to Lakes & Pines' office by the end of the day on the Tuesday the week prior to the Council meetings. SCDP administrative invoices will be mailed to the City prior to the City invoice due date. Lakes & Pines can also electronically mail the RPF and administrative invoice to City staff the same day the paper copies are put into the mail.

**VI. Receipt and Release of Funds:**

DEED processes SCDP payment requests every two weeks on Friday. PRF's are due to DEED from SCDP communities by noon the Friday before. DEED electronically deposits the requested funds into the SCDP account for the City. Contractor payments will not be released until the work has passed required inspections.

**VII. Reporting:**

Lakes & Pines shall be responsible for the preparation of the financial report in accordance with the contract reporting requirements.

**VIII. Audit:**

Administrative funds provided to Lakes & Pines under this agreement shall be audited by an independent auditing firm in accordance with the Single Audit Act. Lakes & Pines will seek and enter into an agreement with the auditing firm and shall be responsible for payment of the audit from administrative funds. Lakes & Pines will give the U.S. General Accounting Office, the U.S. Department of Housing & Urban Development, State of Minnesota, Department of Employment & Economic Development, Minnesota Pollution Control Agency, the Legislative Auditor, and State Auditor's Office, through any authorized representatives, access to and the right to examine all records, books, papers, and documents related to the grant.

**IX. Record Retention:**

All records pertaining to the grant will be maintained at Lakes & Pines for the duration of the program. Subsequent to an acceptable audit and resolving of all questioned costs, all records will be forwarded to the City.

**APPROVED BUDGET**

<b>General Program Administration</b>	<b>Budgeted Amount</b>
Salaries	\$35,880.00
Fringe	\$12,090.00
Staff Travel	\$9,600.00
Recording Fees	\$1,472.00
Lead Equipment Maintenance	\$300.00
Publications & Advertising	\$100.00
Copy Costs	\$50.00
Postage	\$1,000.00
Phone	\$50.00
Office Supplies	\$400.00
Staff Training	\$200.00
Custodial Services, Office Rent & Utilities	\$400.00
Technology & Fiscal Services	\$9,200.00
Administrative	\$3,058.00
Human Resources	\$3,900.00
Insurance	\$200.00
Consultants-Audits & Fees	\$100.00
<b>Subtotal General Administration</b>	<b>\$78,000.00</b>

<b>Housing Rehabilitation</b>	<b>Budgeted Amount</b>
Contractor Payments/Deferred Loans	\$360,000.00
<b>Subtotal Housing Rehabilitation</b>	<b>\$ 360,000.00</b>

<b>Rental Rehabilitation</b>	<b>Budgeted Amount</b>
Contractor Payments/Deferred Loans	\$ 160,000.00
<b>Subtotal Rental Rehabilitation</b>	<b>\$ 160,000.00</b>

<b>Total Administrative Budget</b>	<b>\$78,000.00</b>
<b>Total Rehabilitation Budget</b>	<b>\$520,000.00</b>
<b>Total Budget</b>	<b>\$ 598,000.00</b>

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**CONTRACT AGREEMENT FOR ADMINISTRATION OF THE  
SMALL CITIES DEVELOPMENT PROGRAM  
BY AND BETWEEN THE CITY OF CLOQUET, MINNESOTA AND  
CARLTON COUNTY, MINNESOTA**

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**I. Identity of Parties:**

The parties to this contract shall be the City of Cloquet, located within the state of Minnesota hereinafter referred to as “City” and Carlton County, Minnesota hereinafter referred to as “County”.

**II. Duration:**

The City agrees to contract with Carlton County for services described in Section III below for a minimum of thirty (30) months commencing on June 19, 2015 through December 31, 2017, unless the contract is extended by mutual agreement between the City and Carlton County.

**III. Duties and Responsibilities:**

This contract agreement provides for technical and administrative assistance to the City in carrying out the commercial rehabilitation activities under the Small Cities Development Program grant awarded to the City by the Department of Employment and Economic Development.

This technical and administrative assistance to be provided to the City by Carlton County shall include the following:

1. Maintenance of all records.
2. Compliance with all environmental, labor standards and civil rights requirements.
3. Preparation of correspondence and reports to the Department of Employment and Economic Development of the State of Minnesota.
4. Completion of all the Small Cities Development Program grant conditions and submitting required documentation of those conditions to the Department of Employment and Economic Development.
5. Preparation of all contracts for services of rehabilitation.
6. Preparation of all documents and forms needed to make rehabilitation loans and grants.
7. Distribution of public information about the City of Cloquet Small Cities Development Program to citizens, although it will be noted that the City of Cloquet will also be doing some of these activities as well.
8. Determination of the eligibility of properties and property owners for rehabilitation loans and grants.

9. Submission of progress reports to the City and the Department of Employment and Economic Development on the City of Cloquet Small Cities Development Program activities, as requested.
10. Processing participant applications by obtaining supplemental data.
11. Conducting property inspections with special attention to:
  - a. Health and safety factors
  - b. Energy conservation
  - c. Preservation of basic structure
12. Preparation of inspection write-ups on needed and eligible rehabilitation work.
13. Duplication of write-ups and other necessary papers for property owners and contactors.
14. Providing property owners with a listing of contractors that have licenses and insurance on file with the City of Cloquet. Lakes and Pines will also verify with the City that each project has pulled a building permit and has had required state building code inspections conducted on the project (the City will waive building permit fees) and zoning has been reviewed if applicable by the City.
15. Reviewing bids for completeness, accuracy and fair costs. Identifying acceptable bid(s).
16. Conducting initial, interim and final inspections during the rehabilitation process.
17. Obtaining appropriate signatures on required completion papers that will be delivered or mailed to person(s) authorized to make final payment.
18. Allowing appropriate annual audits and performing the close-out of the City of Cloquet Small Cities Development Program as required by the Minnesota Department of Employment and Economic Development.

#### **IV. Compensation:**

Certain funds are available for administration purposes. An operating budget and fiscal procedures document have been prepared and are acceptable to both the City and Carlton County, and shall become a part of this contract. Carlton County agrees to perform all services for a cost **not to exceed \$37,500**, the amount designated by the Department of Employment and Economic Development for program administration.

**Federal Objective/Goals/Budget Form**

<b>Fed. Obj. Code s*</b>	<b>Activity</b>	<b># of units /goals</b>	<b>SCDP Cost Per unit</b>	<b>SCDP Cost/ without admin</b>	<b>Total SCDP Admin</b>	<b>SCDP Admin %</b>	<b>Total SCDP Costs</b>	<b>Total Leveraged Resources</b>	<b>Source of Leveraged Funds</b>	<b>Totals</b>
S&B	<i>Commercial Rehabilitation</i>	11	\$25,000	\$250,000			\$ 250,000	\$25,000 city cash (c) for Ed's Bakery	City of Cloquet RLF (Federal CDBG)	\$ 275,000
S&B	<b>Commercial Rehabilitation ADMIN</b>				\$ 37,500	13.635%				\$ 37,500
									TOTALS	\$ 312,500

**V. General Terms:**

1. Services specified in Section III of this contract may be subcontracted by Carlton County with the prior approval of the City.
2. The contract shall be subject to modification at any time provided there is mutual agreement in writing between Carlton County and the City on the proposed modifications.
3. The contract shall be subject to termination provided that the respective party (Carlton County or the City) be given 60 days written notice.
4. Compliance with Regulations. Carlton County and the City ensure that the applicable state and federal acts or regulations listed in the Grant Agreement with the State of Minnesota are complied with.
5. The City shall not be responsible for the activities of employees of Carlton County, its agents, assigns, or contractors performing the work on the Small Cities Development Program project.
6. Carlton County shall defend, indemnify and hold harmless the City, its members, officers, and employees from all liability and claims for damages arising from bodily injury, death, property damage, sickness, disease, or loss and expenses resulting from or alleged to result from Carlton County' operation under this contract.
7. Carlton County shall not be responsible for the activities of employees of the City, its agents, assigns, or contractors performing the work on the Small Cities Development Program project.
8. The City shall defend, indemnify and hold harmless Carlton County, its members, officers, and employees from all liability and claims for damages arising from bodily injury, death,



property damage, sickness, disease, or loss and expenses resulting from or alleged to result from the City's operation under this contract.

IN WITNESS, WHEREOF, the City of Cloquet has caused this contract to be duly executed in its behalf and the Carlton County has caused the same to be duly executed on its behalf;

City of Cloquet

Carlton County

\_\_\_\_\_  
Mayor – David Hallback

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Administrator – Brian Fritsinger

\_\_\_\_\_  
Date

\_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_

\_\_\_\_\_  
Date




**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: July 15, 2015

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**ITEM DESCRIPTION:** Temporary On-Sale Liquor License – REACH, INC.

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**Proposed Action**

Staff recommends the City Council move to approve the application from REACH, INC., Mentoring Program for the issuance of a temporary on-sale liquor license for a dance event to be held at the National Guard Armory, 801 Hwy 33 South, on September 5, 2015. In issuing the license, the Council must clarify the license fee and 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 REACH, Inc. The organization is seeking the license for a one day event to be held on Saturday, September 5, 2015, at the National Guard Armory. The organization will be holding a fundraising dance from 5:00 pm to 10:00 pm.

Under Minnesota Statute and City Code, in order to allow for the event proposed, the applicant is required to obtain a temporary on sale liquor license, which again under Minnesota Statute and City Code, can only be issued to a Club or licensed non-profit organization.

The applicant has stated in their request that the primary goal of this event is to keep expenses to a minimum to be able to provide more funding for its charitable work. Therefore, they are requesting the \$50.00 application fee be waived.

Under City Code, the applicant is required to hire law enforcement for security purposes. This would require the applicant to hire two police officers at \$45.00/hr. each for the duration of the event. The applicant is requesting the use of Fond du Lac Law Enforcement students and staff to provide security during the event. The Council has deviated from the current Code requirements on a number of recent applications.

**Policy Objectives**

Approval of a temporary license is required under Section 6.3 of the Municipal Code and Minnesota Statutes 340A.404. Under these rules, only a non-profit organization is allowed to obtain a permit for such purposes.

**Financial/Budget/Grant Considerations**

The City's fee schedule requires a \$50 fee for each license. The applicant is requesting this fee be waived.

**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- Temporary on-sale liquor license application.



Recreational Experiences Achieving Community Harmony

Dakota Koski  
Executive Director  
1214 1/2 Cloquet Ave  
PO Box 428  
Cloquet MN 55720

Phone: 218-499-4293  
Director@reachmentoringprogram.com  
Dakota@reachmentoringprogram.com  
www.reachmentoringprogram.com

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**Board of Directors**

**Board Chair**  
Lisa Carlson

**Vice Chair**  
Meredith Martin

**Treasurer**  
Nicole Millberger

**Secretary**  
Kim Lind

Casey Alaspa

Misha Alaspa

Shanna Balley

Ed Barkos

Bob Francisco

Gene Fulton

Penny Gellatly

Barb Kennebeck

Kara Ketola

Melanie Koski

Kelly Thill

The REACH Mentoring Program is a grass-roots nonprofit in Carlton County who provides supportive and meaningful mentoring relationships to the youth of Carlton County. We envision a community where every youth experiences a variety of positive and encouraging relationships that provide a sense of belonging and allows each youth the ability to achieve their full potential both individually and as members of the community.

On September 5, 2015, we will be hosting a Cloquet Armory Dance “*One More Time*” where 350 people are expected to be attending. Adults 21 and over are invited to attend. For many, this will be a blast from the past to renew memories, socialize with old or new friends, and dance the night way. For others, a little taste of what an Armory Dance was like. This old fashioned dance is complete with food and beverages along with live music from local musicians playing music from the Armory Dance era.

We are requesting the police fee to be waived as we are coordinating with the FDL Law Enforcement program. This way it will allow them to get service hours in and us a lower fee.

Thank you for your time and consideration with our request. With your help, this Armory Dance will be a smashing success, ultimately allowing us to better serve the youth of Carlton County.

Sincerely,

*Dakota Koski*

Dakota Koski, Executive Director

REACH, INC. Tax-Exempt # 81-0598151

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**Mission:** To provide supportive and meaningful mentoring relationships to the youth of Carlton County. **Vision:** We envision a community where every youth experiences a variety of positive and encouraging relationships that provide a sense of belonging and allows each youth the ability to achieve their full potential both individually and as members of the community.



CITY OF CLOQUET
TEMPORARY ON SALE LIQUOR LICENSE APPLICATION

Check all that apply: [X] Indoor Entertainment [ ] Outdoor Entertainment [ ] No Entertainment

Organization Name: REACH INC. MENTORING PROGRAM

Organization Address: 1214 1/2 CLOQUET AVE. P.O. BOX 428

City, State, Zip: CLOQUET MN. 55720

Purpose of the Organization: MENTORING REGIONAL YOUTH

Is this organization a:

- [X] Charitable, religious, or non-profit organization? [X] Yes [ ] No
[ ] Political committee registered under Minnesota Statute 10A.14? [ ] Yes [X] No
[X] Organization which has been existence for three (3) years? [X] Yes [ ] No

Contact Person Name: Dakota Koski

Address: 1214 1/2 Cloquet Ave PO BOX 428

City, State, Zip: Cloquet MN 55720

Home Phone: N/A Work Phone: Cell Phone:

E-Mail Address: Dakota@REACHMentoringProgram.com

Event Dates and Times: SATURDAY SEPTEMBER 5, 2015 FROM 5-10 PM

Purpose of the Event: "OLD FASHIONED ARMORY DANCE"

Estimated Total Attendance at the Event: 350

Name of Location for Event: CLOQUET NATIONAL GUARD ARMORY

Address for Event: 801 HWY 33 SOUTH CLOQUET, MN 55720

Is the event a Community Festival? [X] Yes [ ] No (Must be designated by the Cloquet City Council.)

Will organization contract for intoxicating liquor?  Yes  No

If yes, please list:

Name of on sale license holder: NORTHEASTERN SALOON + GRILLE

Address: 115 ST. LOUIS AVE

CLOQUET MN. 55720

Contact Person: BERT WHITTINGTON Phone No. 218-393-0657

Full Year On Sale Intoxicating Liquor License No. 1 CLOQUET

Will event be outdoors?  Yes  No

What type of enclosure will be used for the outdoor area? N/A

(Area shall be enclosed by a fence or other enclosure)

Describe all types of entertainment to be provided at the event. If entertainment is not planned, describe what will occur.

VARIOUS MUSICIANS AND BANDS

Days / Times of Entertainment: 5 SEPTEMBER 2015 5-10 PM

Will there be a band?  Yes  No

Will the entertainment be amplified?  Yes  No

Has this organization had any temporary liquor or wine licenses in the City of Cloquet in the past 12 months?  Yes  No

If yes, list the Event and Date(s): \_\_\_\_\_

**The City of Cloquet reserves the right to request additional information to assist in the evaluation of this application.**

I do hereby swear that the answers in this application are true and correct to the best of my knowledge. I do authorize the City of Cloquet, its agents and employees, to obtain information and to conduct an investigation, if necessary, into the truth of the statements set forth in this application and my qualifications for this license.

Signature of Applicant:  Date: 7-13-15

Print Name Dakota Caleb Kasal  
First Middle Last

FOR CITY USE ONLY: (When applicable)				
	Signature:	Approved:	Denied:	Date:
Police Chief:				
City Administrator:				



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	
REACH INC.	OCT 29 2000	81-0598151	
Address	City	State	Zip Code
1214 1/2 CLOQUET AVE PO Box 428	CLOQUET	Minnesota	55720
Name of person making application	Business phone	Home phone	
DAKOTA KOSKI	218-499-4293	N/A	
Date(s) of event	Type of organization		
5 SEPTEMBER 2015	<input type="checkbox"/> Club <input type="checkbox"/> Charitable <input type="checkbox"/> Religious <input checked="" type="checkbox"/> Other non-profit		
Organization officer's name	City	State	Zip
X		Minnesota	
<input type="button" value="Add New Officer"/>			

Location where permit will be used. If an outdoor area, describe.

CLOQUET NATIONAL GUARD ARMORY (INSIDE)

If the applicant will contract for intoxicating liquor service give the name and address of the liquor license providing the service.

NORTHEASTERN SALOON + GRILLE BERT WHITTINGTON  
115 ST LOUIS AVE CLOQUET MN 55720 218-393-6

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

WILSON MUTUAL INSURANCE COMPANY

APPROVAL

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

City/County	Date Approved
.00	
City Fee Amount	Permit Date
	bfritsinger5@ci.cloquet.mn.us
Date Fee Paid	City/County E-mail Address

Signature City Clerk or County Official

Approved Director Alcohol and Gambling Enforcement

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

**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)**