



Annual Report 2018 for the Community Development Department

The core functions of the Community Development Department are to provide building inspections and housing code compliance; planning, zoning, and subdivision review, and economic development services. This is the annual report reviewing the activities of the Community Development Department during the year 2018. As such, the below report is broken up into these service function areas.

Department staffing consists of four employees: one economic development staff (Community Development Director), one planning staff (City Planner / Zoning Administrator), one building and housing staff (Building Official), and a shared secretary with the Public Works Engineering Division (Secretary). The Department utilizes the consultant services of Duane Grace for industrial building code reviews. Additionally, the Department uses the Northspan Group for business loan reviews, Ehlers as financial advisors, and Briggs and Morgan as Development Attorney. Periodically, the Department utilizes the services of Pro-West and Associates to create GIS data layers unique to the City's regulatory information.

In terms of staff development and leadership roles this year, Building Official Munter was asked to serve as the Northeast Minnesota Representative from the Arrowhead Chapter to the Association of Minnesota Building Officials (AMBO). Mr. Munter also serves in the role of President for the Arrowhead Chapter of Building Officials.

Staff maintains the following professional memberships:

- *Laurie Anderson, Secretary: MN Minnesota Building Permit Technicians Association (MBPTA)*
- *Al Cottingham, City Planner/Zoning Administrator: Minnesota Chapter of the American Planning Association (MnAPA and APA)*
- *Matt Munter, CBO Building Official/Code Enforcement: Association of Minnesota Building Officials (AMBO) Board Member, Arrowhead Chapter of Building Officials*
- *Holly Hansen, EDFP/AICP Community Development Director: Economic Development Association of Minnesota (EDAM), Iron Range Economic Alliance (IREA), Minnesota Chapter of the American Planning Association (MnAPA and APA)*

Building Code Administration

This year staff transitioned building permits into a new software system, PermitWorks. Inspection requests and permit data are organized by Secretary Laurie Anderson. In 2018, the total building permits issued were 447 compared to 584 permits in 2017. The large commercial projects this year were:

- New Members Cooperative Credit Union (MCCU) Office \$3,143,619



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- City of Cloquet Water Treatment Plant \$2,517,500
- Sappi (construction of a 40' x 46' building to house a new evaporator) \$1,923,221
- Aldi's Store \$1,750,000
- Aldi's retaining wall \$302,900
- Cloquet Interiors (post fire building replacement) \$275,000
- Toy Barn Mini Storage \$103,670
- Stanley Avenue State Farm Office Renovations \$65,000
- Our Saviors Lutheran Roof Replacement \$54,000
- Cloquet Area Fire District Roof Replacement \$46,880



Aldi's under construction along Big Lake Road.



After a devastating fire in 2018 that yielded a total loss, Cloquet Interiors rebuilt on Hwy 33 North.

Annual building values for 2018 totaled \$16,454,863 which were up from \$7,939,594 in 2017. The City continues to administer building permits and inspections for the City of Scanlon generating \$11,545.37 in revenue in 2018, up from \$2,446.31 in 2017. There were 5 new single-family homes constructed this year compared to 15 in 2017. In terms of Capacity Availability Fees (CAF), which are connections to the regional Western Lake Superior Sanitary sewer system, most connections were for multifamily this year.

Other notable directions this year for the City include the purchase of the Downtown MCCU Building to relocate City Hall in 2019, completion of transformative parks projects along the riverfront and a unique skate park, transportation improvements include the West End and Cloquet Avenue and the Hwy 33 Roundabout project.

Housing Code Enforcement

Chapter 10 of City Code outlines the building and housing code requirements. In 2018, the department placarded 17 properties for water shut offs or other lack of utilities (electric or heat), 14 of these were turned back on. Staff continues to work with owners, managers, and the Carlton County Assessor's Office in creatively addressing property distress. Carlton County tore down two single family tax forfeited homes this year (323 21st ST and 333 20th ST). Staff managed a vast spectrum of types of housing code violations (34 in 2018) covering a broad spectrum of issues:

- Ongoing work related to a structural condemnation tear down on 20th Street
- Abandoned homes and vacant commercial buildings
- Lack of resolution on a private retaining wall collapse in the West End

2018 CONSTRUCTION HIGHLIGHTS



Members Cooperative Credit Union (MCCU) under construction along South Hwy 33.



The City's new Water Treatment Plant under construction along Armory Road.



Downtown transformative roadway investments were made this year adding streetscaping elements including new streetlights, wayfinding signage, bike lanes and pedestrian bulb-outs.



Parks investments included the completion of the Dunlap Island Park along the St. Louis River, Skatepark along 14th Street, Pine Valley mountain bike trails and more. MnDOT completed the Hwy 33 roundabout safety project.





TABLE 1: 2018 BUILDING PERMIT COMPARISON

CITY OF CLOQUET PERMITS Type	2017			2018		
	No.	Value	Amount	No.	Value	Amount
ADDITION/REMODEL COMMERCIAL/INDUSTRIAL	5	\$1,273,298.00	\$10,197.34	7	\$553,350.00	\$7,226.59
ADMIN COMMERCIAL/INDUSTRIAL	39	\$3,202,873.00	\$26,358.67	25	\$2,766,707.00	\$19,398.71
BUILDING PERMIT NEW COMMERCIAL/INDUSTRIAL*	3	1,435,174.00	15,008.94	7*	\$5,583,189.00*	\$44,923.71
ADMINISTRATIVE PERMIT	89	588,984.00	8,517.78	69	\$346,527.00	\$7,695.23
BUILDING NEW RESIDENTIAL	15	807,000.00	10,892.15	5	\$1,170,086.00	\$14,059.53
BUILDING NEW MULTI-FAMILY RESIDENTIAL	0	0	0	1	\$5,193,499.00	\$32,557.24
BUILDING NEW DUPLEX	0	0	0	2	\$494,000.00	\$5,912.94
BUILDING PERMIT ADDITION OR REMODEL	6	220,346.00	3,184.57	13	\$119,759.00	\$2,207.88
BUILDING PERMIT DECK	12	63,093.00	1,812.69	10	\$46,120.00	\$1,385.06
BUILDING PERMIT NEW GARAGE	22	348,828.00	6,824.21	11	\$181,626.00	\$3,304.97
DEMO - ACCESSORY	1	0	26.00	2	0	\$26.00
DEMO – COMMERCIAL	1	0	1.00	1	0	\$100.00
DEMO – RESIDENTIAL	1	0	0	3	0	\$2.00
GRADING PERMIT	3	0	304.40	6	0	\$513.13
MECHANICAL PERMIT	103	0	1,510.00	85	0	\$3,915.00
PLUMBING	70	0	3,180.00	47	0	\$2,780.00
RE-ROOF OR RE-SIDE	151	0	10,451.00	88	0	\$8,988.00
SIGN	9	0	989.00	14	0	\$898.00
ACCESSORY BUILDING SITE LOCATION	9	0	250.00	19	0	\$425.00
FENCE PERMIT	45	0	1,250.00	32	0	\$675.00
TOTAL	584	\$7,939,594.00	\$83,954.70	447	\$16,454,863.00	\$156,993.99
CITY OF SCANLON PERMITS	16	\$96,111.00	\$2,446.31	50	\$705,230.00	\$11,545.37

**this does not include permits or values for the City's Water Treatment Plant on Armory Road (\$2,517,500), nor the Sappi construction project of a 40' x 46' building for a new evaporator (\$1,923,221), or the Cloquet Area Fire District's reroofing project at 508 Cloquet Avenue (\$46,880)*



TABLE 2: 2018 SEWER CONNECTIONS (CAF)

<u>TYPE</u>	<u>Total CAF Units</u>
Capacity Availability Fee/Permits (Single Family)	1
Capacity Availability Fee/Permits (Multifamily)	37
Capacity Availability Fee/Permits (Commercial/Industrial)	1
TOTAL	39

TABLE 3: 2018 ZONING AND SUBDIVISION APPLICATIONS PROCESSED

<u>TYPE OF APPLICATION</u>	<u>NUMBER</u>
Appeals	0
City Owned Land Requests	0
Conditional Use Permit Applications	1
Residential	1
Commercial/Industrial	0
House Moving Permit Applications	0
Gravel Extraction (new)	0
Gravel Extraction (renewals)	4
Other	1
Planned Developments	0
Residential	0
Commercial/Industrial	0
Site Plan Reviews (Design Standards)	4
Subdivision Plat	0
Subdivision Lot Splits or Consolidations (Administrative Review)	8
Variance Applications	6
Subdivision Regulations	0
Zoning Ordinance	6
Wetland Review	4
Zoning Amendment Applications	4
Map	1
Text (Subd. Regs. Amendment)	3
TOTAL	32

TABLE 4: 2018 INSPECTIONS PERFORMED

<u>TYPE OF INSPECTION</u>	<u>NUMBER</u>
Building permits (include plumbing, fences, signs etc.)	791
Gravel Mine Operations	4
Housing Code Violations (added Habitation Condemnation)	48
Zoning Ordinance Violations	7
TOTAL	850



TABLE 5: 2018 FEES COLLECTED

<u>TYPE OF FEE</u>	<u>AMOUNT</u>
Building Permits (retained by the City)	\$101,740.00
Building Permits (state surcharge)	8,774.05
Cloquet Plan Review Fees	40,267.48
Scanlon Building Permits (retained by the City)	\$6,933.65
Scanlon Building Permits (state surcharge)	7.00
Scanlon Plan Review Fees	2,973.10
Mechanical Permits	4,226.00
Excavation Permits	900.00
Grading Permits	513.13
Plumbing Permits	3,621.00
City CAF Fee Retained	1,616.00
Sign & Other Permits	3,095.00
Zoning & Subdivision Fees	6,200.00
TOTAL	\$180,866.41

Zoning and Subdivision Administration

There were 32 zoning and subdivision applications in 2018, compared with 31 in 2017 and there were 4 Wetland Conservation Act (WCA) cases. Community discussion on these issues are administered and facilitated by the City Planner Al Cottingham and the volunteer Planning Commission whose participation remains actively engaged with seven members:

Cloquet Planning Commission 2018

- **Uriah Wilkinson**, Chair
- **John Sanders**, Vice Chair
- **Terri Lyytinen**
- **Nathaniel Wilkinson**
- **Elizabeth Polling**

Notable Zoning Cases in 2018 included:

- Members Cooperative Credit Union (MCCU) Site Plan & Variance for New Building Construction on South Hwy 33
- Aldi’s Site Plan & Variance for New Building Construction on Big Lake Road
- Cloquet Middle School Apartments (Cloquet Housing Limited Partnership/ROERS) Comprehensive Plan Amendment, Rezoning, & Variance for Adaptive Reuse of a Historic Building



The historic Cloquet Middle School building at 509 Carlton Avenue.

Staff monitored the construction process of the next landfill cell construction at the Shamrock Landfill. The MPCA (state) oversees the construction and inspection while the City attended the inspection for informational purposes. This year staff participated



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in the Washington Avenue Stakeholders group, Cloquet Middle/High School Safe Routes to School Committee and attended brownfields training.

Economic Development

Economic Development work for Cloquet is facilitated by Community Development Director Holly Hansen and led by the Cloquet Economic Development Authority (EDA), a seven-member volunteer commission who provide the platform for local economic discussion and decision making.

Cloquet EDA Commissioners 2018

- President Ross Peterson, Frandsen Bank and Trust
- Vice President David Bjerkness, City Councilor
- Russ Smith, Retired Cloquet Schools
- Roger Maki, City Councilor
- Steve Micke, Reliable Insurance
- Mike Schultz, Sappi Fine Papers North America Division
- Shelly Peterson, Boldt Construction

EDA Goals for 2018

Goal #1 - Promote the Development & Maintenance of Housing by implementing the 2014 Cloquet Housing Study and Taskforce Recommendations

Strategy: Ensure that the City's housing stock supports the needs of local employers, employees, and targeted businesses including the adequate marketing of the City's housing (re)development opportunities.

Goal #2 - Develop the Cloquet Business Park

Strategy: To increase sustainable business and employment opportunities within the Cloquet Business Park while broadening the commercial/industrial sector and tax base.

Goal #3 - Downtown Revitalization

Strategy: Increase the number and variety of retail, office, commercial, and mixed-use destinations to maintain Downtown as a vibrant destination and place of commerce.

Goal #4 – Workforce Development

Strategy: To ensure local industries have the opportunity to educate local students on career opportunities in their community.

Goal #5 – Proactively Participate in Private Redevelopment of Underutilized Properties and Land along South Highway 33 for Retail/Office Development and North Highway 33 for Commercial/Mixed-use Development Opportunities

Strategy: To increase the diversity of retail shopping alternatives for the residents of the City and attract others to shop in Cloquet and to craft viable office employment centers in Cloquet stimulating job creation.



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Goal #6 - Business Retention, Expansion (BRE) and Attraction

Strategy: To increase the positive interactions and engagement with existing businesses through partnerships and networking in support of our desirable small town atmosphere.

Goal #7 - Provide Proactive Economic and Community Development Leadership and Support

Strategy: Economic Development projects to be considered and pursued within Cloquet will be communicated proactively with the City to successfully transition projects through various approval processes.

EDA Involvement 2018

HOUSING SUPPORT:

- The Cloquet Public Works Department enlisted the assistance of the Cloquet EDA in preparing a Request for Proposals (RFP) for the City's former Water Tower site on Avenue E. The EDA solicited residential contractors to construct two single-family homes meeting the neighborhood stabilization goals of the Housing Study as well as single-family home development goals. Boss Builders purchased the property from the City and will construct these homes in 2019.
- The EDA reviewed the sale of County Tax Forfeit Property to be transfer to One Roof Community Housing for Acquisition Rehabilitation of single-family housing at 302 North Road.
- The EDA issued an application for the MN City Participation Program for various first time home buyer loans within the City along with other program assistance. The provided funding by MHFA is on a per capita basis (population), with each applicant allocated a minimum of \$100,000. In 2018 Cloquet was allocated \$210,730.67 in designated program bonding funds and use d \$1,745,344 (*spilling over into the statewide pool of funding*), translating into 14 loans and 727% program utilization. In 2019 three Cloquet banks are set to participate including North Shore, US Bank, and Frandsen Bank and Trust.
- EDA members attended the Open House for the Cloquet Middle School Apartments adaptive reuse project.
- EDA members attended the ground breaking for the White Pine Apartment Project by the Cloquet HRA.
- Work continued on the Cloquet Patio Homes Project, a single-family TIF project supported by the EDA.



The Cloquet HRA's groundbreaking for White Pine Apartments.



The Country Club Patio Homes project along West Carlton Ave.

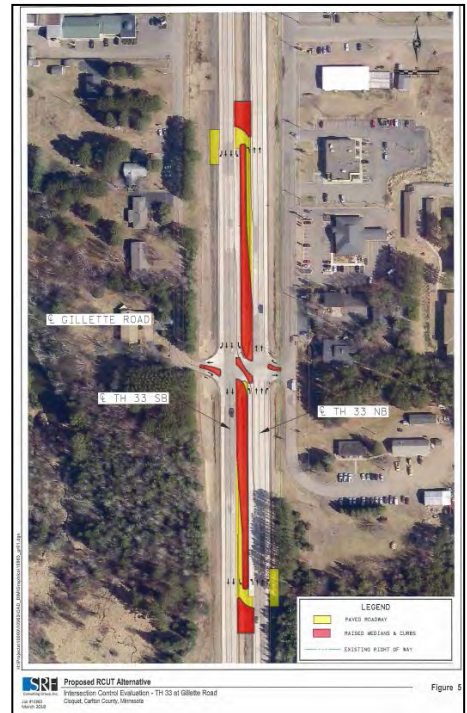
BUSINESS:

- The EDA prepared a Purchase and Option Agreement between the City of Cloquet and Toy Barn Storage



The first building by Toy Barn Storage in the Cloquet Business Park.

- The EDA prepared a Purchase and Option Agreement between the City of Cloquet and Toy Barn Storage LLC for land in the Cloquet Business Park. One building was then constructed in 2018.
- Staff conducted business visits and toured businesses and regional economic development partners through several Cloquet buildings including the Duluth Seaway Port Authority through the Dakota Systems Building, and APEX and Northspan through the Diamond Match building and 1103 Avenue B. Staff participated in meetings with the railroad related to costs extending the system within Cloquet, regional trail extension discussions, and transportation discussions on Big Lake Road. Staff continues to maintain available industrial/commercial buildings for sale/lease on the Northland Connection website.
- Staff initiated an ICE (Intersection Control Evaluation) Study on South Hwy 33 from the Walmart Signal to the DNR site to evaluate safety and flow improvement options in an effort to best situate this area for improved traffic flow safety as it redevelops.



The 2018 33 ICE Study for the area south of the Walmart signal recommended J-Turns for safety and functionality.

PROGRAMS / INITIATIVES / PROJECTS:

- The EDA crafted the Advance the West End Loan and Grant Program to facilitate owner-occupied storefront businesses in the West End Historic District and held a Press Conference in Fauley Park.
- The EDA participated in the MN Investment Fund (MIF) Onetime Exception with the State. Legislators added a mechanism for governmental entities with loan repayment funds the option to repay the state 20% of their balance by June 30, 2018 with the ability to retain 80% of the MIF funding balance removing the MIF funding restrictions. The Cloquet EDA retained \$105,006.21 for projects/loans.
- Staff worked with Granicus on a new Cloquet EDA website www.cloqueteda.com.

- The EDA held an Event in the Cloquet Business Park partnering with MnPower to share information on business programs, energy efficiency and conservation opportunities, Cloquet Business Park lots for sale, and incentives for new construction, existing buildings, and for businesses of all sizes.
- EDA members participated in the Carlton County – Futures Workshop conducted by U of M staff and organized by Carlton County. An Economic Impact Analysis was done for the County and then a workshop was held with area decision makers for additional feedback.
- The EDA supported Citywide promotions for Small Business Saturday advertising with print media, the City Facebook page and radio.
- Direct Digital Marketing Project (Ady Advantage): Utilizing the findings of the 2017 Cloquet Business and Community Marketing Strategy, this project prepared digital ads that were targeted to executive decision makers for the two industry growth sectors



identified for Cloquet (Transportation Distribution and Agricultural Food Processing). Google Analytics data from the new Cloquet EDA website were used to monitor the viewing of these digital ads.

EDA Commissioner Shelly Peterson, Vice President David Bjerkness and President Ross Peterson speak at the West End Press Conference in June 2018.



An informational meeting for businesses on City of Cloquet and MnPower programs.



Advance the West End: Loan Program



This program is designed to help spur business development in Cloquet's Historic West End Business District and fill vacant buildings and storefronts. The funding will:

- Assist small businesses with the purchase of commercial property
- Help finance business owner-occupied building renovations to make a property commercially viable
- Encourage real estate investment in the Historic West End



Encouraging potential in Cloquet's historic West End Business District & riverfront roots.