



## **Annual Report 2019 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 2019. 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). Additionally, the Department uses the Northspan Group for business loan reviews, Ehlers as financial advisors, and Taft Law as Development Attorney/bond counsel. 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 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**

Inspection requests and permit data are organized in PermitWorks by Secretary Laurie Anderson. In 2019, the total building permits issued were 500 compared to 447 permits in 2018. The large commercial projects this year were:

- Adaptive Reuse of the former Cloquet Middle School \$10,096,596
- New Essentia Clinic \$2,800,000



- Cloquet Library Addition \$2,139,400
- City Hall Renovations (old MCCU building) \$706,800
- FDLTCC culinary kitchen/bathrooms \$700,000
- Community Memorial Hospital Pharmacy Renovations \$318,980
- Pine Tree Plaza/Lumberjack Mall projects \$300,000
- 14<sup>th</sup> Street Apartments Phase 3 (factory stick-built, value charged as modular) \$171,000
- New Hangar Carlton County/Cloquet Airport \$145,000
- Renovations former Goodwill/Korman Office \$130,000
- Toy Barn Storage Building 2 \$115,000
- Cloquet Country Club roof project \$38,750
- Queen of Peach Church roof project \$26,297
- Cloquet High School Auditorium \$25,000

Annual building values for 2019 totaled \$17,579,026 which was up \$1,124,163 from 2018. The City continues to administer building permits and inspections for the City of Scanlon generating \$10,015.78 in revenue in 2019, down \$1,529.59 from 2018. There were 7 new single-family homes constructed this year compared to 5 in 2018. 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 include the completion of the City's new Water Treatment Plant (which was included in 2018 permits) and the relocation of City Hall in June 2019.

### **Housing Code Enforcement**

Chapter 10 of City Code outlines the building and housing code requirements. In 2019, the department placarded 27 properties for water shut offs or other lack of utilities (electric or heat). Staff continues to work with owners, managers, and the Carlton County Assessor's Office in creatively addressing property distress.

- The City of Cloquet obtained consent from the owner to tear down a home at 316 20<sup>th</sup> ST with a structural condemnation order that's been in place for over 5 years.
- The City worked with heirs of abandoned 1707 Doddridge to sell their family home before it forfeited, that home is now under renovation.



*Above 316 20<sup>th</sup> Street a visible structural failure, below 1707 Doddridge now under renovation.*





**2019 CONSTRUCTION HIGHLIGHTS**



*A grant for \$784,000 from the MN Department of Education helped fund the addition to the Cloquet Library while the City issued bonds for the remaining amount of \$1.5 million.*



*The site of the former Driftwood Motel on South Hwy 33, soon to be redeveloped into an Essentia Clinic.*



*The 1921 Cloquet Middle School building on Carlton Avenue was renovated into an apartment building using housing and historic tax credit programs.*



*City Hall was relocated into the old MCCU office and renovated adding space for the Cloquet Police Department.*





**TABLE 1: 2019 BUILDING PERMIT COMPARISON**

CITY OF CLOQUET PERMITS Type	2018			2019		
	No.	Value	Amount	No.	Value	Amount
ADDITION/REMODEL COMMERCIAL/INDUSTRIAL	7	\$553,350.00	\$7,226.59	22	\$1,592,527	\$12,839.25
ADMIN COMMERCIAL/INDUSTRIAL	25	\$2,766,707.00	\$19,398.71	12	\$643,490	\$5,603.50
BUILDING PERMIT NEW COMMERCIAL/INDUSTRIAL*	7*	\$5,583,189.00*	\$44,923.71	3	\$3,060,000	\$21,478.18
ADMINISTRATIVE PERMIT	69	\$346,527.00	\$7,695.23	36	\$90,716	\$2,371.60
BUILDING NEW RESIDENTIAL	5	\$1,170,086.00	\$14,059.53	7	\$1,102,560	\$12,753.61
BUILDING NEW MULTI-FAMILY RESIDENTIAL	1	\$5,193,499.00	\$32,557.24	2	\$184,800	\$2,367.98
BUILDING NEW DUPLEX	2	\$494,000.00	\$5,912.94	0	0	0
BUILDING PERMIT ADDITION OR REMODEL	13	\$119,759.00	\$2,207.88	54	\$10,488,543	\$63,951.51
BUILDING PERMIT DECK	10	\$46,120.00	\$1,385.06	7	\$26,897	\$927.75
BUILDING PERMIT NEW GARAGE	11	\$181,626.00	\$3,304.97	18	\$384,493	\$6,457.70
DEMO - ACCESSORY	2	0	\$26.00	0	0	0
DEMO - COMMERCIAL	1	0	\$100.00	2	0	\$200
DEMO - RESIDENTIAL	3	0	\$2.00	4	0	\$75
GRADING PERMIT	6	0	\$513.13	4	0	\$227
MECHANICAL PERMIT	85	0	\$3,915.00	85	0	\$3,945
PLUMBING	47	0	\$2,780.00	52	0	\$9,895
RE-ROOF OR RE-SIDE	88	0	\$8,988.00	104	\$5,000	\$10,511.25
SIGN	14	0	\$898.00	14	0	\$681
ACCESSORY BUILDING SITE LOCATION	19	0	\$425.00	21	0	\$525
FENCE PERMIT	32	0	\$675.00	53	0	\$1,225
<b>TOTAL</b>	<b>447</b>	<b>\$16,454,863.00</b>	<b>\$156,993.99</b>	<b>500</b>	<b>\$17,579,026</b>	<b>\$156,035.33</b>
<b>CITY OF SCANLON PERMITS</b>	<b>50</b>	<b>\$705,230.00</b>	<b>\$11,545.37</b>	<b>53</b>	<b>\$544,614</b>	<b>\$10,015.78</b>



**TABLE 2: 2019 SEWER CONNECTIONS (CAF)**

TYPE	Total CAF Units
Capacity Availability Fee/Permits (Single Family)	4
Capacity Availability Fee/Permits (Multifamily)	29
Capacity Availability Fee/Permits (Commercial/Industrial)	14
<b>TOTAL</b>	<b>47</b>

**TABLE 3: 2019 ZONING AND SUBDIVISION APPLICATIONS PROCESSED**

TYPE OF APPLICATION	NUMBER
Appeals	0
City Owned Land Requests	0
Conditional Use Permit Applications	4
Residential	3
Commercial/Industrial	1
House Moving Permit Applications	0
Gravel Extraction (new)	0
Gravel Extraction (renewals)	4
Other	3
Planned Developments	0
Residential	0
Commercial/Industrial	0
Site Plan Reviews (Design Standards)	4
Subdivision Plat	2
Subdivision Lot Splits or Consolidations (Administrative Review)	9
Variance Applications	4
Subdivision Regulations	1
Zoning Ordinance	3
Wetland Review	2
Zoning Amendment Applications	4
Map	3
Text (Subd. Regs. Amendment)	1
<b>TOTAL</b>	<b>36</b>

**TABLE 4: 2019 INSPECTIONS PERFORMED**

TYPE OF INSPECTION	NUMBER
Building permits (include plumbing, fences, signs etc.)	673
Gravel Mine Operations	4
Housing Code Violations (added Habitation Condemnation)	27
Zoning Ordinance Violations	5
<b>TOTAL</b>	<b>709</b>



**TABLE 5: 2019 FEES COLLECTED**

<u>TYPE OF FEE</u>	<u>AMOUNT</u>
Building Permits (retained by the City)	\$118,956.54
Building Permits (state surcharge)	6,423.60
Cloquet Plan Review Fees	30,077.34
Mechanical Permits	4,431.00
Excavation Permits	2,025.00
Grading Permits	227.00
Plumbing Permits	10,281.00
City CAF Fee Retained	3,601.58
Sign & Other Permits	2,223.00
Zoning & Subdivision Fees	7,715.00
<b>Cloquet Permits</b>	<b>\$185,961.06</b>
Scanlon Building Permits only (retained by the City)	\$10,015.78
<b>Total Permit Revenues</b>	<b>\$195,976.84</b>

**Zoning and Subdivision Administration**

There were 34 zoning and subdivision applications in 2019, compared with 32 in 2018 and there were 2 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 2019**

- **Uriah Wilkinson, Chair**
- **John Sanders, Vice Chair**
- **Terri Lyytinen**
- **Phil Demers**
- **Mark Cline**
- **Elizabeth Polling**

**Notable Zoning Cases in 2019 included:**

- 14<sup>th</sup> Street Apartments - Phase 3, Final Plat and Site Plan
- Essentia Clinic Site Plan on South Hwy 33



Staff attended a variety of Census training pertaining to complete counts, getting the word out, and assistance with completing the on-line questionnaire. Additionally, staff attended a two-day wetland training at the Cloquet Forestry Center on administration and wetland boundary determination (Wetland Conservation Act training for local government units that are administering the Act). Staff conducted a wetland site visit with representatives of the Technical Evaluation Panel (TEP) and the Army Corp of Engineers along with the property owner about the possibility of creating a wetland bank near the intersection of Interstate 35 and South Hwy 33.



### **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. In 2019 the Cloquet EDA launched a new website [www.cloqueteda.com](http://www.cloqueteda.com) which summarizes programs and opportunities within the City.

### **Cloquet EDA Commissioners 2019**

- President Ross Peterson, Retired Banker
- Vice President Lara Wilkinson, City Councilor
- Russ Smith, Retired Cloquet Schools
- Shelia Lamb, City Councilor
- Steve Micke, Reliable Insurance
- Mike Schultz, Sappi Fine Papers North America Division
- John Riihiluoma, RRI Inc.

### **EDA Goals for 2019**

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 – 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.

Goal #4 – Workforce Development

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

Goal #5 - 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 1 - HOUSING ACCOMPLISHMENTS:**  
**SINGLE FAMILY**

- The EDA participated in 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 2019 Cloquet was allocated \$199,244.43 in designated program bonding funds and used \$2,639,463 (*spilling over into the statewide pool of funding*), translating into 18 loans (Start-up, Step-up, and Down payment / Closing Cost Loans). In 2019 three Cloquet banks participated including North Shore, US Bank, and Frandsen Bank and Trust.
- In October 2019 the EDA held their monthly meeting inside of 216 Avenue E, the first of two stick-built homes completed by Boss Builders. The City sold their former Water Tower site to Boss Builders to construct “Move-up / Move-down” slab on grade housing.
- In December 2019, the City issued the TIF Note terms for the completed Country Club Patio Homes single-family TIF project (12 new modular single-family home TIF District).

**MULTI-FAMILY**

- In April 2019 the EDA recommended to Council the sale of city owned land and approval of a multifamily TIF District for 14<sup>th</sup> Street Apartments Phase 3, a 36-unit rental building across from Fond du Lac Tribal and Community College.
- Also in October 2019 was the ribbon cutting for White Pine Apartments, a 35-unit multifamily apartment complex which was a joint project by developer Commonwealth Companies and the Cloquet HRA.
- In November 2019, EDA and community members attended the “Dusty Boots Tour” which opened the West Wing of Carlton Lofts (the former Cloquet Middle School) to occupancy, a complex adaptive building reuse project which when complete will provide 57 units for by Roers Companies utilizing LIHTC and state/federal historic tax credits.

**GOAL 2 - CLOQUET BUSINESS PARK**  
**MARKETING**

- Ady Advantage Direct Digital Marketing Campaign targeting transportation and agricultural markets for business attraction to business executives.

**INQUIRIES ON LOTS/BUILDINGS**

- Several lot inquiries and requests for information on economic development programs.







**CITY OF CLOQUET**  
**Community Development Department**  
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**SINGLE FAMILY PROJECTS**



*EDA Request for Proposals for stick-built move-up/move-down housing construction on land associated with the City's former water tower site on Avenue E. Boss Builders has completed one home, the second will be underway in the spring of 2020. EDA/City land sale, market rate project, for sale \$325,000.*



*Country Club Patio Homes, single family TIF owner-occupied purchase project (100% income restricted). Average purchase price, \$230,000.*



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### MULTI-FAMILY PROJECTS



*14<sup>th</sup> ST Apartments Phase 3, \$3 million 36 units under construction, multifamily TIF rental project (20% income restricted).*

*Cloquet HRA/Commonwealth Companies' White Pine Apartments, \$6 million 35 units LIHTC project (state, 100% rent and income restricted).*



*Roers Carlton Lofts, \$14 million 57 units adaptive reuse of the 1921 Cloquet Middle School federal/state historic tax credits and LIHTC project (state, 80% rent and income restricted, 20% market rate).*



- Directed several leads to the listed, for lease or sale, Daqota Systems building at 305 Business Park Drive East.

**CONSTRUCTION**

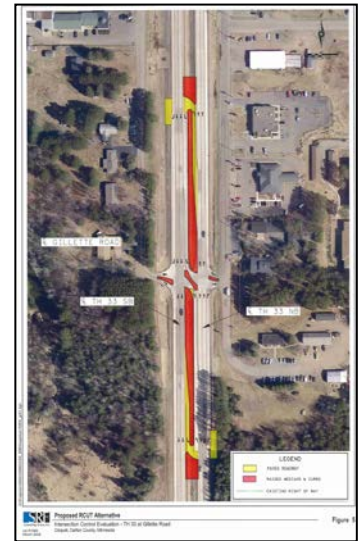
- Toy Barn Storage constructed their second building and completed landscaping, paving, and gating of their facility in the Cloquet Business Park.



*Building 2 and site improvements, Toy Barn Storage, Cloquet Business Park.*

**GOAL 3 - HWY 33 REDEVELOPMENT**

- Utilized the Essentia project and recent EDA 2018 ICE Study to apply for MnDOT Transportation Economic Development grant funding to improve South Hwy 33.
- Partnered with ARDC to apply for EDA Brownfield funds to provide key redevelopment properties tools to investigate clean up needs and Cloquet EDA tools.



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

**GOAL 4 - WORKFORCE DEVELOPMENT**

- Continued work with ISD 94 staff and Cloquet businesses on skill development to feed local and regional manufacturing/trades job options.



*Cloquet High School, workforce development committee featuring the auto shop, welding and other career center amenities, soon to be further expanded in curriculum and equipment in 2020 with grant funding.*

**GOAL 5 - DOWNTOWN**

- Got Beer? Bring it Here!  
 Launched a widespread marketing campaign advertising with the Growler magazine. Proposals seeking a taproom or brewery for Cloquet’s West End Historic District were also direct mailed to existing breweries.
- The EDA supported citywide promotions for Small Business Saturday advertising with print media, the City Facebook page and on local radio.
- Cloquet was selected as an Artists on Mainstreet Community, beginning in January



2020 Cloquet’s West End will have two years of MN Mainstreet Program artist work.

*To the side, a press event in June 2019 at 207 Avenue C for the Got Beer Bring it Here! committing \$175,000 to attract a taproom or brewery into the historic West End Business District to revitalize downtown.*