



Cloquet Economic Development Authority
MEETING AGENDA
Wednesday February 2, 2022
8:00AM

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/390558637>

You can also dial in using your phone.

United States: [+1 \(872\) 240-3311](tel:+18722403311)

Access Code: 390-558-637

ACTION TAKEN

- 1. **Call Meeting to Order** _____
- 2. **Announcements, Adjustments, Correspondence, and Other Comments** _____
- 3. **Approval EDA meeting minutes** _____
 - a. Regular Meeting January 5, 2022
- 4. **Approval of Monthly Financials:** _____
 - a. December 2021
- 5. **Action Items/Presentations:**
 - a. **Cloquet Business Park – Zoning Discussion** _____
 - b. **Draft 2022 Cloquet EDA Goals** _____
 - For reference, 2022 Community Development Annual Report
- 6. **Updates / Discussion**
- 7. **Adjourn**



AGENDA INFORMATIONAL UPDATES 1-26-22

CHAMBER

1. Lunch n Learn - Zoom Style – February 3rd at Noon featuring Kathlynn McConnell from MCCU as speaker “Change Management—from the Inside Out!” (see attached flyer)
2. February 15th - Leadership Program. Jeannie Kermeen will be speaking on Strengths Based Leadership.
3. February 16th - CEO in the Classroom 2.0 (10th grade series)
4. Our Home, Business & Sport Show is coming up on March 11-12 at Black Bear Casino. We still have business booths available!
5. Save the date! Annual Meeting and Banquet –April 28th

COUNTY

- Staff continues to work on the jail and law enforcement projects. with our community advisory committee to see the space needs in person for the new justice center project underway by Carlton County.
- The Randy Flynn commercial rehab HVAC project will go out for bids soon. The Paradigm Therapy project is complete.

CITY

- Blandin Foundation’s—Broadband Accelerate Program, Cloquet is part of a four-team community cohort and meets every Friday for two hours through the end of February. The Cloquet team held a press conference at Cloquet Middle School January 12th, WKLK Radio Show January 20th, and will interview five broadband providers during the month of January. The broadband survey is set to close January 31st and then results will be organized and an iPad winner selected. In the future, the Cloquet Team will hold a Broadband Community Meeting inviting City Boards to attend.
- A public hearing has been rescheduled for February 15, 2022 at the 6pm Cloquet City Council meeting to consider city acquisition of 915 Cloquet Avenue.
- Cloquet was selected to complete a Final Application to the state for West End streetscaping and will hold a public hearing on the application March 1st.
- Please see the attached budget highlights from the Walz Administration on Expanding Economic Opportunity.
- Monthly the Hidden Gems of Cloquet business visits continue, be sure to check features here: <https://www.thehiddengemsofcloquet.com/blog>

Zoom Lunch

These monthly zoom lunches are a great way for us to connect amongst each other while being educated on some key leadership styles.

Please RSVP to the Cloquet Chamber: 218.879.1551 or chamber@cloquet.com

DATE: Thursday, February 3

TIME: 12:00-1:00

LOCATION: - ZOOM STYLE -

CHANGE MANAGEMENT—FROM THE INSIDE OUT!

SPEAKER:

Kathlynn McConnell,
Members Cooperative Credit Union

Within the last year, have you experienced any significant changes in your life? Do you anticipate you will experience a few significant changes in 2022? If the answer is yes, then I encourage you to register for this Zoom lunch. We will chat about how the words we use and the stories we tell ourselves impact change. You will also discover ways you can take care of yourself when faced with rapid changes.

Join Zoom Meeting

<https://minnstate.zoom.us/j/99880342604>

Passcode: LEARN (case sensitive)

One tap mobile:

+13126266799,,99880342604#

Dial by your location:

+1 312 626 6799

Sponsored by:



**CHAMBER
AMBASSADORS**

CLOQUET AREA

Home Business

&

Sports Show

CHAMBER OF COMMERCE

LOCATION!

**Black Bear
Event Center**

Free Admission • Free Parking

Sponsored by:

Cloquet Area Chamber of Commerce

879-1551 or www.cloquet.com

Featuring:

Over 100 Booths

Craft Show

Family Attractions

Live Entertainment

Food & Refreshments

Friday, March 11 • 1-8pm & Saturday, March 12 • 9am-5pm



On March 11 & 12, 2022

the Cloquet Area Chamber of Commerce will host at the Otter Creek Event Center the 21st annual Home, Business & Sport Show.

This show is a high profile marketing opportunity that delivers one-on-one access to the diversity and buying power of thousands of consumers.

Situated minutes from downtown Duluth and surrounding communities of Carlton County, the Otter Creek Event Center at the Black Bear Casino Resort is an easily accessible destination for all visitors.

- Carpeted, temperature controlled comfort
- Plenty of electric outlets—power to show slide presentations, lights, etc.
- Large overhead door—pull vehicle up and unload right onto the show floor
- FREE parking that is out of elements, utilizing the parking ramp
- Three bathrooms right in the convention center area, including two family restrooms
- Family entertainment scheduled for stage use—additional audience opportunity
- Abundant lighting, the sound system is state of art
- 24 hour security, use of coat check available

Additional Vendors: Local Crafters and Home Based Businesses will be featured at the event as well. An additional audience to view your business services and products! (Separate registration form for crafts and home based business booths).

Retail Sales Opportunity: Bring your featured products of choice and SELL THEM in your booth—a great way to showcase your specialties. Don't miss the exposure to the people that are in the city of Cloquet each weekend! This is a great way to show the public what your business has to offer!

Advertise your booth on the jumbo screen for JUST \$100!

Vendor Booth Price (8x10): \$250 (chamber members only)

Ask about discounts available for multiple booths and large floor spaces.

Non-Member Booth Price (8x10): \$400

HOME, BUSINESS & SPORT SHOW BOOTH RSVP FORM

NAME: _____	Method of Payment: <input type="checkbox"/> Check enclosed
BUSINESS: _____	<input type="checkbox"/> Send Invoice <input type="checkbox"/> Visa <input type="checkbox"/> Mastercard
ADDRESS: _____	ZIP: _____
BOOTH CHARGE: \$ _____	JUMBO SCREEN ADVERTISEMENT: \$ _____
TOTAL CHARGE: \$ _____	
<i>Credit Card Number</i>	
SIGNATURE: _____	V-CODE _____
MONTH/YEAR OF EXPIRATION: _____	

The Cloquet Area Chamber of Commerce

Invites you, your employees, co-workers & guests to celebrate our

69th Annual Meeting & Banquet

Thursday — April 28, 2022

Black Bear Casino Resort—Otter Creek Event Center
1789 Hwy 210, Carlton

Social Hour—4:30 p.m.

Minnesota Chamber of Commerce

Awards and Recognition Ceremony

Small Business of the Year *Large Business of the Year*

Dinner Entrée

Entertainment

Desserts & Networking

\$55.00 per person

Please RSVP to the Chamber Office

by Monday—April 15, 2022

THE WALZ-FLANAGAN BUDGET



TO MOVE MINNESOTA FORWARD

EXPANDING ECONOMIC OPPORTUNITY

The Walz-Flanagan economic plan will help build on Minnesota's economic success by putting people—our strongest asset—at the center of the blueprint. The Governor and Lieutenant Governor are investing in students, workers, communities, small businesses—the things that made our economy strong in the first place.

“If you are a frontline worker with children, earning up to \$70,000 per year, you will get about \$2,000 back in your pocket.”

WALZ CHECKS



Deliver \$700 Million in Direct Payments to Minnesotans

Over the past two years, Minnesotans have continued to drive the state's economy forward. As a result, Minnesota has a historic surplus. Governor Walz proposes distributing Walz Checks of up to \$350 directly to Minnesotans. Single tax filers earning up to \$164,400 would receive a payment of \$175. A married couple filing jointly earning up to \$273,470 would receive a payment of \$350. More than 2.7 million Minnesota households would receive a Walz Check under this proposal.

ADVANCE WORKFORCE DEVELOPMENT



Recognize Frontline Workers

The Walz-Flanagan Budget to Move Minnesota Forward recommends \$1 billion to provide payments to frontline workers who have sacrificed during the pandemic to keep Minnesotans safe, healthy, fed, and cared for. This proposal would provide \$1,500 payments to an estimated 667,000 workers, including health care, child care, school, grocery store, food service, transportation, long-term care, building service, public safety, retail, and manufacturing workers. These frontline worker payments recognize the essential work of Minnesotans who have risked their health and continue to provide the vital services needed to keep our state running during this pandemic.



Support Minnesota's Caregiver Workforce

As our state confronts the challenges of the COVID-19 pandemic, Minnesota's caregivers continue to be heroes. The Governor and Lieutenant Governor propose a \$115 million investment to retain frontline workers who provide life-sustaining care for people with disabilities, older adults, people with behavioral health needs, and people experiencing homelessness. Critical workforce shortages in these sectors have deepened during the pandemic and pose a threat to the health, independence, and stability of Minnesotans who rely on it. The Walz-Flanagan proposal will help bolster worker retention by establishing a fund for worker incentive payments, tuition reimbursement, and childcare grants. These resources will support frontline workers and the people who rely on the essential services they provide.



Revitalize Our Health Care Workforce

The pandemic has highlighted the importance of investing in our health care workforce. Minnesota hospitals, clinics, and long-term care facilities face severe staffing shortages, with more than 40,000 open positions needing to be filled. Investing in this high-need career area is vital for the future health of our state. We must break down financial barriers and ensure students see health care as a viable field if we want to fill these open positions and provide Minnesotans with the care they need and deserve. The Governor and Lieutenant Governor's budget makes critical investments in the health care workforce, building on recent programs like free certified nursing training and the Minnesota Future Together Grant, both of which provide tuition-free pathways for students in high-need career areas.



Expand Dual Training Program

The dual-training model pairs on-the-job training with classroom instruction for high-need career areas like manufacturing, agriculture, health care, and information technology. In 2020, 1,900 new apprentices took advantage of dual-training programs through the state's Dual Training Competency Grant Program (DTG). These apprentices are able to earn a living wage while learning their craft and are connected to companies that are invested in their success and can potentially provide long-term employment.



Provide Free High School Equivalency Tests

All Minnesotans, regardless of economic status, should have the opportunity to earn a high school equivalency diploma. Currently, the high school equivalency assessment can cost up to \$144 for one full battery. The Governor and Lieutenant Governor's proposal would invest \$345,000 per year to pay for the first complete battery of a commissioner-approved high school equivalency assessment.



Advance Technology Re-Skilling Training

The COVID-19 pandemic has disproportionately impacted women and communities of color. In working toward racial, gender, and economic justice, and to meet the growing labor needs in Minnesota's tech industry, Governor Walz proposes an investment of \$13 million in the Adult Tech Training Program for Black, Indigenous, People of Color (BIPOC), and women. These are some of the highest-paying jobs in the state and will help close the gap on racial and gender disparities in our communities while also meeting tech labor demands.



Invest in Institutions of Higher Education

The success of Minnesota’s public higher education systems is directly tied to the success of our state. The University of Minnesota system alone contributes more than \$8.6 billion a year in economic activity to the state, supporting more than 77,000 jobs across Minnesota and generating more than \$470 million in state taxes. Governor Walz and Lieutenant Governor Flanagan will invest in the University of Minnesota and the Minnesota State systems to help maintain our state’s reputation as a national leader in research and innovation. These investments will also address the rising cost of attendance, working to make higher education more attainable and ensuring Minnesota continues to be a top destination for prospective students.



Modernize Workforce Tools

Now, more than ever, Minnesota must modernize its digital services to meet the needs of Minnesotans where they are, with the services they need to find training programs to grow their skills, find job opportunities, and find a career path to achieve success. The Governor’s budget invests \$15 million in one-time funding to modernize the Department of Employment and Economic Development’s workforce system to best serve Minnesota jobseekers with upgraded digital tools that bring the resources Minnesotans can get in-person, virtually.

INCREASE EDUCATIONAL OPPORTUNITIES



Expand Access to Rigorous Coursework and Career and Technical Education

Access to rigorous coursework opportunities—such as such as Advanced Placement (AP), International Baccalaureate (IB), Career and Technical Education (CTE), and Concurrent Enrollment and Early Middle College courses—provides students with the opportunity to be better prepared for their careers and college. Minnesota continues to see significant gaps in rigorous course taking for students living in poverty, BIPOC students, students learning English, and those with disabilities when compared to their peers. That is why the Governor and Lieutenant Governor recommend \$10 million annually to expand rigorous coursework for historically disenfranchised students and students in Greater Minnesota.



Increase Tech Jobs Pipeline for Minnesota Youth

Minnesota’s talent pipeline for technology severely lags the nation and as a key indicator, last year Minnesota ranked 50th out of 50 states in the number of students who took the AP computer science examination. Yet, this sector is critical to Minnesota’s economic growth. That’s why Governor Walz is investing \$15 million in the Tech Youth Training program – to prepare the future of our workforce, Black, Indigenous and People of Color (BIPOC) students and youth to meet the demands of Minnesota’s growing tech industry and leave the program with connections to employer ready to hire into the highest-paying career tracks in the state.

LOWER COSTS FOR CONSUMERS



Permanently Lower Home Energy Bills

In order to permanently lower home energy bills, Governor Walz and Lieutenant Governor Flanagan propose additional investment in the Weatherization Assistance Program, which will save money and save energy for about 7,000 income-eligible Minnesotans by making their homes more energy efficient and safer. The proposal permanently lowers home energy costs by 20-30% for Minnesotans who pay at least two times higher for energy bills than the average household. We know that lower income Minnesotans are disproportionately impacted by climate change. Homes most in need of weatherization services leave Minnesotans exposed to extreme weather events like cold, flooding, and wind damage—all of which are occurring more frequently due to a changing climate. The Weatherization Assistance Program helps Minnesotans not only lower their energy bills in a permanent way, but also helps curb the effects of climate change and reduces demands on our state's overall energy infrastructure.

CUT TAXES FOR FAMILIES AND SMALL BUSINESSES



Replenish the UI Trust Fund

Minnesota's Unemployment Insurance (UI) program acted quickly to ensure that Minnesotans who lost their job due to the pandemic were able to pay their rent, buy food for themselves and their families, and weather the most difficult periods of the pandemic. UI benefits were a lifeline to Minnesota workers and their families during the pandemic, providing more than \$14 billion in cash assistance to nearly 900,000 workers. Now, the Governor and Lieutenant Governor propose replenishing the UI Trust Fund in case it's needed again, while making sure that the employers who also struggled don't bear the cost of this assistance.

The Governor and Lieutenant Governor's budget makes a one-time investment of \$2.73 billion to replenish the UI Trust Fund, which will prevent pandemic-related tax increases for businesses that were negatively impacted by COVID-19. This investment ensures that businesses across the state are held harmless and that future UI tax rates for employers will not be impacted by the pandemic.

A \$2.73 billion investment in the UI Trust Fund translates to a roughly \$900 investment per worker.



Provide Tax Cuts for Middle Class Families with Child Care Costs

Child care and other dependent care expenses continue to increase for Minnesota families. This proposal recognizes the challenges of the current environment by increasing the income threshold and maximum credit amount for Minnesota's Dependent Care Credit, which will provide tax cuts to more Minnesota taxpayers. The income threshold would increase from \$53,100 to \$70,000. This would make about 20,900 more Minnesota households eligible for the credit with an average tax cut would be \$271. This proposal would also update Minnesota's Newborn Credit to be available for all taxpayers regardless of marital status. Under this proposal, about 2,600 more taxpayers will be eligible for the credit.



Provide Tax Cuts for Middle Class Families with Expenses for Children in School

Families and students are working overtime to make sure everyone stays healthy and in school. They shouldn't need to also worry about how to afford the supplies necessary to get a world-class Minnesota education. This proposal would increase eligibility for Minnesota's K-12 Education Credit. Minnesota households earning up to \$70,000 would now qualify, allowing 38,600 more households to be eligible, with an average credit amount of \$306.

ENSURE BROADBAND ACCESS FOR EVERY MINNESOTAN



Finish Broadband Statewide

The Walz-Flanagan budget invests \$170 million to finish the job of bringing border-to-border broadband access to all Minnesotans. Over the past two years, the need for high-speed, high-quality broadband has grown dramatically. Through the past several years of the state's border-to-border broadband program, about 93% of Minnesota households have reliable broadband. The Governor and Lieutenant Governor's investment, which would remain a competitive matching fund grant program, would finally pave the way for achieving the state's goal of providing every Minnesotan with reliable broadband.

FOSTER BUSINESSES DEVELOPMENT STATEWIDE



Invest in the Angel Tax Credit

The Governor recommends allocating \$7 million for the Angel Tax Credit in FY23 and \$10 million in FY24-25. The program is Minnesota's primary economic development tool to assist early stage businesses engaged in technological innovation by providing a tax credit to investors or investment funds that make an equity investment. The Angel Tax Credit program has resulted in over \$498 million in private investment in Minnesota startups, leveraged by the state's issuance of \$120 million in tax credits to angel investors.

Investing in this program prioritizes economic growth and builds on Minnesota's existing ecosystem of high tech, high innovation companies, including the state's clean energy technology and biotech/bioscience businesses. The Angel Tax Credit will help communities across the state create wealth by incentivizing investment in companies with founders that are women, veterans, minorities, and those headquartered in Greater Minnesota.



Enhance Launch Minnesota

Governor Walz proposes investing \$5 million in the Launch Minnesota program to expand supports for our startup ecosystem and launch an accelerator to help startups scale in Minnesota. Launch Minnesota works to attract top entrepreneurial talent to Minnesota through a series of initiatives focused on growing our innovation economy to keep our state competitive nationally and globally. The proposal would allow the program to partner with appropriate ecosystem leaders to build an accelerator for startup growth in Minnesota. Focused on industries in which we see the most momentum – healthcare, clean energy, and agriculture/food, fintech and software/IT this state-wide accelerator will be a landing spot for companies looking to scale-up, giving them the connections, resources, and technical assistance to grow.

SUPPORT FARMERS AND LIVESTOCK PRODUCERS



Provide Relief to Farmers and Livestock Producers Suffering from Drought

Agriculture is one-fifth of Minnesota's economy – that means investing in the futures of farmers supports a strong Minnesota economy. But severe drought conditions during the 2021 growing season resulted in significant losses for Minnesota crop and livestock farmers.

The Governor and Lieutenant Governor are proposing an investment of \$10 million to help Minnesota farmers and livestock producers who suffered losses caused by the severe drought this past growing season. This includes \$5 million in rapid response grants to livestock producers and specialty crop growers and \$5 million for the Rural Finance Authority's Disaster Recovery Loan Program, which makes zero-interest loans available to farmers struck by the disaster.



Ensure the Viability of Minnesota's Food Supply and Ag Economy

The Walz-Flanagan Budget to Move Minnesota Forward proposes \$3 million to support and expand the state's overall livestock processing capacity. These funds would be used to supplement the Agricultural Growth, Research, and Innovation (AGRI) Program's existing grants for meat, poultry, egg, and milk processors by creating a supplemental program outside of the AGRI appropriation to provide

additional grants to processors.

The Governor and Lieutenant Governor's budget also recommends \$3 million over the course of three years to help small to medium-sized meat processors attract and retain employees who conduct the critical work of maintaining our food supply, especially during the pandemic, as well as \$2.5 million in grant funds to Central Lakes College and Ridgewater College for complementary meat cutting and butchery programs to increase meat processing capacity throughout the state.

Additionally, the Governor and Lieutenant Governor recommend a \$200,000 investment over the course of three years in the state's Meat and Poultry Inspection program to enable the state to meet an increased demand for inspection services for small, local, and niche processors statewide.



DRAFT

MINUTES OF THE CLOQUET EDA MEETING

EDA Members Present: Steve Micke, Dave Manderfeld, Lyz Jaakola, Lara Wilkinson (in person) and John Riihilouma (by phone)

EDA/Ex-Officio/Staff Members Absent: Sue Ryan, Mark Lanigan (EDA Commissioners), Kelly Zink (Chamber), Mary Finnegan (Carlton County)

Ex-Officio Staff/Staff Members/Others Present: Katie Bloom, Holly Hansen, Tim Peterson (City)

1. CALL TO ORDER

President Micke called the meeting to order at 8:14 a.m. The meeting was conducted in person onsite at City Hall.

2. ANNOUNCEMENTS, ADJUSTMENTS, CORRESPONDENCE AND OTHER

None.

a. PUBLIC COMMENTS / EDA COMMISSIONER COMMENTS

None.

3. APPROVAL OF MONTHLY EDA MEETING MINUTES

President Micke asked for any corrections or additions to the December 1, 2021, EDA Meeting Minutes? Hearing none he asked for a motion.

Motion: Commissioner Manderfeld moved, and Commissioner Jaakola seconded, that the EDA approve the EDA Meeting Minutes from December 1, 2021. (Motion passed 4-0).

4. APPROVAL OF MONTHLY EDA FINANCIALS: NOVEMBER 2021

CASH BALANCES

Ms. Hansen reviewed the November 2021 cash balances and loans for the EDA. For the cash balances, she noted an increase in Fund 201 and no change in Project Fund 201. There were decreases in Fund 202 due to Adams Street legal fees. Fund 203 increased due to loan repayments as did Fund 206 from residential Small Cities loans.

LOAN BALANCES

Ms. Hansen noted that all loans are current.

Motion: Commissioner Jaakola moved, and Commissioner Manderfeld seconded, that the EDA November 2021 financials be approved. (Motion passed 4-0).

DRAFT

5. ACTION ITEMS / PRESENTATION / DISCUSSION

a. Recap 2021

Ms. Hansen mentioned legislatively – the City’s Sales Tax request for improvements to Pine Valley Hockey Facilities and Regional Park facilities will be up for vote this November and Sappi’s Water Line improvements are under review by the Bonding Committee.

RECAP 2021

Goal #1 – Broadband: Improve Residential and Business Networks

Accomplishments 2021:

- Formed the Cloquet Broadband Committee
- Partnered with CTC on a web-based broadband survey
- Received Blandin grant, one for four communities, to go through a community engagement process as a Blandin Broadband Community
- Five provider interviews are scheduled in January 2022 along with a press conference to relaunch of the survey (incentive to win an iPad).

Goal #2 - Promote the Development, and Maintenance, of Housing by implementing the 2014 Cloquet Housing Study and Taskforce Recommendations

Accomplishments 2021:

- Single-Family/Duplex:
 - City/EDA acquisition of Adams Street for duplex construction in 2022.
 - Trails Edge Phase 1 TIF Note issued for 3 buildings (6 units complete), Phase 2 deadline for completion July 2022 for 2 buildings (4 units)
 - City building permits – 8 new single family homes constructed and 1 duplex on Prospect
- Multi-Family:
 - Union Lofts (former Labor Temple) pulled their Phase 2 building permit in April to construct 11 downtown loft apartments downtown. Toured the EDA through the project and partnered with them on EDA marketing video to feature City programs used.

Goal #3 – Childcare

Accomplishments 2021:

- Participated in County Childcare Committee and held a Childcare Resource Forum during November 2021
- Requested technical assistance from First Children’s Finance to daycare center that needs to relocate and expand within Cloquet

Goal #4 – Develop the Cloquet Business Park

Accomplishments 2021:

- Cloquet DNR Office fully relocated into the Business Park during June 2021
- Toy Barn Storage purchased third lot and constructed another building

Goal #5 – Downtown Revitalization

Accomplishments 2021:

DRAFT

- Artists on Mainstreet Grant Round 1 complete, 10 projects complete, and 2 extensions granted; Grant Round 2 – workshop March 2022 for 2022 projects
- Revolved Small Cities Grant projects
- Staff continues to respond to space and building inquiries in the Downtown.
- Pedros relocated their restaurant operations into the former NE Barbeque during October 2021
- Submitted draft SCDP application for new streetlights in West End Business District and leveraged project partnerships with USG on the application.

Goal #6 – Business Support

Accomplishments 2021:

- EDA gap financing loan to Bearaboo for permanent financing and expansion. Will partner with their financing team to do a marketing feature on using City programs.
- The Hidden Gems of Cloquet project, conducted 69 business retention visits with 8,008 views of these features launched thus far on: <https://www.thehiddengemsofcloquet.com/> (Businesses featured include: Hong Kong Spa, Burger Shoes, Fig Tree, Sewing Unlimited, North Country Comfort, Skutevik's Floral, Common Grounds, Northern Printery, Wood City Nutrition, Community Printing, Morning Star, Pack & Mail, Bearaboo, Medicine Shoppe, Daugherty Appliance, Park Avenue Fitness and Therapies, B&B Market, Gene's Marine, Sara's Vac Shack, Cloquet Flooring, Mainstream Boutique, TJ's Gun and Pawn, Hagen's Glass and Paint, Quilted Dog, Cloquet Interiors, Savanna Pallets, Oswell Auto Body, Reliable Insurance, Outdoor Advantage, J3 Insurance, Bergquist Imports, County Seat Theater, Up North Insurance, Vision Pro Optical, Premier Theatres, Cloquet Animal Hospital, Union Lofts, Arrowhead Water, Lambert's Auto Glass, Cloquet Country Club, Jill's Pet Parlor, Ellison Family Chiropractic, Cloquet Service Center, Shooting Stars Dance, Northern Minnesota Eye Care, Nelson Funeral Care, Epic Nutrition, Pioneer Recovery Center, Dave's Cloquet Mattress & Furniture, Angel Nails, American Health Filtration, K1 Sportswear, Mutty Trails, Paradigm Therapy Services, the Wilderness junior league hockey team, L&M Supply, WebMed LLC, Upper Lakes Foods, USG Interiors, Pine Valley 360, LCS Coaches, Cloquet Natural Foods, Pinewood, United Way, Reach, Pine Knot News, Community Memorial Hospital, Northwoods Power Equipment, Northern Lights Community Action.)
- General construction – new Essentia Clinic, Pedros renovations to new downtown location, Walmart remodel, USG remodeling

Goal #7 – Redevelopment Support

Accomplishments 2021:

- The EDA recommended acquisition of their former location, 915 Cloquet Avenue, to the City Council December 21, 2021
- Completed brownfield reports for 2 Cloquet sites received
- Continued approvals for Hwy 33 S J-Turns headed for 2022 construction bids
- Cloquet DNR Office site went up for sale bids December 2021



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b. 2022 EDA Goals Roundtable Discussion

EDA COMMISSIONER AND EDA PRESIDENT MICKE

Most everyone is now set up to work from home as feasible since the onset of the pandemic. I hope the Solem Hotel building presents an opportunity for downtown revitalization in the future. Daycare options remain a challenge, I would suggest outreaching to Father Nick at Queen of Peace to see if they have space available. The Cloquet Business Park, I hope the DNR's move into the Park is momentum to build upon. The new Downtown Pedros renovation of the old Northeast Barbeque is great for downtown, it would be nice to see the Tollerud building upgraded as well. Cloquet local business promotion with Promoting Me has been great, keep it local.

EDA COMMISSIONER AND EDA VICE PRESIDENT MANDERFELD

Some additional smaller restaurants would be great to add into Cloquet. The Cloquet Business Park remains a marketing opportunity. In terms of workforce, everyone is trying to add employees, we should continue to promote local job opportunities. Daycare remains to be a challenge, we need to create more facilities and slots. New quality housing projects are really important to keep adding into Cloquet.

EDA COMMISSIONER JAAKOLA

I think there is an opportunity for the EDA/community to envision the "what's next" vision of building up our economy, and promoting our riverfront improvements and outdoor recreation opportunities and associated business opportunities with these such as bike shops, renting snow shoes etc. The arts economy partnered with historic and cultural resources in Cloquet are also an untapped opportunity to be explored.

EDA COMMISSIONER WILKINSON

We are still in transition finding our way between this mix of working from home and office locations. It is good to see the next Housing Study slated for 2024, we certainly need more housing, my daughter is unable to find any, it is an issue. We are working to identify our broadband needs which is critically important, and we need to continue finding solutions to the childcare shortage.

EDA COMMISSIONER RIIHILOUMA

Access to quality broadband is really important for home and work. Cloquet is a great place to raise a family and we are on track with our goals in making sure things stay this way. I didn't realize childcare was such a critical issue, we should continue working on this.



**CLOQUET ECONOMIC DEVELOPMENT
AUTHORITY**

101 14th St., Cloquet, MN 55720
January 5, 2022

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Ms. Hansen mentioned she's open to suggestions on the issue of workforce and concepts on how the EDA can further engage on this issue to be effective. Lastly, she stated that further marketing of the business park is an opportunity this year.

6. AGENCY UPDATES / DISCUSSION ITEMS

Next meeting date

February 2, 2022 at City Hall.

ADJOURNED 8:48 a.m.

Respectfully submitted,

Holly Hansen, Community Development Director



Community Development Department
101 14th ST • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

To: City of Cloquet Economic Development Authority (EDA)
From: Holly Hansen, Community Development Director
Date: January 19, 2022

ITEM DESCRIPTION: EDA Review of Monthly Financial Statements (December 2021)

EDA Requested Action

The EDA is asked to approve the December 2021 financials.

Monthly Review

Attached the EDA members will find the December 2021 cash balances and loans for economic development.

CASH BALANCES

The summary of December financials **which currently total \$1,939,062.11** are:

- **Fund 201 (LDO-Loan)** there is an **increase** in Fund 201 due to loan repayments.
- **Fund 201 (LDO-Project/Loan)** *there is an increase in the amount of \$34,000 from the sale of the two Adams ST lots. The base amount of \$105,006.21 was derived from the state (DEED) MIF One Time Exception participation by the City of Cloquet EDA closing out the EDA's MIF fund and returning 20% of these funds to DEED while the City retained 80% for a future project of the EDA/or other loan funding opportunities with flexible funding criteria.*
- **Fund 202 (Fed CDBG)** there is a **decrease** due to Adams Street legal expense.
- **Fund 203 (ED)** there is a **increase** from loan repayments into this fund.
- **Fund 206 (Revolved Phase 3 SCDP loan repayments)** there is an **increase** in Fund 206 due to monthly loan repayments.

LOAN STATUS

The total outstanding loan balance for City funds is \$238,645.98 (8 business loans, 7 residential small cities projects) with monthly repayments of \$5,557.65.

Policy Objectives

As a standalone EDA, the monthly financial statements must be reviewed and approved by the EDA.



Community Development Department
101 14th ST • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

Financial Impacts

None at this time.

Staff Recommendation

Staff recommends that the EDA move to approve the December 2021 EDA financial statements.

Supporting Documentation

- December 2021 Cash Balances; December 2021 Loan Balances

**City of Cloquet
Cash Balances
December 2021**

		<u>Current Month</u>	<u>Previous Month</u>
201	LDO Loan (EDA) - Loan	\$835,230.64 ¹	\$832,688.37
201	LDO Loan (EDA) - Project/Loan	\$139,006.21 ²	\$105,006.21
202	Federal CDBG Loan (EDA)	\$596,455.54	\$600,038.04
203	Economic Development Loan (City)	\$301,030.09 ¹	\$300,071.20
206	Revolving SCDP	\$67,339.63 ¹	\$66,620.90
<u>206 Commercial Grant Awards:</u>		<u>\$1,939,062.11</u>	<u>\$1,904,424.72</u>
A. \$10,000 <i>Northeastern, 115 St. Louis Avenue (awnings) - PAID</i>			
B. \$10,000 <i>Shooting Stars Annex, 1404 Cloquet Avenue (exterior rehabilitation) - PAID</i>			
C. \$10,000 <i>Neighborhood Church of Cloquet, 612 Cloquet Avenue (re-roof) - PAID</i>			
D. \$4,359.46 <i>Former Labor Temple, 1403 Avenue C (awnings/doors) - PAID</i>			
E. \$10,000 <i>Paradigm Therapy, 1102 Cloquet Avenue (storefront windows, side door on 11th Street)</i>			
F. \$10,000 <i>Split Rock Financial (Historic City Hall) 105 Arch ST (exterior wood trim painting and brick tuck pointing)</i>			
G. \$10,000 <i>Angel Nails/Northern Health Filtration at 1201 Cloquet Avenue (12th Street exterior siding)</i>			
H. \$10,000 <i>Medicine Shoppe 1208 Cloquet Avenue (awnings and doors)</i>			
I. \$10,000 <i>Northern Printery 206 Avenue C (windows and exterior brick repair)</i>			
J. \$10,000 <i>128 Avenue C (roofing)</i>			
K. \$10,000 <i>HOLD for potential West End Brewery Project</i>			

Monthly change explanations:

- 1 - Loan repayments
- 2 - \$34,000.00 from Boss Builders

**Community Development
Loan Balances
December 2021**

<u>Loan</u>	<u>Loan Date</u>	<u>%</u>	<u>Loan Amount</u>	<u>Monthly Payment</u>	<u>Maturity Date</u>	<u>Balance</u>	<u>*Exp. UCC or FF</u>
Fund 201 from 202 (EDA)							
Bergquist Imports, Inc.	12/10/2020	2%	\$ 20,000.00	\$ 391.58	12/15/2025	Paid 7/28/21	12/5/2025
Daugherty/Daboeds, LLC	11/30/2012	2.25%	\$ 125,000.00	\$ 647.26	12/1/2032	Paid 5/17/21	
GCL Development Group LLC	6/12/2020	2.25%	\$ 75,000.00	\$ 388.36	7/1/2040	\$ 70,531.96	
North Country Dental LLC	8/3/2020	2%	\$ 20,000.00	\$ 390.79	7/1/2025	\$ 16,202.56	7/24/2025
Pine & Pearls, LLC	7/21/2021	2%	\$ 70,000.00	\$ 362.47	7/21/1941	\$ 68,311.17	
Radoush Holdings LLC	10/13/2017	3.25%	\$ 10,475.00	\$ 139.59	11/15/2024	\$ 4,528.34	
WebMed, LLC	12/11/2020	2%	\$ 20,000.00	\$ 391.56	12/15/2025	\$ 18,047.74	12/8/2025
			Fund 201	\$ 2,711.61			
Fund 201 from 204 (EDA)							
Synapp North	9/27/2011	3%	\$ 100,000.00	\$ 690.58	10/1/2026	Paid 9/1/21	
Pioneer Recovery	6/21/2013	2.25%	\$ 95,500.00	\$ 889.46	7/15/2023	\$ 5,807.20	8/2/2023
			Fund 201	\$ 1,580.04			
Fund 203 (City)							
Wood City Lights	4/1/2014	3%	\$ 54,050.00	\$ 360.40	4/1/2029	\$ 29,548.51	
			Fund 203	\$ 360.40			
Fund 203 from Fund 207 (City)							
CMW Retail Properties	7/1/2012	1%	\$ 100,000.00	\$ 598.49	8/1/2027	\$ 38,984.73	6/25/2022
			Fund 203	\$ 598.49			
Fund 206 from 208 (EDA)							
Janet Chalberg	8/23/2016	3%	\$ 7,017.00	\$ 92.72	8/23/2023	\$ 2,069.85	
Diane Mullen	7/17/2017	3%	\$ 6,274.00	\$ 87.62	2/17/2024	\$ 2,110.63	
Mark & Rebecca Lambert	12/15/2016	3%	\$ 7,395.00	\$ 97.67	12/15/2023	\$ 2,537.43	
Jamie Lund	12/15/2016	3%	\$ 7,500.00	\$ 99.10	12/15/2023	\$ 2,395.65	Dec pmt made on 1/3/22
Billy Joe Wise	8/11/2017	3%	\$ 7,493.00	\$ 99.01	9/11/2024	\$ 3,314.02	
Tammy Randa	9/13/2017	3%	\$ 7,024.00	\$ 92.81	10/13/2024	\$ 2,936.28	
Donna Trettel	9/29/2017	3%	\$ 7,461.00	\$ 98.58	10/29/2024	\$ 868.42	
			Fund 208	\$ 667.51			
Total Community Development Loans Outstanding				\$ 5,557.65			\$ 238,645.98

Notes:

* - Can re-file continuation within 6 months of expiration.



To: City of Cloquet Economic Development Authority (EDA)
From: Holly Hansen, Community Development Director
Date: January 26, 2022

ITEM DESCRIPTION: Cloquet Business Park

Background/Overview

When the Cloquet Business Park was completed in 2006, the original zoning was “RC or Regional Commercial” for the front loop and “IP Industrial Park” for the rear roadway loop. With limited retail interest, the Business Park zoning was modified to shift away from retail based commercial uses to instead “Office Manufacturing” to reflect the office/light industrial land use vision for the business park by the EDA. With this zoning change, commercial childcare was removed as a permitted use. Staff believes the way that it is listed as an exception could have been overlooked originally.

This month staff has had an inquiry about constructing a commercial childcare center in the business park with an exterior play area. The question to the Cloquet EDA is, should commercial daycare centers be allowed in the Cloquet Business Park, is the use a reasonable compatible land use to the current vision of the Office Manufacturing zoning? Originally in 2006, commercial childcare centers were a permitted use in the front loop of the Cloquet Business Park, however now that zoning has been modified to Office Manufacturing, they are not allowed. Currently in Cloquet, commercial daycares are zoned for accordingly:



- MRC - Mixed Residential Commercial District as a Conditional Use Permit
- NC – Neighborhood Commercial as a Permitted Use
- RC – Regional Highway Commercial as a Permitted Use
- HC –Historic Commercial as a Permitted Use



Community Development Department
101 14th ST • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

- CC – City Center District as a Permitted Use
- OM – Office Manufacturing, Prohibited
- LI –Light Industrial, Prohibited
- HI –Heavy Industrial, Prohibited

In discussing the question with a few other Minnesota communities:

- **Brooklyn Park** responded that Commercial daycares are allowed in all of their commercial and industrial business districts as a permitted use.
- **Duluth** responded that Airpark (Business Park), is home to Building Blocks Learning Center, a second business user in the building. The original user of the building was industrial park in nature and then closed. The childcare use was granted a special use permit by the City of Duluth to occupy the building. The Duluth Seaway Port Authority owns/governs Airpark for aviation businesses under covenants in which commercial childcare is not a permitted use, however the commercial childcare use supports the surrounding aviation businesses offering proximate childcare onsite within Airpark. There have been no complaints about the presence of the childcare in the business park.
- **Grand Rapids** commercial childcare is a permitted use in their business park being recognized as a use that supports surrounding businesses (also permitted in commercial / general business; in industrial districts must be accessory to an industry)

I contacted the zoning administrator in my hometown Stoughton, WI and commercial daycare centers are a conditional use in their business park. A quick internet search showed that in other states from Ohio to South Dakota with limited development interest, zoning has been modified to allow commercial childcare centers in business parks.

Direction

Staff would like to hear feedback to from the EDA on this question and would entertain a motion of recommendation to Planning Commission/Council if the Cloquet EDA wishes to change this use to permitted.



Cloquet Economic Development Authority Work Plan 2022

Goal #1 – Broadband: Improve Residential and Business Networks

Strategy: **Facilitate partnerships to improve residential and business broadband service within the City of Cloquet.**

Implementation Steps:

1. Complete community broadband survey and evaluate results.
2. Engage with prospective partners on broadband expansion opportunities in Cloquet with strong residential considerations.
3. Engage with current providers on future improvement plans in Cloquet.
4. Consider using/leveraging Cloquet ARPA funding towards identified new broadband partner to conduct an Engineering Study for the City for expansion of broadband and identifying costs.
5. Consider using/leveraging Cloquet ARPA funding towards grant funding for residentially under and unserved areas in the City with new broadband partner or existing provider.
6. Hold a Broadband Community Meeting and move forward on opportunities and pathways for improvements.

Goal #2 - Promote the Development, and 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.**

Implementation Steps:

1. The EDA will continue housing efforts playing a crucial role in housing development and redevelopment in Cloquet, maintaining clear economic development housing incentives for market and affordable housing projects in Cloquet (e.g. Housing TIF/Abatement Policy), facilitating creative partnerships, and assistance in securing program funding and grant funding (e.g. SCDP) to assist with key community priorities/projects.
2. Support new single-family projects and housing subdivision projects for all age spectrums, especially those that will connect with public utilities. Work on unique opportunities to create higher finish level apartments for millennials such as downtown upper story loft apartments or downtown redevelopment projects.
3. Leverage other enforcement case opportunities such as the Solem Hotel.



Single-Family Ownership 2014-2021 **73 Homes (Unmet, Goal 200 Units)**

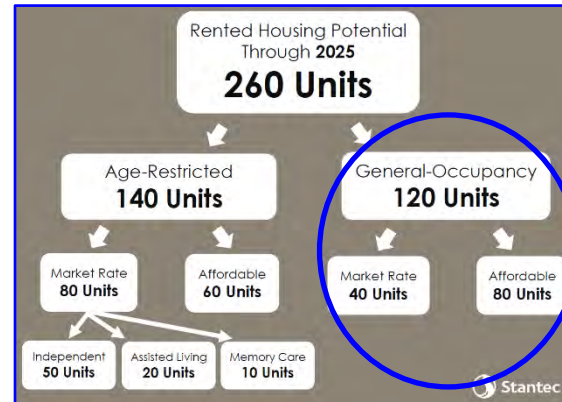
- 3 Manufactured homes (2021 Cloquet).
- 7 Move-up/Move-down (2021: 5 Cloquet, 2 Scanlon)
- 2 Executive (2021: 1 Cloquet, 1 Scanlon)

Multifamily Ownership 2014-2021 (e.g. Townhome, Condo, Loft) **8 Units (Unmet, Goal 40 Units) (2021: 6 Cloquet and 2 Scanlon)**



Cloquet Economic Development Authority Work Plan 2022

4. Initiate new Housing Study in 2024 (General Fund).



General Occupancy Rental 2014-2021

139 Rental Units (Met, Goal 120 Units)

- ✓ 58 **Market Rate** Units (Union Lofts – 11 units (2021); Carlton Lofts – 11 Units; 14th ST III TIF, 8 Units held for income restricted occupants, rents not necessarily restricted)
- ✓ 56 **Affordable** Units Shallow Subsidy workforce housing (Carlton Lofts 39 Units, White Pine 17 Units rent & income restricted)
- ✓ 35 **Affordable** Units Deep Subsidy (White Pine 18 Units, Carlton Lofts 7 Units rent & income restricted)

Age-Restricted Rental 2014-2021

10 units (Unmet, 140 Units)

- Trails Edge 2 senior independent market/affordable townhomes

Goal #3 – Childcare

Strategy: Ensure local families and businesses are supported by and have access to quality childcare in the City of Cloquet by maintaining and creating new additional childcare slots.

Implementation Steps:

1. Continue to connect Child Care Facilities to resources to retain/expand childcare slots (e.g. Northland Foundation, First Children’s Finance etc.).
2. Connect inquiries for daycare center facilities to buildings and sites for sale within the City.
3. Leverage local opportunities to use regional and state programs, loans, and grant opportunities to expand childcare.

Goal #4 – Develop the Cloquet Business Park

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

Implementation Steps:

1. Support business inquiries and leads interested in the Park.
2. Support existing businesses interested in expanding in the Park (as guided in the Zoning Code).
3. Market the Park and City programs that can be utilized to accomplish development (online via the Cloquet EDA website, Facebook, LinkedIn etc.).



Cloquet Economic Development Authority Work Plan 2022

4. Conduct Business Retention and Expansion Visits to ensure City is aware of business real estate and workforce talent needs. Share information on City/EDA business programs, and other regional/state/federal programs. and to share information on Cloquet EDA programs and sites such as the Business Park.
5. Continue to building relationships to broaden the knowledge of local lenders on partnership programs on various gap financing programs.
6. Engage in business lead generation activity work with regional economic development partners such as DEED, APEX, MnPower, Carlton County etc.
7. Consider holding another lender forum.

Goal #5 – Downtown Revitalization

Strategy: Increase the number and variety of restaurants, breweries/cideries/taprooms etc., retail, office, commercial, and housing mixed-use destinations to maintain Downtown as a vibrant destination and place of commerce. Work to implement the 2017 Downtown Cloquet Revitalization Strategy with detailed recommendations for the Cloquet Avenue and Historic West End Districts.

Implementation Steps:

1. Continue the West End Flourish Artist on Mainstreet Grant Program.
2. Complete final application to DEED for West End street lighting.
3. Assist with real estate inquiries on downtown buildings and city programs.
4. Consider a Small Cities application to DEED for additional funding.
5. Assist distressed properties with program opportunities and engage potential developers, e.g. Solem Hotel 2022.
6. Improve downtown district aesthetics and connectivity to natural/recreational/historic/cultural/diversity amenities. Leverage and build upon completed Parks and Riverfront aesthetic and streetscaping investments bringing traffic past the West End and continue riverfront trail planning.
7. Consider a Downtown Business Committee.

Goal #6 – Business Support

Strategy: Have strong local business relationships, awareness of their needs and market Cloquet.

Implementation Steps:

1. Conduct Business Retention and Expansion Visits to ensure City is aware of business real estate and workforce talent needs.
2. Market Cloquet to positively promote the community.
3. Market City/EDA business programs, and other regional/state/federal programs.



Cloquet Economic Development Authority Work Plan 2022

4. Continue to maintain office, commercial, and industrial real estate sites for sale to direct business leads to within the City of Cloquet on Northland Connection.
5. Connect Talent to Business: Partner with regional agencies (e.g. APEX, Northspan, Cloquet CareerForce, Northforce, DEED etc.) on local business talent needs. Network with higher education institutions locally (FDLTCC) and regionally on training (upskill/reskill) and talent opportunities to support Cloquet businesses. Network with ISD 94 on FabLab and other training and trades programs to support Cloquet businesses.
6. Participate in economic development network locally, regionally, and at the state/federal levels maintaining relationships.
7. Support Sappi Water Line Bonding efforts legislatively.
8. Bolster collaboration with the Fond Du Lac Reservation.
9. Support City Sales Tax efforts in 2022 to invest in Pine Valley Park and its facilities.

Goal #7 – Redevelopment Support

Strategy: Ensure difficult sites that require redevelopment are supported with economic development tools as warranted.

Implementation Steps:

1. Cloquet will participate in ARDC's EPA Brownfield Redevelopment Grant project 2021-2023 providing the opportunity to focus on potential contaminated sites with redevelopment opportunities in the City and options to leverage programs to support those.
2. The EDA's ICE Study (Intersection Control Evaluation Study for South Hwy 33 Gillette Road) was used as the basis to submit for a MnDOT Transportation Economic Development Grant Application to continue to improve land redevelopment opportunities along South Hwy 33 and improve transportation safety. Cloquet was awarded funding in January 2020 and in 2022 will bid construction plans to see if this MnDOT project comes in on budget to construct in 2022.



Annual Report 2021 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 2021. As such, the below report is broken up into these service function areas.

Department staffing consists of three employees: one economic development staff (Community Development Director), one planning staff (City Planner / Zoning Administrator), and one building/housing staff (Building Official). 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.

Staff maintains the following professional memberships:

- *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

Annual building values for 2021 totaled \$10,892,637.00 which was slightly up from \$9,314,875 in 2020. There were 9 new single-family homes constructed in 2021 compared to 11 in 2020. In terms of Capacity Availability Fees (CAF), which are connections to the regional Western Lake Superior Sanitary sewer system, most connections were for town home and commercial construction. Other notable directions this year include a high volume of City I&I Point of Sale Inspections (Inflow and Infiltration) required by the Western Lake Superior Sanitary District (WLSSD). Cloquet commercial construction highlights for 2021 include the downtown remodel of the former NE BBQ Restaurant into the relocated Pedros Restaurant, \$2.2 million Walmart remodel, USG roof projects and small building addition, the third Toy Barn Storage building in the Business Park, and upper story loft apartment construction at Union Lofts downtown.

Inspection requests and permit data are organized in PermitWorks. In 2021, the total building permits issued were 708 (225 were new I&I inspection permits) compared to



541 permits in 2020. There were 792 inspections conducted in Cloquet and 110 inspections conducted in Scanlon. The City continues to administer building permits and inspections for the City of Scanlon, revenues generated from Scanlon for 2021 were \$25,123.40 which was up from \$9,557.36 in revenue in 2020. The City performs inspections for the FDL Reservation on a project request basis, revenues from FDL inspections in 2021 were \$2,300.

Housing Code Enforcement

Chapter 10 of City Code outlines the building and housing code requirements. In 2021, the department placarded 7 properties for water shut offs or other lack of utilities (electric or heat) and 7 properties returned back to service with water ons. The eviction moratorium ended in the fall. Staff continues to enforce city codes holding owners and tenants accountable for property issues and continues collaboration with Carlton County to address. During March 2021 adjacent neighbors were sold the property at 315 Avenue B where the County tore down a home during the summer of 2020. During April 2021, Land Logic demolished collapsed greenhouses behind the former Skuteviks Floral shop. During August 2021, 3D Construction tore down 611 Adams Street. In the fall of 2021, broken windows were repaired at 1115 Carlton Avenue.



611 Adams Street demolition.

Community Clean-up

Boldt Construction planned and hosted an Earth Day Clean up with the Cloquet Parks Department on April 24th along the riverfront with a great community turn out. The event was sponsored by Boldt, Carmens, Community Memorial Hospital, and Community Printing.



2021 CONSTRUCTION HIGHLIGHTS



The new 7,000sf Essentia Clinic on South Hwy 33.



Five townhomes have been added along Trail Drive, part of a senior living rental complex.



Third Toy Barn Storage Building in the Cloquet Business Park.



The City of Cloquet conducted project inspections for the FDL Reservation in 2021 for Tagwii.



The City of Cloquet conducts inspections for the City of Scanlon, featured here is the building expansion and construction of a car wash in 2021 at the Hwy 45 Kwik Trip in Scanlon.



TABLE 1: 2021 BUILDING PERMIT COMPARISON

CITY OF CLOQUET PERMITS Type	2020			2021		
	No.	Value	Amount	No.	Value	Amount
COMMERCIAL/INDUSTRIAL ADDITION/REMODEL/ALTERATION	36	\$4,895,444	\$45,872.99	30	\$5,712,380.89	\$38,972.56
COMMERCIAL/INDUSTRIAL NEW CONSTRUCTION PERMIT	3	\$400,028	\$5,476.11	2	\$1,815,000	\$14,707.94
COMMERCIAL/INDUSTRIAL SIGN	11	0	\$642	12	0	\$828.65
COMMERCIAL GRADING	0	0	0	4	0	\$122
RESIDENTIAL						
ADDITION/REMODEL/ALTERATION	194	\$712,429	\$23,170.89	249	\$604,997.11	\$27,861.50
NEW BUILDING RESIDENTIAL	11	\$1,750,321	\$20,014.95	9	\$1,502,551	\$17,088.89
NEW BUILDING MULTI-FAMILY RESIDENTIAL	0	0	0	0	\$0	\$0
NEW BUILDING TOWNHOUSE	4	\$1,062,066	\$9,727.32	4	\$1,110,220	\$8,056.32
BUILDING PERMIT DECK	17	\$79,818	\$2,518.00	2	\$6,720	\$277.86
BUILDING PERMIT NEW GARAGE	17	\$414,769	\$7,117.09	6	\$140,768	\$2,398.98
DEMO - ACCESSORY	2	NA	\$50	1	0	\$25
DEMO – COMMERCIAL	0	0	0	0	0	\$0
DEMO – RESIDENTIAL	3	0	\$100	2	0	\$0
RES GRADING PERMIT	0	0	0	0	0	\$0
MECHANICAL PERMIT	67	NA	\$3,175	57	0	\$2,607
PLUMBING	47	NA	\$4,585	50	0	\$4,679
I&I	70	NA	\$6,900	225	NA	20,200
SHED/FENCE SITE LOCATE	59	NA	\$1,285	55	0	\$1,325
<i>CITY OF CLOQUET PERMITS</i>	<i>541</i>	<i>\$9,314,875.00</i>	<i>\$130,634.35</i>	<i>708</i>	<i>\$10,892,637.00</i>	<i>\$139,150.70</i>
<i>CLOQUET STATE SURCHARGE</i>						<i>5,576.17</i>
NET (LESS STATE SURCHARGE)						\$133,574.53
CITY OF SCANLON PERMITS	52	\$476,673.25	\$9,557.36	70	\$2,165,938.00	\$26,247.37
<i>SCANLON STATE SURCHARGE</i>						<i>1,123.97</i>
NET (LESS STATE SURCHARGE)						\$25,123.40
FDL RESERVATION INSPECTIONS				3	N/A	\$2,300



TABLE 2: 2021 SEWER CONNECTIONS (CAF)

TYPE	Total CAF Units
Capacity Availability Fee/Permits (Single Family)	1
Capacity Availability Fee/Permits (Townhome)	8
Capacity Availability Fee/Permits (Commercial/Industrial)	4
TOTAL	13

TABLE 3: 2021 ZONING AND SUBDIVISION APPLICATIONS PROCESSED

TYPE OF APPLICATION	NUMBER
Appeals	0
City Owned Land Requests	2
Conditional Use Permit Applications	0
Residential	0
Commercial/Industrial	0
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)	1
Subdivision Plat	0
Subdivision Lot Splits or Consolidations (Administrative Review)	10
Variance Applications	4
Subdivision Regulations	0
Zoning Ordinance	4
Wetland Review	0
Zoning Amendment Applications	1
Map	1
Text (Subd. Regs. Amendment)	0
TOTAL	25

TABLE 4: 2021 INSPECTIONS PERFORMED

TYPE OF INSPECTION	NUMBER
Cloquet building inspections	792
Scanlon building inspections	110
Gravel Mine Operations	4
TOTAL	906



TABLE 5: 2021 FEES COLLECTED

<u>TYPE OF FEE</u>	<u>AMOUNT</u>
Building Permits (retained by the City)	\$89,428.75
Cloquet Plan Review Fees	13,425.78
Mechanical Permits	2,945.00
Excavation Permits	1,400.00
Grading Permits	122.00
Plumbing Permits	5,555.50
City Retained 4% WLSSD CAF Fees	1,391.20
Sign & Other Permits	1,322.00
I&I	20,200.00
Zoning & Subdivision Fees	5,191.00
Cloquet Permits	\$140,981.23
Scanlon Building Permits only (retained by the City)	\$25,123.40
FDL Reservation Inspection revenues	\$2,300.00
Total Permit Revenues	\$168,404.63

Zoning and Subdivision Administration

There were 25 zoning and subdivision applications in 2021, compared with 23 in 2020 and there were no Wetland Conservation Act (WCA) cases. There was a case that began in 2020 for the creation of a wetland bank west of South Hwy 33 roundabout near Interstate 35. An easement was placed over 39 acres for a wetland bank, this has been accepted by BWSR and is still under review by the Army Corps of Engineers. The planning and zoning cases are facilitated by the City Planner Al Cottingham and the volunteer Planning Commission whose participation remains actively engaged with seven members:

Cloquet Planning Commission 2021

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

Notable Zoning Cases in 2021 included:

- Revised Site Plan for Essentia Health
- Four variance cases (garage setback, lot size to split, private access easement for a buildable lot vs. abutting a public roadway, and front yard garage setback)
- Two street vacations for roadways never constructed (one on the island, the other near the Frontage Road in Noiseau’s Subdivision).





- Comprehensive Plan Amendment to Rezone property along the west side of South Hwy 33 impacted by land needed to construct MnDOT J-turns in 2022.
- The Planning Commission approved two city land sales this year (for Upper Lakes and Adams Street property).
- Staff stayed busy assisting with zoning and development questions.

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 2021

- President Mark Lanigan, Frandsen Bank
- Vice President Lara Wilkinson, MCCU / City Councilor
- Sue Ryan, Upper Lakes Foods
- Lyz Jaakola, City Councilor
- Steve Micke, Reliable Insurance
- Dave Manderfeld, USG Interiors
- John Riihiluoma, RRI Inc.

EDA Accomplishments and Goals for 2021

Goal #1 – Broadband: Improve Residential and Business Networks

Strategy: Facilitate partnerships to improve residential and business broadband service within the City of Cloquet.

Implementation Steps: See attached 2021 Goals for details.

Accomplishments 2021:

- Formed the Cloquet Broadband Committee
- Partnered with CTC on a web-based broadband survey
- Received Blandin grant, one for four communities, to go through a community engagement process as a Blandin Broadband Community
- Five provider interviews are scheduled in January 2022 along with a press conference to relaunch of the survey (incentive to win an iPad).

Goal #2 - Promote the Development, and 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.

Help improve Cloquet's broadband service

If you live or own property here, you could WIN an iPad!

- North: Kinden Rd. / West St. Louis River Rd. (County Line)
- East: Crosby Rd., around City of Scanlon, down Hwy 46
- South: Moorhead Rd.
- West: St. Louis River / Pinewood Dr., down to Moorhead Rd. (includes Otter Creek subdivision)

For your chance to win take the Cloquet Broadband survey by January 31 at www.goctc.com/cloquet

If you don't have internet access, visit the Cloquet Public Library at 320 - 14th Street and take the survey there. Library staff are available to help.



Implementation Steps: See attached 2021 Goals for details.

Accomplishments 2021:

- Single-Family/Duplex:
 - City/EDA acquisition of Adams Street for duplex construction in 2022. Trails Edge Phase 1 TIF Note issued for 3 buildings (6 units complete), Phase 2 deadline for completion July 2022 for 2 buildings (4 units)
 - City building permits – 8 new single-family homes constructed and 1 duplex on Prospect
- Multi-Family:
 - Union Lofts (former Labor Temple) pulled their Phase 2 building permit in April to construct 11 downtown loft apartments downtown. Toured the EDA through the project and partnered with them on EDA marketing video to feature City programs used.



611 Adams Street, post home demolition.



Union Lofts, loft construction progress photos.

Goal #3 – Childcare

Strategy: Ensure local families and businesses are supported by and have access to quality childcare in the City of Cloquet by maintaining and creating new additional childcare slots.

Implementation Steps: See attached 2021 Goals for details.

Accomplishments 2021:

- Participated in County Childcare Committee and held a Childcare Resource Forum during November 2021
- Requested technical assistance from First Children’s Finance to daycare center that needs to relocate and expand within Cloquet

Goal #4 – Develop the Cloquet Business Park

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

Implementation Steps: See

attached 2021 Goals for details.



Cloquet DNR Office, Cloquet Business Park.



Accomplishments 2021:

- Cloquet DNR Office fully relocated into the Business Park during June 2021
- Toy Barn Storage purchased third lot and constructed a third building

Goal #5 – Downtown Revitalization

Strategy: Increase the number and variety of restaurants, breweries/cideries/taprooms etc., retail, office, commercial, and housing mixed-use destinations to maintain Downtown as a vibrant destination and place of commerce. Work to implement the 2017 Downtown Cloquet Revitalization Strategy with detailed recommendations for



West End Flourish – September Celebration

the Cloquet Avenue and Historic West End Districts.

Implementation Steps: See attached 2021 Goals for details.

Accomplishments 2021:

- Artists on Mainstreet Grant Round 1 complete, 10 projects complete, and 2 extensions granted; Grant Round 2 – workshop March 2022 for 2022 projects
- Revolved Small Cities Grant projects
- Staff continues to respond to space and building inquiries in the Downtown.
- Pedros relocated their restaurant operations into the former NE Barbeque during October 2021
- Submitted draft SCDP application for new streetlights in West End Business District and leveraged project partnerships with USG on the application.

Goal #6 – Business Support

Strategy: Have strong local business relationships, awareness of their needs and market Cloquet.

Implementation Steps: See attached 2021 Goals for details.

Accomplishments 2021:

- EDA gap financing loan to Bearaboo for permanent financing and expansion. Will partner with their financing team to do a marketing feature on using City programs.
- City sold an underutilized parcel to Upper Lakes Foods to expand semi and trailer parking to expand their Over The Road operations program.
- During November the City launched annual Small Business Saturday promotions.



Bearaboo Coffee owners Chris & Natalie Swanson.



CITY OF CLOQUET
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- The Hidden Gems of Cloquet project, conducted 69 business retention visits with 8,008 views of these features launched thus far on:
<https://www.thehiddengemsofclouquet.com/>

Goal #7 – Redevelopment Support

Strategy: Ensure difficult sites that require redevelopment are supported with economic development tools as warranted.

Implementation Steps: See attached 2021 Goals for details.

Accomplishments 2021:

- The EDA recommended acquisition of their former location, 915 Cloquet Avenue, to the City Council December 21, 2021
- Completed brownfield reports for 2 Cloquet sites received
- Continued approvals for Hwy 33 S J-Turns headed for 2022 construction bids
- Cloquet DNR Office site went up for sale bids December 2021
- Staff was on a Minnesota Brownfields panel of speakers on Adaptive Reuse. Two cases were highlighted one from the Twin Cities and another from Greater MN, specifically Cloquet, which focused on economic development tools used to create Carlton Lofts.

