



Cloquet Economic Development Authority
MEETING AGENDA
Wednesday December 7, 2022
8:00AM
101 14th Street
Cloquet, MN 55720

ACTION TAKEN

1. **Call Meeting to Order** _____

2. **Announcements, Adjustments, Correspondence, and Other Comments** _____

a. **Audio Reminder** to turn on your microphones for either the full meeting or speak directly into the microphone for the TV cameras to effectively hear.

3. **Public Comments**

Please give your name, and address. Visitors may share concerns on any issue, which is not already on the agenda. The Chair reserves the right to limit an individual’s presentation if it becomes redundant, repetitive, irrelevant, or overly argumentative. All comments will be taken under advisement by the Commission. No action will be taken at this time. Public Comments will be limited to 10 minutes per topic or 30 minutes total. The Commission may request an item be placed on a future agenda for further discussion as part of the regular meeting.

4. **Approval EDA meeting minutes** _____

a. October 12, 2022

5. **Approval of Monthly Financials:** _____

a. September 2022

b. October 2022

6. **Action Items:**

a. Annual Renewal of Cloquet’s Minnesota City Participation Program (MCP) with Minnesota Housing

7. **EDA Informational Updates** _____

CLOSED SESSION TO REVIEW AND DISCUSS PROPOSALS RECEIVED RELATED TO THE SALE AND REDEVELOPMENT OF CITY PROPERTY AT 915 CLOQUET AVENUE (adjourn to rear conference room please)

8. **Solem Hotel – Request for Proposals due by 4pm 11-30-22**

a. Review proposals received from developers, discussion/questions with development teams, provide direction to staff _____

9. **Motion to Reopen the Regular Cloquet EDA Meeting** _____

10. **Motion to Adjourn** _____



AGENDA INFORMATIONAL UPDATES 12-1-22

CHAMBER

- **As always, don't forget to Shop Local this holiday season!**
- **Business After Hours** – in collaboration with the Duluth Area Chamber of Commerce and Hermantown Area Chamber. Event held at Kolar Chevrolet Buick GMC Cadillac (see flyer attached).
- **Holiday Lighting Challenge** - The Christmas Lighting Challenge is underway! Folks in northern Minnesota and Wisconsin are encouraged to decorate their home or business and help spread some holiday cheer! Then, log on to christmaslightingchallenge.com to register your home or business in the fun! The Christmas Lighting Challenge is thrilled to partner with Bentleyville, and here in Cloquet, sponsored by the Cloquet Area Chamber of Commerce/Office of Tourism to help ensure this fun family tradition continues for the community. The contest is free to enter and voting which is done by the community, for both homes and business begins on December 2. Winners in each sponsored city will receive special recognition at an award ceremony. Winners in Duluth, Superior, Cloquet and Hermantown will receive a gift basket with prizes and gift cards from local retailers and a personalized award to commemorate their win. Our goal: to create a great resource of festive homes and businesses to allow families to continue the tradition of going out to look at Christmas lights together while having a little contest fun. **Event timeline:**
 - **December 2nd - 2022 Lighting Challenge voting begins**
 - **December 9th - Registration ends**
 - **December 21st - Final day to vote**
 - **December 22nd - Lighting Challenge Ceremony**
- **Chamber Membership** - On behalf of the Cloquet Area Chamber of Commerce, we thank you for your continued Chamber support and membership participation! The Chamber continues to be a dedicated advocate for the area businesses and is actively involved in many projects that help the entire community prosper. The Chamber is a not-for-profit organizations specifically designed for the betterment of the business community while contributing to the overall economic stability and growth of the Cloquet Area. Our mission is to add value for our members by leading, informing and advocating business interests. Because people like to do business with people they know, we offer many ways for businesses to connect on a personal level with the intent of achieving business collaboration efforts. It's our goal to network like-minded individuals who have a desire to see our local business community thrive and develop. Thank you for your continued leadership, participation and support as our success is derived from you, our membership!

CITY

- Staff attended **the Rink Pitch Competition** at Pier B November 29th supporting area entrepreneurs pitching their business plans.



AGENDA INFORMATIONAL UPDATES 12-1-22

- **Santa's Home for the Holidays is this week** December 1st – 3rd for more information click here: <https://www.facebook.com/santashomefortheholidays/> Pine Knot News is this year's organizer.
- There will be a **Business Brown Bag lunch on Highway 33 Improvements on December 7th from Noon – 1pm at City Hall** hosted by the City/Chamber of Commerce, hope to see you there! **See attached flyer.**
- The City was awarded a **Boost Grant from the Blandin Foundation, see attached press release.** The Request for Proposals is open through January 6th: <https://www.cloquetmn.gov/our-city/public-notices/advertisement-for-bids>
- On November 15th, the **City was notified by Deed that they were awarded \$483,649 in Small Cities Development Program funding** for streetlight infrastructure and signage for the West End Business District. **See attached Press Release.**
- An outcome of the City/EDA's engagement work with the Blandin Foundation as part of the Broadband Accelerate program was an application to improve service in the northern portion of the City. We anticipate to hear mid-December if the City was awarded, or not, **broadband grant funding as part of the Border to Border program.** Stay tuned and fingers crossed.
- The **South Highway 33 Reduced Conflict Intersection (RCI) Project is complete**, a project that the City was awarded \$665,000 in grant funding from DEED's Transportation Economic Development program. **See attached Press Release.**
- **Small Business Saturday was November 26th with 26 Cloquet small businesses participating.** Reports this year were significantly increased people shopping local, kudos to everyone getting onboard and tapping into the opportunity including Shop Local features from the Chamber, Pine Journal (PJ) and Pine Knot News (PKN). Staff compiled sales ads for the PJ and PKN, did a radio show on WKLK the Tuesday prior, delivered American Express marketing materials, and took photos onsite for individual Facebook features. Cheers to shopping small and local, also heavily featured throughout the region in Duluth and Iron Range press.
- **West End Flourish** – Artists on Mainstreet held their last two events during November – Blistered by Gus Ganley and Land of Stories, a puppet show, by Thomlin Swan, that's a rap for Cloquet with two solid years of unique art projects, many thanks to Rethos, Springboard for the Arts, the Bush Foundation, and Oldenburg Arts and Cultural Community in Carlton.
- The **Brownfields Advisory Committee** met on November 7th and on November 10th



AGENDA INFORMATIONAL UPDATES 12-1-22

consultants Stantec did a walk-through of the Solem Hotel using federal EPA brownfield funding for a Phase 1.

- On November 15th regional representatives gathered to discuss Twin Ports Area housing needs specifically as it relates to job expansions at **Cirrus Aircraft and demanded housing stock needs, especially single-family market rate residential**. As such staff met with four housing developers during November, both local and regional, touring two of them from out of Cloquet, around the City, showing privately owned lots that have potential for development opportunities.
- On November 17th staff attended the **AMFA Jamboree – Open house of the Lumberjack Design & Fabrication Lab at the Cloquet High School** with several area manufacturing representatives.
- During late November, staff has completed the **review of eligible costs for Phase 2 of the Trails Edge project** and will be issuing a full TIF Note in the near future.
- The County has ordered the preparation of the **deed for the tax forfeit lot at 333 20th ST**. After it is received, the City will schedule a closing with Sherman Inc.
- On November 2nd, staff was a speaker on the **Business Retention and Expansion Panel for the University of Minnesota Twin Cities campus** and then was the lunch speaker for the Lake Superior Area Realtors association (**LSAR Lunch N Learn** at Trapper Pete's).
- Staff will be out on **Hidden Gems of Cloquet visits** December 2nd.
- **Small Cities Development Program Commercial Project updates:**
 - **1208 Cloquet Avenue** (Medicine Shoppe) project is underway.
 - **1403 Avenue C Union Lofts** – work description has been prepared and submitted to SHPO for approval.
 - **206 Avenue C** (Northern Printery) bids were due September 15th, **no bids were received**.
 - **105 Arch ST** (Historic City Hall Building) the owner has been notified that lead paint testing is required before bidding this component of his project or removing this work aspect from his scope of work. **Bids were opened, none received**.

COUNTY

- No updates provided.



10 REASONS TO SHOP LOCAL

1. Shopping local creates jobs.

Shops in our town create local employment. These people in turn spend in the community and keep money moving in the local economy.

2. Local shops value you more.

These businesses survive by the reputation and repeat business, which means you get a higher standard of service - especially since you probably know them!

3. Shopping local saves money.

Out of town shops have done a good job of convincing us that local business equals expensive. If you add travel, fees to transfer items and your time, the overall cost is often much higher.

4. Shopping local retains our community.

When money spent in local businesses, those businesses are less likely to leave Cloquet and are more likely to stay and thrive here. One-of-a-kind shops and restaurants are part of what makes Cloquet a great place to live!

5. Shopping local saves the environment.

You don't have far to travel - which equates to short car rides, helping reduce our global footprint.

6. Local shops are for everyone.

Local businesses reinvest money they earn in continuing to make their businesses more attractive to you and other shoppers.

7. Shopping local retains our distinctiveness.

Local business owners are well informed on their product and can easily adjust their inventories to include the goods and services local people want to buy.

8. Local shops invest more into the community.

Local businesses are typically more generous in their support of local charities, schools and community events. Supporting local shops means a financial impact on our community.

9. Keep money local.

Sales taxes fund our community and provide vital services such as police and fire protection, street repairs and trash collection.

10. Strong Business.

The more businesses we can help by spending more money locally means more businesses will consider moving to Cloquet because the market is so strong. More businesses mean more choices and more competition - both great benefits to you, the consumer.

So are you convinced now? I hope you are ready to brighten Cloquet's future by shopping locally.



THE WORLD'S BEST *Young Elvis*

TRAVIS LEDOYT

KOLAR
AUTOMOTIVE GROUP

ENJOY THE SEASON AND HELP THE BOYS AND GIRLS CLUB

PLEASE JOIN US

**THURSDAY
DECEMBER 22, 2022
5:30-9PM**

KOLAR CHEVROLET BUICK GMC CADILLAC
4770 West Arrowhead Road, Hermantown, MN 55811

EAT & DRINK

Beverages and appetizer samplings from area restaurants will be available.

ENTERTAINMENT

Music will be provided by Travis Ledoyt.

COST TO ATTEND

FREE with a gift donation or suggested \$10 cash donation to the Boys and Girls Club of the Northland.

Holiday
on the
HILL!

An evening generously hosted by Kolar Chevrolet Buick GMC Cadillac, *Holiday on the Hill* is a casual yet festive holiday celebration. In Kolar's partnership with Hermantown, Duluth and Cloquet Chambers, they are able to make local kids smiles a little brighter this holiday season.

HERMANTOWN
AREA CHAMBER OF COMMERCE

 **DULUTH**
AREA CHAMBER OF
COMMERCE
Moving business forward.


Cloquet Area
Chamber of Commerce



CHRISTMAS

Lighting
.....
CHALLENGE



Join the 8th Annual Christmas Lighting Challenge

Light up your home or business and share your holiday cheer!

Winners receive special recognition at an award ceremony with a prize pack and Plaque. Registration Begins November 4th!

**Enter for FREE and vote for your favorite at
www.christmaslightingchallenge.com**

Please join us for a feedback opportunity for:

Cloquet Area Transportation Plan - Highway 33 Design

Who: Cloquet Businesses

When: December 7th, 12pm-1pm

Where: Cloquet City Hall
Council Chambers

What: Open Lunch

Please bring your lunch and join us for a project overview to provide feedback and ask questions.

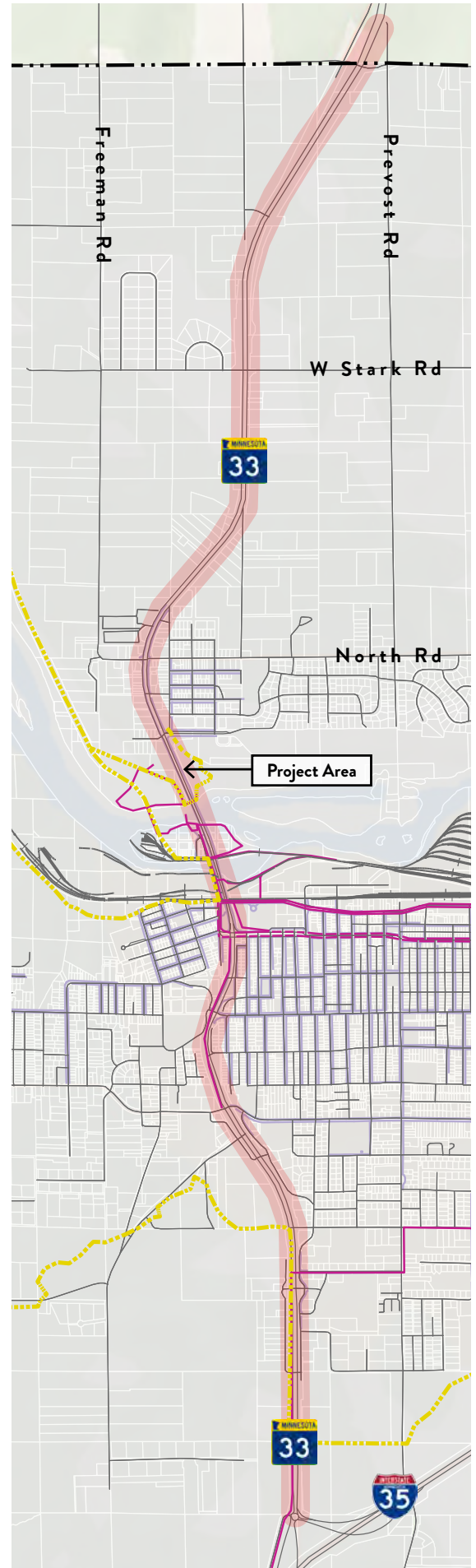
*light refreshments will be provided

Pedestrian and bicycle safety along Highway 33 through Cloquet has been an ongoing and important conversation within the community.

The Arrowhead Regional Development Commission (ARDC) and MnDOT are developing a long-range transportation plan and vision for potential system improvements throughout Cloquet, MN with a focus on improvements to Highway 33.

Potential improvements include pedestrian, bicycle, and aesthetic enhancements. Community engagement is a key factor in the development and success of this plan.

Your input is important!





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STRENGTHENING RURAL MINNESOTA

FOR IMMEDIATE RELEASE

The City of Cloquet receives \$50,000 Blandin Foundation Leadership Boost Grant for Cultural Riverfront Placemaking Signage

Cloquet, Minn. (October 11, 2022) – The City of Cloquet will use a \$50,000 Blandin Foundation Leadership Boost Grant to hire a consultant to facilitate a cultural planning effort to identify and produce a compilation of unique local narratives for Cloquet’s collective Native American and settler histories that will showcase Ojibwa and local culture, generated through community engagement. The project will produce interpretive placemaking signage for installation leading into Cloquet’s Riverfront Trailhead area for Spafford Park and Dunlap Island that currently lacks any representative information about Cloquet’s local native Ojibwe culture. The goal is to graphically document important local images of cultural and historical significance to showcase the people, the languages, and the stories. “Our City Councilors and colleagues from the Fond Du Lac Reservation have asked for opportunities of meaningful engagement to create respectful placemaking efforts in collaboration with the adjacent Fond du Lac Reservation, when this unique grant opportunity came up, I thought this was a fantastic opportunity to address this,” said Holly Hansen, Community Development Director for the City.

The City hopes that this cultural project could generate a destination of interest for cross-cultural tourism along the St. Louis Riverfront and could stimulate cultural tourism interest for the Fond du Lac Reservation’s cultural events such as their local powwows, museum, language center, and featured work of native artists. “This project provides the unique opportunity to bridge the cultural gap. The chance to apply for extra creative funding, versus a taxpayer necessity, is simply unprecedented from a municipal perspective,” said Hansen.

“We have just received notice of this funding, so we are on step 1 in this process, but I hope this project instills local pride in place and people, increases cultural awareness and respect, and bolsters collaboration and relationships,” said Mayor Roger Maki. The next step for the City will be to prepare a request for consultant proposals for this project. City Administrator Tim Peterson said, “This grant opportunity allows the chance to think big, to acknowledge we haven’t told our collective cultural story, I hope this project builds a sense of place and pride in who we collectively are.” City Councilor Lyz Jaakola said, “It’s so encouraging that Blandin Foundation granted the City funding for this project! Cloquet and Fond du Lac have a robust common history that needs to be shared. This grant will allow us to highlight some of our relationships along the river.”

Leadership Boost Grants were launched to encourage Minnesotans living in rural and Tribal communities to be visionary and creative as they move their communities forward after two years of snowballing challenges.

“The last two years of complex crises have taken a toll on leaders across rural Minnesota,” said Sonja Merrill, director of rural grantmaking at Blandin Foundation. “In times like this, of great



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challenge and opportunity, the resilience and fortitude of rural people and places shines through. Yet, we recognize the critical need for more resources to move small communities from where they are to where they want to go.”

More than 300 Letters of Interest were submitted for funding, far more than anticipated. Based on the type of requests received, Blandin Foundation opened three grant rounds for Community Planning, Capital Projects in small towns under 3,000 people, and Creative Placemaking. To better support the many strong requests, the total amount of funding available increased from \$1 million to \$5.5 million after Blandin Foundation’s board approved an additional \$3 million in June and a \$1.5 million grant was secured from Margaret A. Cargill Philanthropies.

“Rural and Tribal places simply don’t get their fair share of funding and resources,” said Merrill. “When we see stats like only 5 percent of philanthropic dollars and 10 percent of federal small business loan funds go to rural, this creates resource roadblocks to future opportunity. While the leaky pipes intended to bring resources into rural communities need a complete overhaul, Leadership Boost Grants are one way we can spark energy and action toward sustainable rural futures.”

For more on Blandin Foundation’s Rural Leadership Boost Grants, and to see other grantee projects, visit <https://bit.ly/RuralBoostGrants>.

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Media Contacts

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FOR IMMEDIATE RELEASE

The City of Cloquet receives \$483,649 Small Cities Development Program Grant for West End Business District Streetlights and Wentworth Park Sign

Cloquet, Minn. (November 16, 2022) – The City of Cloquet will use a \$483,649 Small Cities Development Program (SCDP) Grant from the Department of Housing and Urban Development / State of Minnesota Employment and Economic Development to replace 21 existing streetlights and add 5 new streetlights in Cloquet’s Historic West End Business District, along with the replacement of the sign for Wentworth Park to match existing city street signage.

“In preparation for the fourth of July our Street Department crews were hanging American flags on these 1986 vintage streetlights, while working one of the streetlights actually fell into the back of the city’s pickup truck, it just broke apart,” said Pete Hughes Street Department Supervisor. City Engineer Caleb Peterson said, “the city is very appreciative of this grant opportunity. The project is desperately needed and will allow the city to leverage state aid gas tax funding for other much needed pavement improvements.”

The project was secured by leveraging a donation from USG who in-house designed and fabricated a metal business district sign, which was installed by the city’s Public Works Street Department staff. Jenna Leger, USG Plant Manager said, “USG was happy to play a part in the success of this project. Our team is very proud of this sign



Cloquet’s USG staff from left to right: Jenna Leger, Dan Rahman, David Manderfeld, Scott Johnson, and Jim Millet.



City of Cloquet Street Department staff: Shawn Crisel, Jeff Nyblom, Matt Peterson, Matt Van Reese, Trevor Nummela, Dan Hilsgen, Chase Schaub, and Pete Hughes were instrumental in moving and installing the business district sign made by USG. Street crews also landscaped the planter relocating excess bushes from other city planters and adding rock from stockpiles at the city shed at the suggestions of Dave Manderfeld. Holly Hansen, City of Cloquet Community Development Director completed the planter’s landscaping by installing red daylilies, as suggested by Dave Manderfeld to differentiate the business district sign rather than using general yellow daylily street plantings.



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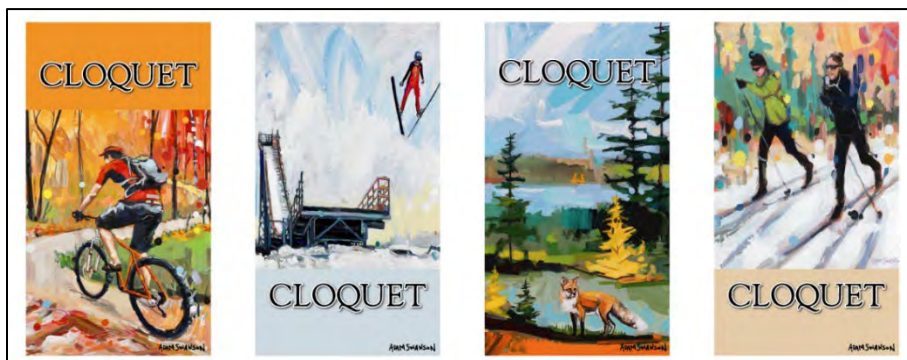
and honored to play a role in designing and fabricating it as a gift to the city to improve the aesthetic entry into the Historic West End Business District where our manufacturing plant is located.” City staff worked closely with Dave Manderfeld, USG Quality Manager and Vice President of the Cloquet Economic Development Authority who was instrumental in lifting this creative opportunity.

The City also leveraged grant funding from Rethos for the Artists on Mainstreet program “West End Flourish” to pay Cloquet artist Adam Swanson image rights to four of his paintings to be used on streetlight flag banners. “It was important to me as a member of the Selection Committee for West End Flourish art projects that the images selected reflect Cloquet,” said City Council Kerry Kolodge, ward councilor for the West End Business District area. The City also used grant funds from this art project towards the production costs for these streetlight flag banners.

On Tuesday afternoon November 15th SCDP awards were announced by the State of Minnesota for 35 projects totaling \$20,820,999 to be used for owner-occupied housing rehabilitation, rental rehabilitation, commercial rehabilitation, public facility improvement projects, community centers and streetscape projects. Cities and townships with populations under 50,000 and counties with populations under 200,000 can apply for SCDP grants. Eligible projects must meet one of three objectives: benefit people of low and moderate incomes; eliminate slum and blighted conditions; or eliminate an urgent threat to public health or safety.



Streetlight flag banners were hung this fall for September Celebration in the West End along Broadway’s newer streetlights. Once the streetlights within the business district are upgraded with funding from this grant, the streetlights feature these flag banners.



These are the four streetlight flag banners utilizing Adam Swanson’s imagery.



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Attachments

- Adam Swanson's imagery selected.
- Map of public infrastructure improvements for the West End.
- Photo of 1986 lights and design of new lights that will be installed.

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Media Contacts

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David Manderfeld
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About Adam Swanson

I am a painter and muralist fascinated by the way science fiction posits a future for humanity that is transformed by major environmental changes and technological innovations. My invented landscapes ask viewers to consider unfamiliar places, such as the lines between true false, fiction and documentation, natural growth and urban development. I paint wild animals and scientific equipment to create poignant and sometimes humorous tensions between humans and the natural world.

In the early 2000's I worked in Antarctica for the National Science Foundation where I developed my knowledge of important climate related experiments. Currently, I'm a member of the Twin Ports Art Science Collaborative so my work has been influenced by researchers from Lake Superior and the SPRUCE climate change project in the Chippewa National Forest. Now, more than ever, the implications of human actions in an ever-changing landscape are on the tip of everyone's tongue. My recent paintings make scientific data such as this clearer and, most importantly, inspire audiences to learn what can be done to change course.

I've studied many of the modernist artists, especially the urban and bucolic landscapes by the Barbizon School painters and Jean-François Millet's heroic peasant farmers. I'm also inspired by contemporary painters such as Alexis Rockman and Chris Austin whose imagery expands the conversation about important ecological issues. I've always had a strong interest in photography and film so the compositions of my large and medium-sized paintings are based on photographs. My studio is filled with my snapshots of landscapes, machinery and animals. I select, recompose, and paint the most interesting details so that my paintings may be comprised of more than a dozen study images.

About the selected imagery by the City of Cloquet / Councilor Kolodge that was felt best represents “Cloquet” from the artists’ portfolio for use on the West End Business District streetlight banners:



“I’m an avid bicyclist and am wildly grateful for the hard work of volunteers and the Cloquet community/City in building, and maintaining, the mountain bike trails at Pine Valley Recreational Area,” Adam Swanson.



“This painting is based on a bog near my house in Perch Lake Township. The crow and fox are ever present in our neighborhood, and I love to see the tamarack trees shed their needles in this inspiring place,” Adam Swanson.

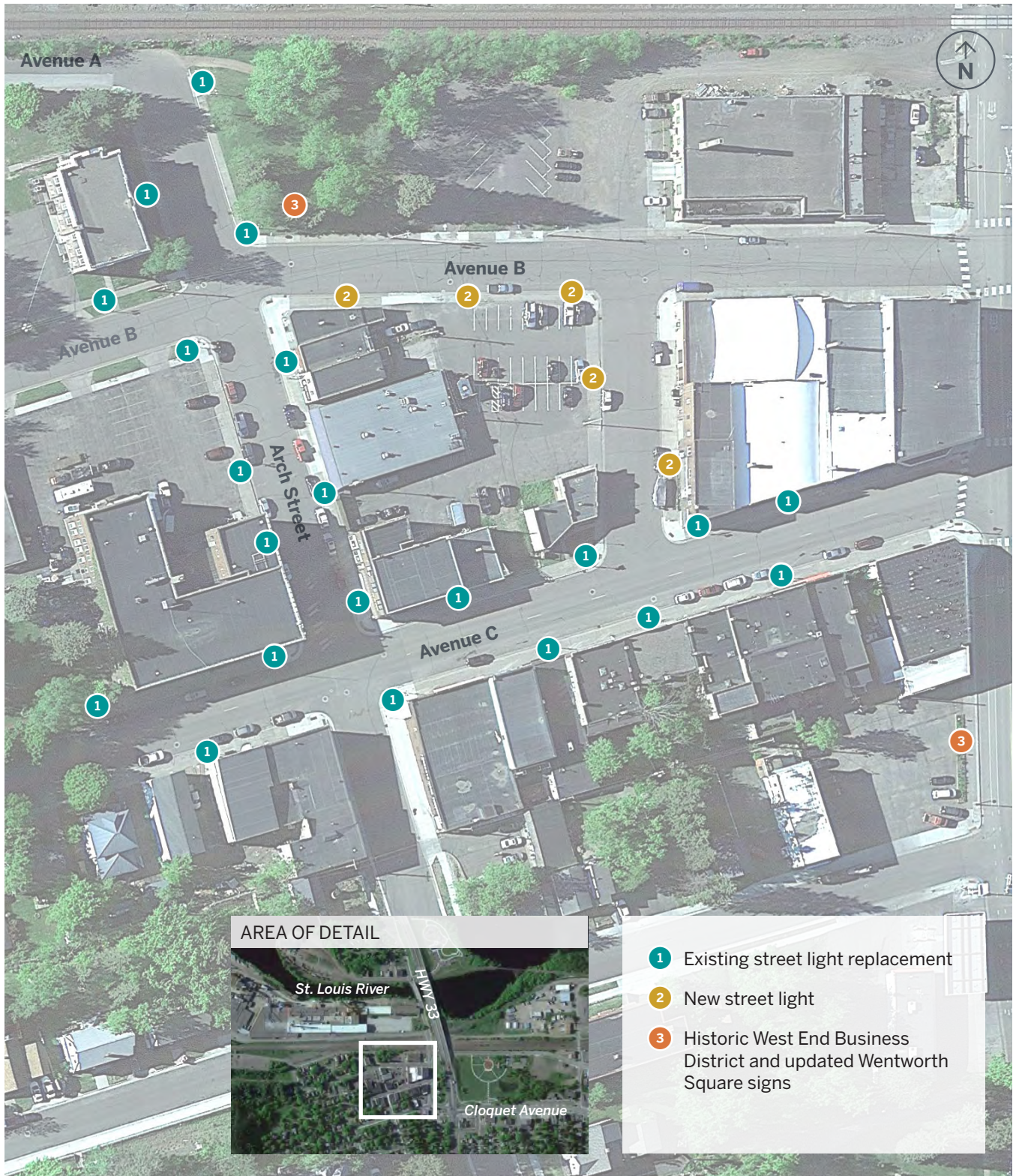


“I’m a big fan of all types of skiing and I made this painting as a fundraising tool for the Pine Valley Ski Club here in Cloquet,” Adam Swanson.



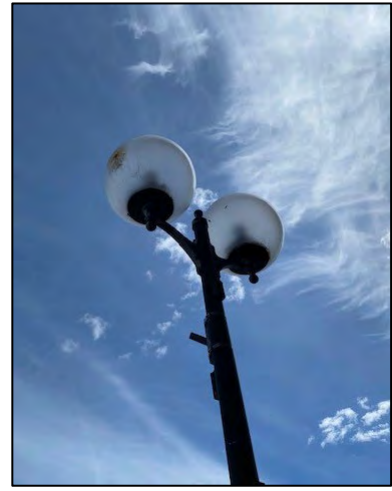
“Many of my paintings are about people outside, enjoying our environment. In my work, I try to capture the feeling of a place and time, rather than attempting to directly copy the way something looks,” Adam Swanson.

WEST END BUSINESS DISTRICT - PROPOSED IMPROVEMENTS CLOQUET, MN



- 1 Existing street light replacement
- 2 New street light
- 3 Historic West End Business District and updated Wentworth Square signs

1. EXISTING 1986 WEST END BUSINESS DISTRICT STREET LIGHTS



Existing 1986 globe style streetlight. The existing bulbs are energy inefficient; the insulation and electrical wiring routinely malfunction and the lamps are worn. There are several exposed wires on the poles due to missing maintenance hatches that have decayed.

2. EXAMPLE OF NEWLY INSTALLED BROADWAY AND CLOQUET AVENUE STREET LIGHT STYLE THAT IF FUNDED WOULD BE UNIFORMLY INSTALLED INTO THE WEST END BUSINESS DISTRICT



New streetlight along Broadway with flag mounts (city sales tax project).



November 29, 2022

South Hwy 33 Restricted Conflict Intersection Project is Complete

After years of planning, preparation, and collaboration, the work is nearly complete on the South Hwy 33 Restricted Conflict Intersection (RCI) south of the Walmart signal and terminating at Gillette Road. Motorists will no longer be able to turn south from the end of the Frontage Road in front of Wells Fargo Bank and will instead need to turn right and then make a U-Turn waiting for a break in traffic south of the Walmart signal. The project improves corridor safety and sets it up effectively to accommodate future development traffic movements in the area. Vehicles exiting Gillette Road at its southern terminus and wishing to travel northbound on MN 33 will need to utilize the existing roundabout 1/2 mile to the south or may travel north on Gillette Road to the next intersection to avoid this extra travel distance. The Minnesota Department of Transportation has information on the South Hwy 33 project here: <http://www.dot.state.mn.us/d1/projects/hwy33/index.html> along with helpful guidance on how to navigate an RCI here: <http://www.dot.state.mn.us/roadwork/rci/>. The project was funded using a MnDOT Transportation Economic Development (TED) grant (\$665,000) secured by the City of Cloquet, sales tax funding (\$285,000), Wood City Riders Snowmobile Club (\$11,000), and MnDOT State Road Construction funding (\$250,000) plus MnDOT design, review, and inspection services. KGM was the project contractor, the total project cost was \$1.2 million.

The project evolved from extensive analysis by the City in working with various development teams examining the viability of further developing areas along South Hwy 33. In 2018, the City completed a consultant hired Intersection Control Evaluation (ICE) Study in which MnDOT was involved and consulted in identifying solutions to improve this portion of the South Hwy 33 corridor. From that study, this project was designed to improve traffic safety and support evolving land use development in this portion of the corridor, including the involvement of Wood City Riders Snow Mobile Club to create a safer cross for their club. In 2019 the City noticed a solicitation released by MnDOT for TED funding for projects that improve safety and support future economic development needs. With a recently completed Members Cooperative Credit Union building, recently completed Taco Bell redevelopment site, pending Essentia clinic project, and ongoing development pressure on the Cloquet DNR office site, the City of Cloquet applied for TED funding to implement this project and committed the required project match. In an effort to collaborate, MnDOT agreed to provide design and construction engineering for the project along with review and project inspection services, which is an estimated value of \$200,000, leaving the City to simply administer the bidding and payments for the project, along with leading right-of-way acquisition required near the terminus of Gillette Road.

After being awarded funding in 2020 with the requirement for spending by the end of 2022, the engineers estimate came in substantially over what the City had financially secured for the project in just the course of a few years with increases in material prices and labor. The City was responsible for 30% of that cost increase and at that point City staff contacted MnDOT District 1 expressing the financial risks to the City and the need to vacate the project completely. MnDOT District 1 met internally to discuss the importance

City of Cloquet

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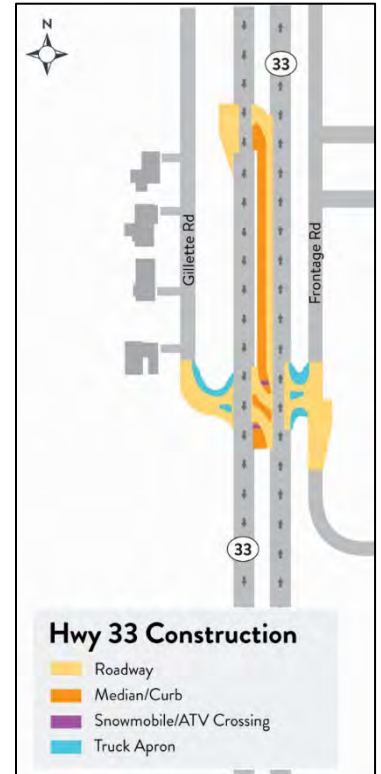
Phone: 218-879-3347 • Fax: 218-879-6555



of the project for traffic safety, the amount of time and resources they had invested into the design of the improvements and identified other state funding resources to complete the project capping the City at their originally planned investment levels which enabled the City Council to approve the project. Assistance was needed from City Public Works staff to clear trees and grubbing in an area of habitat concern for the Northern Long-eared Bat because the project contract was not awarded in time to have the tree clearing done as part of the project with the primary contractor.

“This project would not have occurred without MnDOT District 1 taking on the work to make this project happen by assisting financially with construction engineering and inspections for the project along with stepping up to fund the cost increase and capping the City financially. I’d like to thank MnDOT’s Duane Hill, Jim Miles, Christian Lawien, Krysten Foster, Todd Campbell, Derek Fredrickson, Andrew Deming, Don Kleinschmidt, Raymond Wiest and Heath Line from KGM Contractors, along with countless others, to lift this project,” said Caleb Peterson, City Engineer.

Jim Miles, MnDOT District 1 Traffic Engineer said, “MnDOT is inclined to be a strong partner on a TED project with a local community where there is both a transportation benefit to our system as well as an economic development benefit. The City of Cloquet got this ball rolling by initiating an ICE Study and securing the TED grant and funding match. We were included as a partner on the ICE study to develop this project as a viable solution for this location, which also sets this area up for redevelopment opportunities with a safer intersection, it’s a win-win with broad benefit. Our Transportation District Engineer Duane Hill brought this project across the financial finish line when final estimates were over budget and MnDOT staff worked hard to educate the public and bring them onboard to understand what an RCI project is.”



###

Media Contacts:

Caleb Peterson, City of Cloquet - City Engineer cpeterson@cloquetmn.gov

Jim Miles, MnDOT District 1 – Traffic Engineer james.miles@state.mn.us

**MAKE A
BIG IMPACT
SHOP SMALL**

SMALL BUSINESS SATURDAY



SMALL BUSINESS SATURDAY IS MORE IMPORTANT THAN EVER!

Please remember to support our brick-and-mortar Cloquet businesses so they can remain viable to serve our community for years to come.



ABUNDANT BABY

708 Sunnyside Drive

20% off clothing and in-store drawings!

Hours 9am - 5pm

AFTER GLOW TANNING

1307 Hwy 33 South

30% off everything!

Hours 11am - 2pm

B&B MARKET

506 Big Lake Road

In-store specials!

Hours 7am - 7pm

BEARABOO COFFEE ESCAPE

1005 Stanley Avenue

Free medium drink with every \$25 in gift card purchases. Free scone or muffin with trucker hats or beanie purchase!

Hours 7am - 5pm

BERGQUIST IMPORTS GIFT SHOP

1412 Hwy 33 South

10% off storewide!

Hours 9am - 5:30pm

BURGER SHOES

1609 Carlton Avenue

Deals: \$15 off in-stock regularly priced footwear, \$10 off clearance prices, and 20% off all socks!

Hours 9:30am - 3pm

CARMEN'S BAR & RESTAURANT

1410 Prospect Avenue West

50% off appetizers!

Hours Noon - 10pm

CLOQUET NATURAL FOODS

502 Carlton Avenue

\$5 off one-time \$25 purchase, Saturday only, plus in-store hot beverages & treats!

Hours 9am - Noon

COLD ONE LIQUOR

906 Highway 33 South

In-store specials all day! In-store drawing for a Bumpboxx Ultra Saturday only!

Hours 8am - 10pm

COMMON GROUND COFFEE BAR & DELI

103 Avenue C

Free cookie with purchase of hot cocoa.

Buy \$30 in gift cards, get \$5 free.

25% off soup & sandwich combo.

25% off specialty espresso drinks

Hours 8am - 6:30pm

CROWNED SALON

114 Avenue C

20% off all product lines (Moroccan oil, Verb, amika;) and gift cards!

Call 878-5888 for contactless shopping!

Hours 9am - Noon

DAUGHERTY'S APPLIANCE & MATTRESS

1114 Cloquet Avenue

Free delivery within 20 miles with any appliance purchase \$699 & up!

Hours 9am - 3pm

DAVE'S CLOQUET MATTRESS & FURNITURE

1207 Cloquet Avenue

La-Z-Boy recliners on sale!

Plus, other in-store specials!

Hours 10am - 4pm

FIG TREE

418 Sunnyside Drive

BOGO 50% off Christmas décor!

Hours 9:30am - 5pm

GARDEN ISLE BATH & BODY

807 Cloquet Avenue

\$5 to \$28 prize from our most popular handmade products with \$15 minimum purchase. Snacks & soft drinks at our

Saturday Sip & Shop!

Hours 10am - 4pm

HONG KONG SPA

139 North Road

Buy 4 massages, get 1 free!

Hours 9am - 6pm

MAINSTREAM BOUTIQUE

1306 Cloquet Avenue

Snacks, discounts, door prizes & free gift with purchase!

Hours 9am - 5pm

MARKSMAN TRADING POST

227 1/2 Hwy 33 North

10% off storewide, free box of ammo with a gun purchase, plus door prizes!

Hours 10am - 4pm

NORTHERN LIGHTS COMMUNITY ACTION

901 Cloquet Avenue

50% off Christmas décor!

Hours 9am - 1pm

OUTDOOR ADVANTAGE

1302 Hwy 33 South

BOGO 50% off on all Smartwool socks!

Select tungsten panfish jigs 3/\$5 and other in-store specials!

Hours 8am - 6pm

PACK & MAIL STATION

1110 Cloquet Avenue

BOGO free on all boxed

holiday cards and stationery sets!

Hours 9am - 4pm

QUILTED DOG QUILT SHOP

274 Hwy 33 North

Free gift with \$20 purchase!

Hours 10am - 3pm

SARA'S VAC SHACK

1108 Cloquet Avenue

Free \$149 gift with the purchase of a vacuum!

Hours 9am - 1pm

SHOOTING STARS DANCE

1402 Cloquet Avenue

Up to 75% off dancewear, dance gift packages for only \$39.99, and \$100 off new enrollments on SBS!

Hours 10am - 2pm

SKUTEVIK'S FLORAL

1429 Cloquet Avenue

20% off storewide!

Hours 9am - Noon

WOOD CITY NUTRITION

102 Avenue C

Mention this ad & get 50¢ off a shake & tea combo & 10% off product!

Buy a prepaid card for 10 shakes & get 2 free!

Hours 8am - 2pm



**CLOQUET ECONOMIC DEVELOPMENT
AUTHORITY**

101 14th St., Cloquet, MN 55720

October 12, 2022

MINUTES OF THE CLOQUET EDA MEETING

EDA Members Present: Lara Wilkinson, John Riihilouma, Sue Ryan, Dave Manderfeld (EDA Commissioners)

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

EDA/Ex-Officio/Staff Members Absent: Mark Lanigan, Steve Micke, Lyz Jaakola (EDA Commissioners), Kelly Zink (Chamber), Mary Finnegan (Carlton County)

1. CALL TO ORDER

Vice President Manderfeld called the meeting to order at 8:00 a.m. The meeting was conducted in person at Cloquet City Hall.

2. ANNOUNCEMENTS, ADJUSTMENTS, CORRESPONDENCE AND OTHER

None.

3. PUBLIC COMMENTS

None.

4. APPROVAL EDA MEETING MINUTES

President Micke asked for any corrections, additions, or deletions from the September 7, 2022 meeting minutes. Hearing no other comments, he asked for a motion.

Motion: Commissioner Riihilouma moved, and Commissioner Wilkinson seconded, that the EDA approve the September 7, 2022 EDA Meeting Minutes. (Motion passed 4-0).

5. APPROVAL OF MONTHLY FINANCIALS

AUGUST

Ms. Hansen highlighted the cash balances for the EDA funds as increasing loan repayments into Fund 201, no changes in "Project Fund 201," a reduction to Fund 202 due to legal fees and City tax payments for the Solem Hotel, increasing loan repayments into Fund 203, and an increase in Fund 206 due to loan repayments. For loan balances, she noted one loan that was paid off and two residential loans that were not received, the City has initiated contact for collection. Hearing none he asked for a motion.

Motion: Commissioner Ryan moved, and Commissioner Riihilouma seconded, that the EDA approve the August 2022 financials. (Motion passed 4-0).



6. ACTION ITEMS:

A) County Tax Forfeit Lot Purchase: Request for Housing Project

Ms. Hansen explained that recently GCL Development Group has purchased a residential lot at 1417 Avenue C and hopes to find a vacant lot to relocate the home to and if not structurally viable to relocate, hopes to test a small home model in the City to vet the market's response to the home. The tax forfeit lot is located at 333 20th Street and if recommended by the EDA to Council for approval would be transferred by the County to the City and the the City to GCL Development Group for the price of \$1,000 plus closing costs. EDA Commissioners stated this looks like a great project.

Motion: Commissioner Wilkinson moved, and Commissioner Ryan seconded, that the EDA approve the sale of this tax forfeit lot to GCL Development Group for the development of housing. (Motion passed 4-0).

B) Cloquet Business Park Lots of Interest

Laura Walsh, owner of Advanced Services Inc. (ASI) has inquired about the purchase of Lots 1 and 2 in Block 4 of the Cloquet Business (behind the Best Oil lots) to construct a small office/warehouse and store product (outdoor storage) for their business. ASI is a portable restroom service and rental business currently located on Hwy 2. The proposed project would add a 5,250SF office/warehouse and would fence and screen stored product to the north.

Direction: EDA Commissioners stated these are fairly wide open lots, a more screened location with outdoor storage is more appropriate either across the street or in the rear loop and to have staff further examine and provide that feedback to ASI, we would love to welcome them but these two lots aren't the right location.

7. EDA INFORMATIONAL UPDATES

With the County and Chamber absent, staff pointed to the attached updates list mentioning the October 4th Build What Matters Tour with the Governors Cabinet touring Sappi and hosting a government luncheon at CMH in Cloquet. Tim Peterson provided an update on the luncheon and said it was a great engagement opportunity.

8. Motion to Close the Regular EDA Meeting for the Closed Meeting Session (End Swagit recording)

President Manderfeld asked a motion to close the regular EDA meeting for the Closed Meeting Session 8:20 a.m.



Motion: Commissioner Wilkinson moved, and Commissioner Ryan seconded, that the EDA Close the Regular EDA Meeting for the Closed Meeting Session. (Motion passed 4-0).

CLOSED MEETING SESSION TO DISCUSS THE PRICE AND TERMS OF SALE AND REDEVELOPMENT OF CITY PROPERTY AT 915 CLOQUET AVENUE (adjourn to rear conference room please) SOLEM HOTEL DISCUSSION

- a. Review Structural Inspection Report
- b. Feedback on Disposal of Surplus Equipment from Building Walk Through with Lots4bid
- c. Direction on Investigation Funding
- d. Draft Request for Proposals (Not public information until finalized)

9. Motion to Reopen the Regular EDA Meeting

At 8:40 a.m. Vice President Manderfeld asked for a motion to reopen the regular EDA meeting.

Motion: Commissioner Wilkinson moved, and Commissioner Ryan seconded, that the EDA Reopen the Regular EDA Meeting. (Motion passed 4-0).

9.b. Disposal of Surplus Equipment at 915 Cloquet Avenue

President Manderfeld asked for a motion to recommend to City Council the Disposal of Surplus Equipment at 915 Cloquet Avenue contracting with Lots4Bid.

Motion: Commissioner Ryan moved, and Commissioner Riihilouma seconded, that the EDA recommend to City Council the disposal of surplus equipment. (Motion passed 4-0).

9.c. Federal EPA Brownfields Investigation Funding (not clean up funding) for 915 Cloquet Avenue

President Manderfeld asked for a motion to recommend the Cloquet EDA initiate the use of federal grant funding from EPA to investigate conditions of 915 Cloquet Avenue including the opportunity to conduct possibilities such as a Phase 1, Phase 2, Asbestos, lead-based paint, and hazardous building materials survey, and development of a Response Action Plan.

Motion: Commissioner Wilkinson moved, and Commissioner Ryan seconded, that the Cloquet EDA initiate the use of federal EPA grant funding through ARDC to investigate conditions at 915 Cloquet Avenue. (Motion passed 4-0).

9.d. Request for Proposals (RFP) for the Adaptive Reuse / Redevelopment of the Solem Hotel at 915 Cloquet Avenue

President Manderfeld asked for a motion to recommend approval of the RFP for the Adaptive Reuse / Redevelopment of the Solem Hotel, set to be released October 17th with proposals due November 30th.



**CLOQUET ECONOMIC DEVELOPMENT
AUTHORITY**

101 14th St., Cloquet, MN 55720

October 12, 2022

Motion: Commissioner Riihilouma moved, and Commissioner Ryan seconded, that the Cloquet EDA approve the RFP for the Adaptive Reuse / Redevelopment of the Solem Hotel at 915 Cloquet Avenue. (Motion passed 4-0).

10. Motion to Adjourn

At 8:45 a.m. Vice President Manderfeld asked for a motion to adjourn the Regular EDA meeting.

Motion: Commissioner Manderfeld moved, and Commissioner Wilkinson seconded, that the EDA Adjourn the Regular EDA Meeting. (Motion passed 4-0).

ADJOURNED 8:45 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: November 29, 2022

ITEM DESCRIPTION: EDA Review of Monthly Financial Statements (September 2022)

EDA Requested Action

The EDA is asked to approve the September 2022 EDA financials.

Monthly Review

Attached the EDA members will find the September 2022 cash balances and loans for economic development.

CASH BALANCES

The summary of September financials **which currently total \$1,943,846**. are:

- **Fund 201 (LDO-Loan)** there is an **increase** in Fund 201 due to loan repayments.
- **Fund 201 (LDO-Project/Loan)** **no change** (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. Funds generated from EDA projects deposited here e.g. Adams Street).
- **Fund 202 (Fed CDBG)** there is a **decrease** in the account balance for Solem Hotel costs for court appraisal commissioners \$3,650.
- **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 loan repayments and an escrow deposit for the Medicine Shoppe project.

LOAN STATUS

The total outstanding loan balance for City funds is \$236,969.60 (8 business loans, 6 residential small cities projects) with monthly repayments of \$4,090.05. Listed delinquent loans have been paid.



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

Policy Objectives

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

Financial Impacts

None at this time.

Staff Recommendation

Staff recommends that the EDA move to approve the September 2022 EDA financial statements.

Supporting Documentation

- September 2022 Cash Balances; September 2022 Loan Balances

**City of Cloquet
Cash Balances
September 2022**

		Current Month	Previous Month
201	LDO Loan (EDA) - Loan	\$855,607.62 ¹	\$853,946.83
201	LDO Loan (EDA) - Project/Loan	\$139,006.21	\$139,006.21
202	Federal CDBG Loan (EDA)	\$575,594.42 ²	\$579,244.42
203	Economic Development Loan (City)	\$309,660.10 ¹	\$309,299.70
206	Revolving SCDP	\$63,977.91 ^{1 & 3}	\$54,886.77
206 Commercial Grant Awards:		\$1,943,846.26	\$1,936,383.93

A. \$10,000 Northeastern, 115 St. Louis Avenue (awnings) - **PAID**

B. \$10,000 Shooting Stars Annex, 1404 Cloquet Avenue (exterior rehabilitation) - **PAID**

C. \$10,000 Neighborhood Church of Cloquet, 612 Cloquet Avenue (re-roof) - **PAID**

D. \$4,359.46 Former Labor Temple, 1403 Avenue C (awnings/doors) - **PAID**

E. \$10,000 Paradigm Therapy, 1102 Cloquet Avenue (storefront windows, side door on 11th Street) - **PAID**

F. \$10,000 Angel Nails/Northern Health Filtration at 1201 Cloquet Avenue (12th Street exterior siding) - **PAID**

G. \$10,000 128 Avenue C (roofing) - **CN COMPLETE**

H. \$10,000 Medicine Shoppe 1208 Cloquet Avenue (awnings and doors) - **UNDER CONSTRUCTION**

I. 4,198 GCL Development 1403 Avenue C (exterior door) - **SHPO review**

J. \$10,000 Split Rock Financial (Historic City Hall) 105 Arch ST (exterior wood trim painting and brick tuck pointing) - **BIDS OUT**

K. \$10,000 Northern Printery 206 Avenue C (windows and exterior brick repair) - **BIDS OUT**

L. \$10,000 **HOLD for potential West End Brewery Project**

Monthly change explanations:

1 - Loan repayments

2 - Solem Hotel - Payment to court appraisal commissioners = \$3,650

3 - Giust LLC Escrow - \$8,341.80

**Community Development
Loan Balances
September 2022**

Loan	Loan Date	%	Loan Amount	Monthly Payment	Maturity Date	Balance	*Exp. UCC or FF
Fund 201 from 202 (EDA)							
GCL Development Group LLC	6/12/2020	2.25%	\$ 75,000.00	\$ 388.36	7/1/2040	\$ 68,209.62	
North Country Dental LLC	8/3/2020	2%	\$ 20,000.00	\$ 390.79	7/1/2025	\$ 13,274.93	7/24/2025 Sept payment not made until 1C
Pine & Pearls, LLC	7/21/2021	2.25%	\$ 70,000.00	\$ 362.47	7/21/1941	\$ 65,845.52	
Radoush Holdings LLC	10/13/2017	3.25%	\$ 10,475.00	\$ 139.59	11/15/2024	\$ 3,369.89	
WebMed, LLC	12/11/2020	2%	\$ 20,000.00	\$ 391.56	12/15/2025	\$ 15,138.63	12/8/2025 Sept payment not made until 1C
Fund 201				\$ 1,672.77		\$ 165,838.59	
Fund 201 from 204 (EDA)							
Pioneer Recovery	6/21/2013	2.25%	\$ 95,500.00	\$ 889.46	7/15/2023	\$ -	8/2/2023
Fund 201				\$ 889.46		\$ -	
Fund 203 (City)							
Wood City Lights	4/1/2014	2.50%	\$ 54,050.00	\$ 360.40	4/1/2029	\$ 26,836.41	
Fund 203				\$ 360.40		\$ 26,836.41	
Fund 203 from Fund 207 (City)							
CMW Retail Properties	7/1/2012	1%	\$ 100,000.00	\$ 598.49	8/1/2027	\$ 33,873.65	6/25/2022 No payment in Sept - Account not p
Fund 203				\$ 598.49		\$ 33,873.65	
Fund 206 from 208 (EDA)							
Janet Chalberg	8/23/2016	3%	\$ 7,017.00	\$ 92.72	8/23/2023	\$ 1,274.04	
Diane Mullen	7/17/2017	3%	\$ 6,274.00	\$ 87.62	2/17/2024	\$ 1,337.05	
Mark & Rebecca Lambert	12/15/2016	3%	\$ 7,395.00	\$ 97.67	12/15/2023	\$ 1,707.23	
Jamie Lund	12/15/2016	3%	\$ 7,500.00	\$ 99.10	12/15/2023	\$ 1,454.00	
Billy Joe Wise	8/11/2017	3%	\$ 7,493.00	\$ 99.01	9/11/2024	\$ 2,489.31	
Tammy Randa	9/13/2017	3%	\$ 7,024.00	\$ 92.81	10/13/2024	\$ 2,159.32	
Fund 208				\$ 568.93		\$ 10,420.95	
Total Community Development Loans Outstanding				\$ 4,090.05		\$ 236,969.60	

Notes:

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



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: November 29, 2022

ITEM DESCRIPTION: EDA Review of Monthly Financial Statements (October 2022)

EDA Requested Action

The EDA is asked to approve the October 2022 EDA financials.

Monthly Review

Attached the EDA members will find the October 2022 cash balances and loans for economic development.

CASH BALANCES

The summary of October financials **which currently total \$1,917,513.79** are:

- **Fund 201 (LDO-Loan)** there is an **increase** in Fund 201 due to loan repayments.
- **Fund 201 (LDO-Project/Loan)** **no change** (*state (DEED) MIF One Time Exception participation by the City of Cloquet EDA closig 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. Funds generated from EDA projects deposited here e.g. Adams Street*).
- **Fund 202 (Fed CDBG)** there is a **decrease** in the account balance for Solem Hotel costs for a structural building inspection by TKDA, having the locks changed by Hagens, paying the second half of taxes (property will go tax exempt next year), and legal fees as expenses. Revenues into the account are Q3 interest earnings.
- **Fund 203 (ED)** there is a **increase** from loan repayments into this fund.
- **Fund 206 (Revolved Phase 3 SCDP loan repayments)** there is an **decrease** in Fund 206 due to final project payout for North Harbor (former Roberts Furniture building) and half down to the awning contractor out of the escrow deposit for the Medicine Shoppe project.

LOAN STATUS

The total outstanding loan balance for City funds is \$236,969.60 (8 business loans, 6 residential small cities projects) with monthly repayments of \$4,090.05. Listed delinquent loans have been paid.



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

Policy Objectives

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

Financial Impacts

None at this time.

Staff Recommendation

Staff recommends that the EDA move to approve the October 2022 EDA financial statements.

Supporting Documentation

- October 2022 Cash Balances; October 2022 Loan Balances

**City of Cloquet
Cash Balances
October 2022**

		Current Month	Previous Month
201	LDO Loan (EDA) - Loan	\$857,968.98 1	\$855,607.62
201	LDO Loan (EDA) - Project/Loan	\$139,006.21	\$139,006.21
202	Federal CDBG Loan (EDA)	\$566,744.54 2	\$575,594.42
203	Economic Development Loan (City)	\$311,217.48 1	\$309,660.10
206	Revolving SCDP	\$42,576.58 1 & 3	\$63,977.91
206 Commercial Grant Awards:		<u>\$1,917,513.79</u>	<u>\$1,943,846.26</u>

A. \$10,000 Northeastern, 115 St. Louis Avenue (awnings) - **PAID**

B. \$10,000 Shooting Stars Annex, 1404 Cloquet Avenue (exterior rehabilitation) - **PAID**

C. \$10,000 Neighborhood Church of Cloquet, 612 Cloquet Avenue (re-roof) - **PAID**

D. \$4,359.46 Former Labor Temple, 1403 Avenue C (awnings/doors) - **PAID**

E. \$10,000 Paradigm Therapy, 1102 Cloquet Avenue (storefront windows, side door on 11th Street) - **PAID**

F. \$10,000 Angel Nails/Northern Health Filtration at 1201 Cloquet Avenue (12th Street exterior siding) - **PAID**

G. \$10,000 128 Avenue C (roofing) - **PAID**

H. \$10,000 Medicine Shoppe 1208 Cloquet Avenue (awnings and doors) - **UNDER CONSTRUCTION**

I. 4,198 GCL Development 1403 Avenue C (exterior door) - **SHPO review**

J. \$10,000 Split Rock Financial (Historic City Hall) 105 Arch ST (exterior wood trim painting and brick tuck pointing) - **NO BIDS**

K. \$10,000 Northern Printery 206 Avenue C (windows and exterior brick repair) - **NO BIDS**

L. \$10,000 **HOLD for potential West End Brewery Project**

Monthly change explanations:

1 - Loan repayments

2 - Solem Hotel - Locks Changed, Structural Inspection, 2nd half taxes, legal fees & interest earnings \$8,849.88

3 - North Harbor LLC \$18,975 (grant & escrow payout); Medicine Shoppe 1/2 down for awnings (escrow) \$3,147.50

**Community Development
Loan Balances
October 2022**

Loan	Loan Date	%	Loan Amount	Monthly Payment	Maturity Date	Balance	*Exp. UCC or FF
Fund 201 from 202 (EDA)							
GCL Development Group LLC	6/12/2020	2.25%	\$ 75,000.00	\$ 388.36	7/1/2040	\$ 67,949.16	
North Country Dental LLC	8/3/2020	2%	\$ 20,000.00	\$ 390.79	7/1/2025	\$ 12,537.12	7/24/2025
Pine & Pearls, LLC	7/21/2021	2.25%	\$ 70,000.00	\$ 362.47	7/21/1941	\$ 65,568.99	
Radoush Holdings LLC	10/13/2017	3.25%	\$ 10,475.00	\$ 139.59	11/15/2024	\$ 3,239.42	
WebMed, LLC	12/11/2020	2%	\$ 20,000.00	\$ 391.56	12/15/2025	\$ 14,405.50	12/8/2025
			Fund 201	\$ 1,672.77		\$ 163,700.19	
Fund 201 from 204 (EDA)							
Pioneer Recovery	6/21/2013	2.25%	\$ 95,500.00	\$ 889.46	7/15/2023	\$ -	8/2/2023
			Fund 201	\$ 889.46		\$ -	
Fund 203 (City)							
Wood City Lights	4/1/2014	2.50%	\$ 54,050.00	\$ 360.40	4/1/2029	\$ 26,531.92	
			Fund 203	\$ 360.40		\$ 26,531.92	
Fund 203 from Fund 207 (City)							
CMW Retail Properties	7/1/2012	1%	\$ 100,000.00	\$ 598.49	8/1/2027	\$ 32,732.64	6/25/2022 No payment in Sept - Account not pr
			Fund 203	\$ 598.49		\$ 32,732.64	
Fund 206 from 208 (EDA)							
Janet Chalberg	8/23/2016	3%	\$ 7,017.00	\$ 92.72	8/23/2023	\$ 1,184.50	
Diane Mullen	7/17/2017	3%	\$ 6,274.00	\$ 87.62	2/17/2024	\$ 1,252.78	
Mark & Rebecca Lambert	12/15/2016	3%	\$ 7,395.00	\$ 97.67	12/15/2023	\$ 1,707.23	*No Oct Payment
Jamie Lund	12/15/2016	3%	\$ 7,500.00	\$ 99.10	12/15/2023	\$ 1,358.53	
Billy Joe Wise	8/11/2017	3%	\$ 7,493.00	\$ 99.01	9/11/2024	\$ 2,396.52	
Tammy Randa	9/13/2017	3%	\$ 7,024.00	\$ 92.81	10/13/2024	\$ 2,071.91	
			Fund 208	\$ 568.93		\$ 9,971.47	
Total Community Development Loans Outstanding				\$ 4,090.05		\$ 232,936.22	

Notes:

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



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

To: Mayor and Cloquet City Council
From: Holly Hansen, Community Development Director
Date: November 29, 2022

ITEM DESCRIPTION: Cloquet Minnesota City Participation Program 2023 Application

Requested Action

The EDA is asked to recommend to Council the approval of the application for the 2023 Minnesota City Participation Program (MCPD).

Background/Overview

MCPD is a program which provides designated funding for first time homebuyer loans (Start-up and Step-up), and rehab loans (Fix-up), along with other programs for down payment and closing cost loans. Eligible MCPD loans must be located within Cloquet City limits and the borrower's income must be at or below 80% of area median income (Carlton County's income is part of the Duluth-Superior Metropolitan Statistical Area). If approved, this will mark the 7th year of Cloquet's involvement in this program which has been instrumental in providing local first-time homebuyer and down payment/closing cost loan programs which the City does not have designated funding for to administer.

The provided funding by MHFA/MnHousing is on a per capita basis (population), with each applicant allocated a minimum of \$100,000. This year in 2022 Cloquet was allocated \$208,679 in designated program bonding funds and as of the end of October used \$1,701,910 (*then using the statewide pool of funding*), translating into 13 first mortgage loans and \$172,500 in down payment loans.

MHFA/MnHousing manages the Minnesota City Participation Program (MCPD), which uses the Tax-Exempt Bond Housing Pool Allocation authorized by the Office of Minnesota Management and Budget (MMB) to enable cities to provide first-time homebuyer loans in their communities. Under the MCPD Program, Minnesota Housing can sell bonds on behalf of local governments to assist them in meeting local housing goals pursuant to Minnesota Statutes 474A.061 Subd. 2a. Minnesota's statute 474A.061, Manufacturing, Housing and Public Facilities Pools (aka the "Housing Pool"), allows Minnesota Housing to access additional bonding authority through an application process administered by Minnesota Housing annually. In accordance with that statute, cities apply to Minnesota Housing annually for such authority. Attached on page 3 are a few MCPD Program slides illustrating the program and income thresholds.



Community Development Department
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Phone: 218-879-2507 • Fax: 218-879-6555

If approved, staff will submit the application to the state between the required timeframe of January 2nd and 13th via DocuSign.

Policy Objectives

Housing is a key goal of the Cloquet EDA; this program benefits borrowers whose income is at or below 80% of area median income for single-family home purchases for first time home buyers and by partnering with MHFA, eligible first-time home buyers in Cloquet will have access to affordable Start Up Loan Program, Step Up Loan program, Fix-up, and Down payment and Closing Cost Loans from approved participating Cloquet banks.

Financial/Budget/Grant Considerations

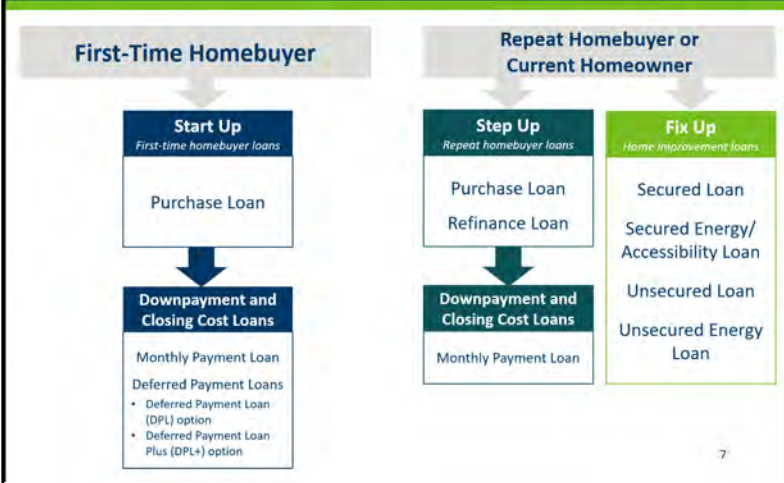
For 2023 there will be two MnHousing approved Cloquet financial institutions to use the program including: North Shore Bank and US Bank. (Frandsen's Duluth office is a registered partner). For more information visit <https://www.mnhousing.gov/sites/np/findalender>. There are no other costs to the City, however MnHousing does require at least 50% of the allocation be used in order to participate the following year. There are no administrative fees to MHFA/MnHousing.

Supporting Documentation Attached

- Selected program slides
- 2023 Cloquet MCPP Agreement



Minnesota Housing Loans



How it Works



Start Up Loan Eligibility

Minnesota Housing sets Eligibility Requirements:

- Borrower Income Limits – *on website*
- House Price Limits
 - \$372,600 in 11-County Metro
 - \$349,500 in Balance of State
- Credit Requirements per loan product guidelines
 - Minimum credit score (640)
 - Maximum Debt-to-income
 - Downpayment and closing cost loan eligibility
- Homebuyer education



Start Up Income Limits

Household Size	11-County Metro Area	Dodge & Olmsted Counties	All Other Counties
1-2	\$117,300	\$111,500	\$104,000
3+	\$134,800	\$128,200	\$119,600

Note: MCPP Loans need to be at or below 80% AMI

How it works



Minnesota Housing 2023 Minnesota City Participation Program (MCP) Application

Minnesota Housing must receive your application by email between January 3-13, 2023 at 5:00

Please provide all the information below.

Agency Contact Information

Agency Name: _____

Contact Person: _____

Mailing Address: _____ Physical Address: _____

City: _____ State: _____ Zip: _____ Website: _____

Phone #: _____ E-Mail: _____

Administrative Information

1. Check agency type: City City HRA/CDA/EDA County HRA/ Port Authority
Multi-County HRA: Receive single allocation for all counties within your jurisdiction
 Consortium of local government units applying jointly by agreement (please submit evidence of agreement with this application, even if you provided one in previous years).

2. List the legal name(s) of all cities and counties where the funds will be utilized. For county and multicounty applications, only list the counties.

3. Check the box below to confirm this statement:
MCP helps the community meet an identified housing need and the program is economically viable.

4. Does your City (or County) offer a down payment program or other homeownership assistance?

Yes No

If yes, list program names (For informational purposes only; does not impact your application status):

Signature

Provide authorized signature(s) from the organization submitting this application, including printed or typewritten name, title and phone number. Scan original and email application to mn.housing@state.mn.us (Original not needed).

Signature _____

Name (Print) _____

Title _____

Phone number or check here if same as above. _____

E-mail or check here if same as above. _____

Program and Contact Information

Minnesota Statute sets Borrower Income Limits and House Purchase Price Limits. Minnesota Housing makes final determinations of the total amount of program funds available and individual allotments (in compliance with a per capita distribution method specified in statute).

Questions about MCP or this application? Contact Greg Krenz at (651)297-3623 or greg.krenz@state.mn.us

**MINNESOTA HOUSING FINANCE AGENCY
MINNESOTA CITY PARTICIPATION PROGRAM**

**PROGRAM APPLICATION
COMMITMENT AGREEMENT**

THIS APPLICATION AND AGREEMENT (this "Agreement") is between City of Cloquet with its office at 101 14th ST., Cloquet MN 55720 and Minnesota Housing Finance Agency ("Minnesota Housing"), with its office at 400 Wabasha Street North, Suite 400, St. Paul, MN 55102.

RECITALS:

- A. Minnesota Housing, under the provisions of Minn. Stat. §474A.061, Subd. 2a is authorized to issue qualified mortgage bonds, as that term is used in the Internal Revenue Code of 1986, as amended (the "Code"), on behalf of the City, and it will issue bonds for that purpose (the "Bonds").
- B. The City applying to participate is a Minnesota city, county, city or county housing and redevelopment authority, economic development authority, port authority or a consortium of local government units, as defined by Minnesota Statutes §474A.061, Subd. 2a(c).
- C. Minnesota Housing has implemented Minnesota Housing Finance Agency Minnesota City Participation Program (the "Program") and will use the proceeds from the issuance of the Bonds to fund the Program.
- D. The City has requested and received a set-aside of funds from the Program.
- E. The City wishes to obtain a commitment by Minnesota Housing to direct Minnesota Housing's designated Master Servicer (the "Master Servicer") to purchase mortgage notes ("Mortgages") that will be originated by a lender or lenders that meet Minnesota Housing requirements for participation in programs funded by qualified mortgage bonds (collectively, the "Lender").
- F. Mortgages that the Master Servicer purchases pursuant to the commitment requested by the City must only be for residences located within a geographic area to be established and designated by the City.
- G. Minnesota Housing is willing to issue a commitment agreeing to purchase Mortgage-Backed Securities backed by Mortgages that are (i) originated by the Lender; (ii) purchased by the Master Servicer; (iii) in accordance with the terms and conditions of this Agreement, the Program, and the Start Up Procedural Manual to be supplied by Minnesota Housing (the "Procedural Manual"), the provisions of which are hereby incorporated by reference into this Agreement as if set forth in full herein; and (iv) made to borrowers with adjusted incomes not exceeding the greater of 80 percent of statewide or area median income as calculated by Minnesota Housing.

NOW, THEREFORE, in consideration of the covenants contained in this Agreement, Minnesota Housing and the City agree as follows:

1. **City Requirements.** All Mortgages submitted to Minnesota Housing for purchase under the Program must comply with all of the requirements of the Program, the Start Up Procedural Manual and this Agreement.
2. **Commitment and Commitment Amount.** The City, which applied in January 2023 for a commitment, hereby requests that Minnesota Housing cause its Master Servicer to purchase Mortgages that have been originated by the Lender and meet the requirements of, and are made in accordance with the provisions of, this Agreement, the Program, and the Procedural Manual. Minnesota Housing, by accepting this Agreement, commits to the purchase of those Mortgages in the aggregate principal amount (the "Commitment Amount") to be determined and allocated

by Minnesota Housing in accordance with Minnesota Statutes §474A.061, Subd. 2a(d), and provided to the City.

The Master Servicer will only purchase Mortgages pursuant to this Agreement securing property that, and borrowers who, satisfy the requirements and provisions of this Agreement, the Program, and the Procedural Manual. The City acknowledges that the commitment is effective upon the approval thereof by Minnesota Housing and the delivery of a copy of this Agreement by Minnesota Housing to the City.

3. **Lender Qualifications.** Lenders must meet Minnesota Housing requirements for participation in programs funded by qualified mortgage bonds.

4. **Commitment Term.** The term of this Agreement and the City's participation in the Program (the "Commitment Term") will commence on January 16, 2023 and shall continue through November 30, 2023. This Agreement, and the City's participation in the Program, will automatically terminate, without the need for any action by either party hereto, at the end of the Commitment Term.

5. **Set-Aside Term.** The Commitment Amount will be set-aside and held by Minnesota Housing for the sole use by the City for a period of time to be established by Minnesota Housing, in its sole option and discretion, provided, however, that time period will not be less than six months (the "Set-Aside Term") commencing on a date to be selected and specified by Minnesota Housing. Minnesota Housing will notify the City in writing of the date on which the Set-Aside Term commences.

Any portion of the Commitment Amount not reserved for the purchase of qualifying Mortgages as of the end of the Set-Aside Term shall be canceled and returned to Minnesota Housing for redistribution under the Program. In addition, any portion of the Commitment Amount reserved for Mortgages that are not delivered to the Master Servicer for purchase within the time period delineated in the Procedural Manual for that purchase, will be canceled and Minnesota Housing will redistribute that amount under the Program. Minnesota Housing may make any funds available to the Program at the end of the Commitment Term for mortgage loans that are eligible to be financed with proceeds of the Bonds.

6. **Commitment Fees.** There is no commitment fee payable by the City for the commitment by Minnesota Housing to the purchase by the Master Servicer of qualifying Mortgages.

7. **Purchase Price.** The purchase price of each Mortgage to be purchased by the Master Servicer pursuant to this Agreement will be as set forth in the requirements of the Procedural Manual and posted on Minnesota Housing's website.

8. **Mortgage Terms.** The terms and conditions for all Mortgages, including but not limited to the interest rate, will be set from time to time by Minnesota Housing, at its sole option and discretion, and communicated to the Lender in accordance with the procedures set forth in the Procedural Manual.

9. **Area Limitation.** Minnesota Housing, pursuant to this Agreement, is required to purchase only those Mortgages that are for residences located within a geographic area to be established and designated by the City.

10. **Servicing.** The servicing of Mortgages shall be the sole responsibility of the Master Servicer or one or more other entities that Minnesota Housing may designate in its sole discretion.

11. **Contract Documents.** The purchase by the Master Servicer of each Mortgage pursuant to Minnesota Housing's commitment is a contract consisting of this Agreement and the provisions and requirements contained in the Procedural Manual, with all amendments and supplements thereto in effect as of the date of Minnesota Housing's acceptance of this Agreement.

12. **Paragraph Captions and Program Headings.** The captions and headings of the paragraphs of this Agreement are for convenience only and will not be used to interpret or define the provisions thereof.

13. **Applicable Law.** This Agreement is made and entered into in the State of Minnesota, and all questions relating to the validity, construction, performance and enforcement hereof will be governed by the laws of the State of Minnesota.

14. **Agreement Conditional Upon Minnesota Housing Approval.** This Agreement will be a binding obligation of Minnesota Housing upon its execution by Minnesota Housing and delivery of a copy of the same to the City; provided, however, Minnesota Housing may, in its sole option and discretion, any time on or after January 16, 2023 revoke such obligation and terminate this Agreement if the City has not fully executed and returned a fully executed original hereof to Minnesota Housing. That revocation and termination will be accomplished and evidenced by Minnesota Housing notifying the City thereof by way of a “Certified Letter - Return Receipt Requested” addressed and delivered to the City. Upon revocation and termination this Agreement will be null and void and of no force or effect.

15. **Issuance of Bonds.** The City hereby authorizes Minnesota Housing to issue, on behalf of the City, qualified mortgage bonds, as that term is used in the Code, in an amount equal to the Commitment Amount, and Minnesota Housing agrees to issue those bonds if and when federal law authorizes and Minnesota Housing deems it is economically feasible to do so.

(THE REMAINING PORTION OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the City has executed this Agreement this _____ day of

(Day)

_____, _____.

(Month)

(Year)

City of Cloquet

By: _____
(Signature of Authorized Officer)

(Name of Authorized Officer)

Minnesota Housing APPROVAL

Minnesota Housing hereby accepts the above Program Application-Commitment Agreement and approves and grants participation in the program.

MINNESOTA HOUSING FINANCE AGENCY

By: _____
Kayla Schuchman

Its: Assistant Commissioner, Single-Family Division

Signed this ____ day of _____, 2023.