



**Cloquet Economic Development Authority
MEETING AGENDA**

**Wednesday March 5, 2025
8:00AM
CLOQUET CITY HALL**

ACTION TAKEN

1. **Call Meeting to Order** _____
2. **Announcements, Adjustments, Correspondence, and Other Comments** _____
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. February 5, 2025
5. **Monthly Financials** _____
 - a. January 2025
6. **Action Items:**
 - a. **SCDP Grant Request Carlton County Historical Society** _____
 - b. **Federal EPA Brownfield Grant Redevelopment Planning Funds** _____
Josh Bergstad, ARDC Principle Planner—Regional Planning
 - c. **Cloquet Child Care Action Plan** _____
Zane Bail, Chief Operating Officer—Northland Foundation
 - d. **Request General Authorization to order Ownership and Encumbrance reports; and property appraisals on select distressed properties**
7. **EDA Informational Updates** _____
8. **Adjourn** _____



**CLOQUET ECONOMIC DEVELOPMENT
AUTHORITY**

101 14th St., Cloquet, MN 55720

February 5, 2025

MINUTES OF THE CLOQUET EDA MEETING

EDA Members Present: Lyz Jaakola, Lara Wilkinson, Dave Manderfeld, Jenny Blatchford, Aaron Peterson, Mark Lanigan, Sue Ryan (EDA Commissioner)

Ex-Officio Staff/Staff Members/Others Present: Katie Bloom, Holly Hansen (City of Cloquet), Ryan Pervenance (Carlton County), Kelly Zink (Chamber)

EDA/Ex-Officio/Staff Members Absent: Tim Peterson (City of Cloquet)

1. CALL TO ORDER

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

2. ANNOUNCEMENTS, ADJUSTMENTS, CORRESPONDENCE AND OTHER

None.

3. PUBLIC COMMENTS

None.

4. APPROVAL EDA MEETING MINUTES

JANUARY

President Manderfeld asked for any corrections, additions, or deletions to the January 8, 2025 Cloquet EDA Meeting Minutes. Hearing none, he asked for a motion.

Motion: Commissioner Lanigan moved, and Commissioner Peterson seconded, that the EDA approve the January 8, 2025 Cloquet EDA Meeting Minutes.
(Motion passed 7-0).

5. APPROVAL OF MONTHLY FINANCIALS

DECEMBER

There was a slight increase in fund balance in Fund 201, a decrease in Fund 202 with loan fund draws for project payouts at 905 Cloquet Avenue, no change in Fund 203 due to missed loan payment, no change in Fund 206 and an increase of \$32,405 in Fund 207 due to LGA SAHA bi-annual allocation received.

The total outstanding loan balance is \$1,453,989.08 (8 business loans) with monthly repayments of \$9,333.26 with one loan deferral and two interest only short term housing loans. The building formerly owned by the city and sold to a developer in 2012 located at 1111 Cloquet Avenue has sold, however the loan payment will continue under original ownership until the term is



**CLOQUET ECONOMIC DEVELOPMENT
AUTHORITY**

101 14th St., Cloquet, MN 55720

February 5, 2025

complete in 2027 per the original terms of that deal, they missed a loan payment and have been put on autopay. The two city/EDA housing rehab/development projects with loans are interest only with a balloon at the end, therefore those totals remain unchanged as those developers are making interest only payments for 16 months. There is also a 16 month deferral for the Hotel Solem adaptive reuse project that is in place.

President Manderfeld asked for any corrections or questions on the financials? Hearing no other comments, he asked for a motion.

Motion: Commissioner Wilkinson moved, and Commissioner Jaakola seconded, that the EDA approve the December Financials. (Motion passed 7-0).

6. ACTION ITEMS:

A) Cloquet Economic Development Partnership Representative for 2025

EDA Commissioner Ryan has offered to serve as the representative at quarterly meetings for 2025.

President Manderfeld asked a motion to nominate Commissioner Sue Ryan as representative on Cloquet Partnership 2025.

Motion: Commissioner Jaakola moved, and Commissioner Lanigan seconded, that Commissioner Sue Ryan be appointed as the EDA representative for 2025 on Cloquet Economic Development Partnership. (Motion passed 7-0).

B) 2024 Annual Report – Community Development Department

Ms. Hansen reviewed that there was an overall decline in residential permits in 2024 (by 109 permits). However, the valuations of projects and building permit revenue both increased with large industry and commercial robustly delivering projects.

C) Review of Draft Cloquet EDA Work Plan 2025

Ms. Hansen reviewed each goal and implementation strategies for 2025 seeking any additional input from Commissioners. As childcare continues to be placed on EDA goals, she shared information from Northland Foundation on potential funding for childcare facilitation for community led solutions and requested feedback on focus areas of work for staff. EDA provided feedback that conducting a Cloquet focused effort may be helpful on the issue being that it has been five years. These goals will be placed on the Cloquet EDA website.

**D) Unpacking the Cloquet/Scanlon Housing Study – Input sought from EDA
Commissioners**

Ms. Hansen mentioned that the city has been checking in with private landowners on their sites inquiring about development plans and will continue to do so. This month staff met with FDL Band and had a teleconference with the Cloquet HRA on needs that they are experiencing related to housing and discussing strategies to address those areas.

Ms. Hansen pointed to Cloquet/Scanlon Housing Study information pointing to the need for single family home ownership opportunities (workforce housing) and affordable rental housing development. She asked for input on continued work with distressed properties and then secondly for other opportunities such as proactively purchasing property for development in the future. She requested feedback from Commissioners on how she should be focusing her time, energy, and efforts in 2025.

Commissioner Manderfeld

David Manderfeld shared that much value has come from working with distressed properties and reinvesting in neighborhoods. He feels that larger multifamily complexes are of interest to young folks, that are larger and nicer complexes such as ENDI in Duluth where he recently rented. He also acknowledged the opportunity the EDA and city can play in furthering single family home ownership opportunities for affordable single-family housing and how that also is a critical goal.

Commissioner Blatchford

Jenny Blatchford shared that she believes a mixed-use multifamily project in Cloquet would be nice similar to Bluestone in Duluth, multifamily offers more places for people to live.

Commissioner Lanigan

Mark Lanigan shared that Cloquet needs all spectrums of housing rehabilitation, new single-family construction, and new construction/adaptive reuse multifamily housing.

Commissioner Peterson

Aaron Peterson stated that a multifamily housing complex would be helpful.

Commissioner Ryan

Sue Ryan shared that apartments with retail on the bottom and single-family housing ownership opportunities would be helpful to focus on.

Commissioner Jaakola

Lyz Jaakola shared that multigenerational housing with aging parents is important such as allowing ADU's (accessory dwelling units) in zoning ordinance and options for larger family living which could open up other homes for younger families.

Commissioner Wilkinson

Lara Wilkinson shared that she trusts staff instincts and land acquisition is a way forward to facilitate the type of development the city wants to see as the missing opportunity.

EDA Treasurer Bloom

Katie Bloom, City Finance Director, shared she is a financial resource to help brainstorm options.

Ex-Officio Carlton County Economic Development

Ryan Pervanenze stated shovel ready opportunities help prepare housing and state and federal funds need to be allocated into the county and city.

Ex-Officio Cloquet Area Chamber of Commerce

Kelly Zink shared that we have to think ahead for housing plus the needs we are experiencing today. Young people are lacking access to affordable single-family ownership, we have to help create those opportunities as well as affordable rental as they are paying off debt.

7. EDA Informational Updates

Chamber updates included upcoming Chamber Chat lunches, Vegas Night Out in February at Pedros Event Center and the March Home Show.

Ryan Pervanenze from Carlton County EDA reported that the County has hired a lobbyist and will be engaged in meetings and to be sure to connect with him on local priorities.

Ms. Hansen mentioned:

- The rehabilitated home at 217 3rd Street sold, the buyers were first-time homebuyers and used program funds to purchase the house, and the city was repaid the gap financing loan.
- At the February 4th Council meeting the former DNR site heard the second reading for a property rezone from farm residential to regional highway commercial. At the February 11th Planning Commission meeting the Site Plan for this property will be reviewed and will then be reviewed by Council for approval on February 18th.
- The site plan for Collins Roofing and Sheet Metal will be reviewed at the February 11th Planning Commission meeting which is for proposed construction in the Cloquet



**CLOQUET ECONOMIC DEVELOPMENT
AUTHORITY**

101 14th St., Cloquet, MN 55720

February 5, 2025

Business Park. The site plan will proceed with the City Council for their February 18th meeting. The land sale recommended by the EDA will be brought forward to the Council that night as well.

- Staff has engaged in scoping Cloquet redevelopment project needs with ARDC and Stantec to utilize remaining EPA Brownfield Redevelopment grant funds which the city is a partner in
- Staff has initiated several private property owner meetings to inquire and assist with future development plans.
- Staff met with the FDL Band and Cloquet HRA to discuss area housing needs.
- The City of Cloquet has a board position open for the **Planning Commission**, to apply, click here:
<https://www.cloquetmn.gov/our-city/boards-and-commissions/boards-and-commissions-openings>
- EDAM attended the Economic Development Association of Minnesota conference in January networking with colleagues and attending sessions.

Adjourn

President Manderfeld adjourned the meeting at 9:03 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: February 25, 2025

ITEM DESCRIPTION: EDA Review of Monthly Financial Statements (January 2025)

EDA Requested Action

The EDA is asked to approve the January 2025 EDA financials.

Monthly Review

Attached the EDA members will find the January 2025 cash balances and loans for economic development.

CASH BALANCES

The summary of January 2025 financials **which currently total \$844, 940.03** are:

- **Fund 201 (LDO-Loan)/ Fund 201 (LDO-Project/Loan)** there is an **increase** in the fund balance due to business loan repayments.
- **Fund 202 (Fed CDBG)** there was an overall **increase** in fund balance due to quarterly interest disbursements and a reduction for SCDP loan satisfactions.
- **Fund 203 (ED)** there is **no change** to the fund balance as the one business loan fund in this category missed payment this month. Staff has worked with their accounting department to set up a bank withdraw.
- **Fund 206 (Revolved Phase 3 SCDP loan repayments)** there is an **increase** in fund balance due to the sale of a building with a grant lien.
- **Fund 207 (Housing Trust Fund)** there is no change in fund balance as statewide affordable housing aid (SAHA) payments are received with January and July local government aid (LGA) disbursements to the city from the state.

LOAN STATUS

The total outstanding loan balance for City funds is \$1,453,005.70 (8 business loans) with monthly repayments of \$9,001.85 with one loan deferral and one interest only short term housing loan. There is a delinquent business loan this month and city has set up ACH payments. The building formerly owned by the City and sold to a developer in 2012 located at 1111 Cloquet



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

Avenue has sold, however the City's loan payment will continue under original ownership until the term is complete in 2027 per the original terms of that deal.

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 January 2025 EDA financial statements.

Supporting Documentation

- January 2025 Cash Balances; January 2025 Loan Balances

City of Cloquet
Cash Balances
January 2025

		<u>Current Month</u>	<u>Previous Month</u>
201	LDO Loan (EDA) - Loan	\$13,957.21 1	\$12,204.73
201	LDO Loan (EDA) - Project/Loan	\$0.00	\$0.00
202	Federal CDBG Loan (EDA)	\$331,409.61 2	\$328,901.61
203	Economic Development Loan (City)	\$352,587.62	\$352,587.62
206	Revolving SCDP (EDA)	\$17,365.59 3	\$8,794.16
207	Housing Trust Fund (City)	<u>\$129,620.00</u>	<u>\$129,620.00</u>
		<u>\$844,940.03</u>	<u>\$832,108.12</u>

206 Commercial Grant Awards:

None

Monthly change explanations:

- 1 - Loan repayments
- 2 - Recording fees & Interest Allocation
- 3 - Northern Printery Repayment

Community Development
Loan Balances
January 2025

Loan	Loan Date	%	Loan Amount	Monthly Payment	Maturity Date	Balance	*Exp. UCC or FF
Fund 201 (EDA LDO Fund)							
Boss Builders LLC	7/1/2024	4.00%	\$ 155,000.00	\$ 516.67	1/1/2026	\$ 155,000.00	***
C&C Holdings LLC	7/24/2024	2.00%	\$ 924,500.00	\$ 6,250.00	7/24/2044	\$ 924,500.00	**
Lagom Restoration LLC	12/21/2023	4.00%	\$ 56,000.00	\$ 186.67	6/25/2025	\$ 56,000.00	***
Fund 201				\$ 6,953.34		\$ 1,135,500.00	
Fund 202 (EDA CDBG Fund, all loans are repaid into Fund 201 LDO to revolve restrictions once loaned, interest accrues into 202)							
C&C Holdings LLC	7/24/2024	2.00%	\$ 211,500.00	\$ -	7/24/2044	\$ 211,500.00	**
GCL Development Group LLC	6/12/2020	2.25%	\$ 75,000.00	\$ 388.36	7/1/2040	\$ 61,002.99	
North Country Dental LLC	8/3/2020	2.00%	\$ 20,000.00	\$ 390.79	7/1/2025	\$ 2,331.02	7/24/2025
WebMed, LLC	12/11/2020	2.00%	\$ 20,000.00	\$ 391.56	12/15/2025	\$ 4,264.27	12/8/2025
Hieb Properties LLC	8/19/2024	4.00%	\$ 20,434.00	\$ 279.31	8/19/2031	\$ 19,516.18	
Fund 202 into 201				\$ 1,450.02		\$ 298,614.46	
Fund 203 (City)							
CMW Retail Properties	7/1/2012	1.00%	\$ 100,000.00	\$ 598.49	8/1/2027	\$ 18,891.24	Dec/Jan/Feb late
Fund 203				\$ 598.49		\$ 18,891.24	
Fund 206 (EDA SCDP Fund no current funds from 208 City SCDP)							
Fund 208				\$ -		\$ -	
Total Community Development Loans Outstanding				\$ 9,001.85		\$ 1,453,005.70	

Notes:

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

** 16-month loan deferral through Nov 2025

***Housing rehab/development short term loans making interest only payments with a balloon at the end of the term



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: February 27, 2025

ITEM DESCRIPTION: SCDP GRANT REQUEST 406 CLOQUET AVENUE (CCHS)

EDA Requested Action

The EDA is asked to approve allocating \$10,000 for 406 Cloquet Avenue in Small Cities Development Program (SCDP) grant project.

Background

The Shaw Memorial Library was originally built in the late 1800's by George Stearns Shaw, owner of the Cloquet Lumber Company. The library was destroyed by the 1918 fire and reconstructed from the generosity of two sisters Cordelia (Shaw) Lynds and Hattie (Shaw) DeLescaille and reopened in June of 1920.

The building served as the Cloquet Public Library until the 1980s with a new library facility constructed on 14th Street. The building was then owned by Carlton County and served as the Carlton County Historical Society (CCHS).

In 2019, Carlton County transferred ownership of the building to the historical society for \$1 "with the agreement that it was to be the permanent home of the Carlton County Historical Society."



In 2020, the Shaw family returned to Cloquet to honor the building and provide a donation for the building's facility needs. Kraus Anderson has been working with CCHS on a building condition assessment. Critical project needs that match well with the Small Cities Development Program (SCDP) grant financial target for CCHS are:



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

1. **Replace the lower ADA front door** (handicapped entrance to the handicapped accessible elevator) estimated between \$10,000-\$12,000 to replace (see attachments for details); and
2. **Ash Room ceiling repair** is estimated at \$2,000.

Policy Objectives

Attached is a copy of the city's SCDP grant program brochure, funding improvements are for projects located within the grant target area for:

- *Exterior repairs/improvements (roofs, windows, doors, signage, awnings)*
- *Code violation corrections (handrails, exit signs, health and safety issues)*
- *Energy improvements*
- *Ramps and bathroom accessibility conversions.*

Financial Impacts

The maximum grant award is \$10,000. Projects must be matched at 30% by the applicant. The anticipated project costs/scope are as follows:

CCHS GRANT REQUEST

\$10,000-\$12,000 door/transom

\$2,000 basement ceiling repair

\$14,000 total project (**\$10,000 SCDP**, \$4,000 CCHS)

Staff Recommendation

Staff recommend the EDA move to approve allocating \$10,000 from Fund 206 for the CCHS building at 406 Cloquet Avenue for a Small Cities Development Program (SCDP) grant project.

Supporting Documentation

- Letter of Interest CCHS and project request attachments
- Cloquet SCDP Program Fact Sheet

Carol Klitzke, Director
Carlton County Historical Society
406 Cloquet Avenue
Cloquet, MN
55720

February 27, 2025

Holly Hansen, EDFP AICP
Community Development Director, City of Cloquet
101 14th Street
Cloquet, MN
55720

Re: Small Cities Grant Application

Ms Hansen,

Please consider this letter a formal request from the Carlton County Historical Society for a grant from the Cloquet Economic Development Authority for necessary repairs to our building, formally the Shaw Public Library. We have hired the architectural, engineering, and contracting firm of Kraus Andersen to assess the condition of our building. They brought to our attention two distinct projects significantly deficient in the areas of health and safety, among a number of other concerns.

The first project is to replace the lower front door. It hardly functions and is the only point of entry for our handicapped visitors. It also serves as access to our handicapped accessible elevator. It is estimated the cost of replacing this door and its transom will be between \$10,000 and \$12,000. Attached are two pages more clearly explaining this.

As an aside, a major area of concern noted by Kraus Anderson is the condition of the main entry steps. Immediately below the steps at ground level is an entry room accessed by the door in question. Eventually the steps will need to be replaced, and they will need to meet SHPO requirements. Therefore, the lower door, which is an immediate and eminent health and safety concern, must be replaced properly. The new door will be made to fit in with the remodel of the future steps and meet the SHPO requirements as closely as possible to match the original design of this historic building. We plan for this door to be at some time removed and reused within the new entry steps.

Secondly, it was hoped the repair of the beautiful cornice would fit financially within the grant. It will not, as it's cost is over \$20,000. The repair and tuck pointing of the cornice will be left to other funding.

Thus, our second project is the shoring up of the ceiling of the old coal room later used as an oil tank room. It is currently empty and we affectionately call it the Ash Room. The problem is the ceiling/roof of this room is at ground level and adjacent with the alley at the south. The attached page more accurately explains this. Kraus Anderson pointed out a vehicle driving over it could collapse the roof. Currently the area is blocked off. Again, this element is a part of the SHPO concern. Our plan is to shore up the ceiling/roof from the interior making it safe to drive over. Kraus Anderson estimated this would be a \$2,000 project. Once the Ash Room is made safe it could be converted to dry cold storage.

So it is the Carlton County Historical Society is respectfully requesting about \$14,000 to (1) replace the lower front door and transom and (2) shore up the Ash Room ceiling to make it safe.

We understand your board will review our request. If the request is approved we will fill out a more detailed application. By the way, we already have a copy of the deed, insurance documentation, utility invoices, etc. at the ready. Once that application is complete, you will send out a representative to meet with us to review our two projects and prepare a Scope of Work document for your bidding contractors. Eventually a contractor will be accepted, the work will be completed, and final payments will be made. The Carlton County Historical Society understands its obligations within the grant.

Thank you for the opportunity to make this request.

Sincerely,

Carol Klitzke, Director CCHS

Attached: Aerial Photo

Attached: Lower Door Information

WEST ELEVATION EXISTING PHOTO



Remove the existing frame, transom, threshold and door
All removed and demolished materials become the property of the Contractor who will be responsible for removing them from the site.

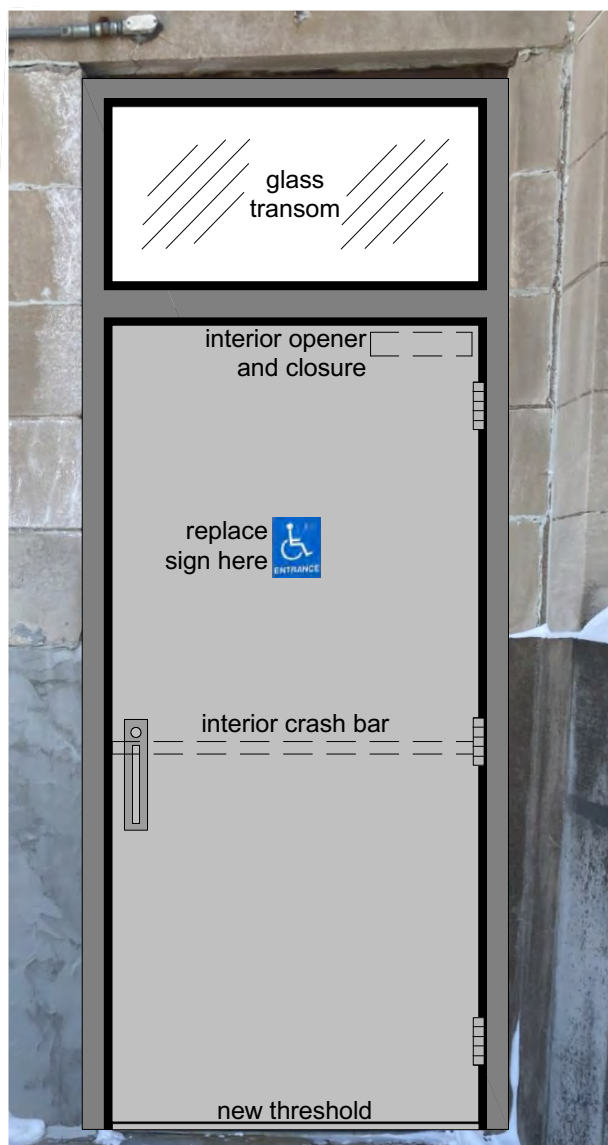
Reuse the automatic opener

Remove handicapped sign and reapply to new door

Note the door is hinged here and swings out as will the new door

Reuse the automatic door control

WEST ELEVATION NEW DOOR



DOOR REQUIREMENTS

- 1) 6'-8"x3'-0" insulated steel door w/ 16" h +/- transom
- 2) 2"x4 1/2" insulated aluminum frame w/ bronze anodized finish
- 3) 1" thermal glazing
- 4) 3 ball bearing hinges
- 5) Keyed exterior dead bolt integral with stainless steel plate
- 6) Stainless steel exterior loop type pull on stainless steel plate
- 7) Interior crash bar opener
- 8) Reuse opener and closure connected to existing pedestal
- 9) Aluminum accessible threshold
- 10) Door to have sweep
- 11) Silicone caulk around window, door, and any vulnerable areas
- 12) Provide all necessary blocking for a secure installation
- 13) Contractor is responsible for all construction details
- 14) Confirm all measurements and details before commencing

AERIAL PHOTO



IMPORTANT:

- 1) The new door and transom must be handicapped accessible in all respects,
- 2) The new door and transom must be entirely secure, and
- 3) Be made removable with as little trouble as possible.

At some point in the future the steps will be demolished and replaced as closely as possible to the original design of the building. At that time this new door will be removed and replaced in the new steps.

NORTH ELEVATION



Drawn By:
Greg Hallback
Scale: None
Date: Feb. 27, 2025

2

Carlton Cnty Hist Society
406 Cloquet Ave
Cloquet, MN 55720

**SITE AND
ELEVATION**

Design Services
903 Carlton Ave, Cloquet, MN
701-936-9548

Cloquet Small Cities Development Program 2019 **Commercial Rehabilitation Fact Sheet**

The City of Cloquet previously received grant funds for owners interested in improving their commercial buildings from the Minnesota Department of Employment and Economic Development Small Cities Development Program (SCDP).

- This assistance to owners is in the form of a deferred 7-year loan, which must be matched with other funds to complete the project. The SCDP loan requires no repayment after the 7 year term. The match of funds must be 30% of the total cost of improvements, or at least equal to the amount of the SCDP loan. SCDP funds will only pay for 70% of the total cost of improvements.
- The grant amount threshold is **\$10,000** per property (plus the 30% owner match).
- The SCDP loan is repaid to the city if the property is sold; title is transferred, or conveyed within 7 years of the loan closing. The obligation to repay is reduced by one-seventh of the original loan amount after each of the years. If after 7 years the property is still owned by the borrower, or the building is occupied by the same business, the loan is completely forgiven.

To qualify:

- Building must be in the City of Cloquet SCDP Target Area and zoned as commercial property.
- You must be an owner/occupant or owner with a rental occupant of a building used for commercial purposes, either free of debt, through a mortgage or recorded Contract for Deed. *If you are buying the property on a Contract for Deed, the holder of the contract must sign off on the loan as well. The mortgage, property taxes and utilities must be current and proof of property insurance is required to be approved.
- The building must have an active and bona fide business.
- Davis-Bacon federal wage rates (or prevailing wage rates) apply to all work completed with SCDP funds.

The following improvements qualify under the SCDP:

- Exterior repairs/improvements (roofs, windows, doors, signage, awnings)
- Code violation corrections (handrails, exit signs, health and safety issues)
- Energy improvements
- Ramps and bathroom accessibility conversions.

Required:

- The City of Cloquet enforces the State Building Code. A building permit will be required from the City along with inspections. The City has agreed to waive fees associated with building permits for approved SCDP projects. Questions? Call the Cloquet Community Development Department (218) 879-2507.
- Work must be done by licensed and insured contractors.
- No early work starts are allowed, approved projects must have a Proceed to Work Order from Carlton County.

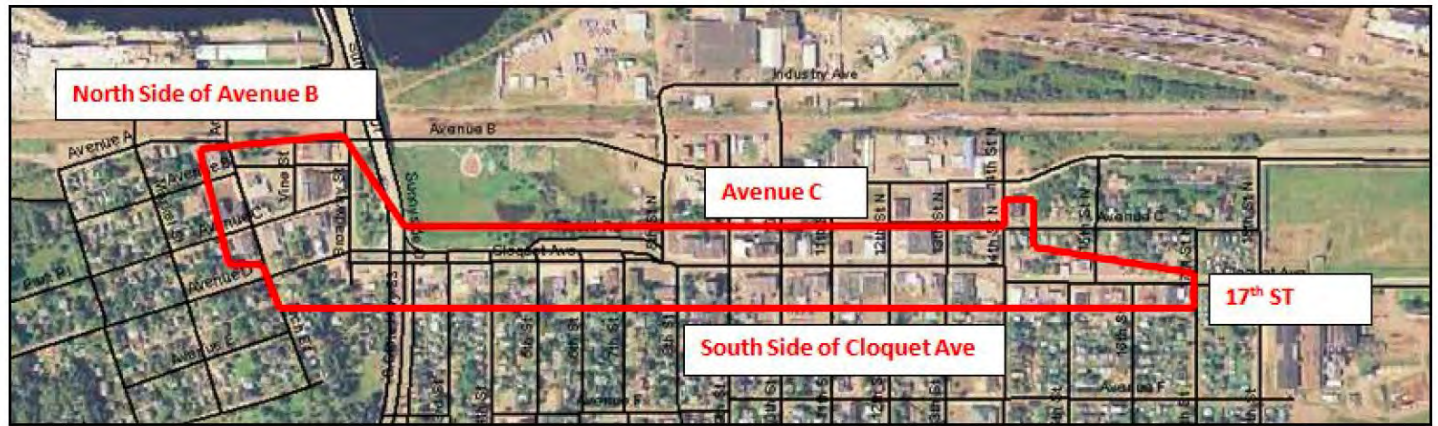
Need more work done than this program covers? Contact your local bank or the City:

- **Cloquet EDA** at (218) 879-2507 x4

If you are interested in being eligible to be selected for a project/eligibility approval, contact the City of Cloquet, if you are selected for a grant you will complete an application and send that to:

CITY OF CLOQUET
218-879-2507 x4 101 14th ST Cloquet, MN 55720
www.cloqueteda.com

COMMERCIAL Cloquet Target Area



WEST END CLOQUET - COMMERCIAL TARGET AREA



DUNLAP ISLAND - COMMERCIAL TARGET AREA INSET



*Restoring vibrancy to our
West End Business District &
historic riverfront roots.*



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: February 26, 2025

**ITEM DESCRIPTION: Arrowhead Regional Development Commission (ARDC)
Planning: Arrowhead Brownfield Assessment Program**

Background

After the Arrowhead Regional Development Commission (ARDC) Planning was awarded \$600,000 in U.S. Environmental Protection Agency (EPA) Brownfield Assessment Grants (federal), the Arrowhead Brownfield Assessment Program was formed by ARDC and its coalition partners: the Cities of Cloquet, Cohasset, Grand Rapids, International Falls, and Two Harbors and Aitkin County to formulate project uses for the EPA Brownfield Assessment Coalition Grant. These communities are part of the ARDC

Brownfields Advisory Committee and direct workload tasks in partnership with the project consultant Stantec.

The goal of the Arrowhead Brownfield Assessment Program is to begin restoring environmental health and community prosperity by starting to return underutilized industrial and commercial properties to productive uses. The Program can assist with a wide range of environmental assessment activities on public and private properties including:

- Developing a brownfield inventory
- Evaluating eligible sites impacted by petroleum or hazardous substances
- Conducting Environmental Site Assessments (Phase I and II ESAs)
- Conducting site investigations, remedial action, and reuse planning
- Conducting Asbestos, lead-based paint, PCB/Mercury Light Ballasts/Switches, misc. debris (surveys necessary for renovating/demolishing older structures)

U.S. EPA Definition:

“Brownfields are real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.”

**U.S. EPA Coalition Assessment Grants
Logistics**

- \$600,000 awarded in funding
- 5-year grant term (October 1, 2020 - September 30, 2025)
- **100% grant funded – no match funds required**
- Public and privately owned sites are eligible
- ARDC seven county area

Goals

- Identify, prioritize, and complete environmental assessments and/or remedial/reuse planning activities
- Assist with positioning sites for redevelopment and reuse



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

Policy Objectives

Project goals of the brownfield grant include:

- Plans to safely cleanup properties and development of brownfield reuse plans that will result in a safer and healthier community
- Reduction in pollutant runoff and migration as a result of greener redevelopment
- Use of assessment results to plan for safe removal or remodeling of blighted buildings
- Increased public awareness of the potential hazards of brownfields
- Redevelopment of brownfield sites
- Creation of parks and greenspace
- Leveraging of private and other investments
- Job creation
- Increased property and sales tax revenue and increased property values

Goal 5 in the 2025 Cloquet Economic development Authority (EDA) Work Plan is Downtown Revitalization / Business Support / Redevelopment Support in an effort to ensure difficult sites that require redevelopment are supported with economic development tools as warranted.

Financial /Budget/Grant Considerations

Over the past 5 years, staff has worked with ARDC to leverage these funds for needs in Cloquet. Grant funds have been used for:

- Phase I Hotel Solem
- Phase II Sunnyside Apartments
- Phase I Angell Property (FDL Reservation/Cloquet)
- Phase I Best Oil lot
- Phase I, Phase II, sampling, and reuse planning Brenny Dahl

Advisory Committee/Commission Action

With the final year left for the grant project, the ARDC Brownfields Advisory Committee is shifting focus to Brownfield Reuse Redevelopment Planning Activities such as:

- Existing conditions assessment (utilities & roads)
- Market analysis
- Identify opportunities & constraints
- Community visioning
- Redevelopment plan

U.S. EPA Coalition Assessment Grants Anticipated Outputs

- Inventory of potential brownfield sites through the region
- Phase I ESAs for up to 20 sites or parcels
- Phase II ESAs for up to 16 sites or parcels
- Asbestos, lead-based paint, and hazardous building materials surveys for up to 6 sites
- Response Action Plans for up to 8 sites
- “Area-wide” reuse plans for 3 brownfield impacted areas or neighborhoods
- Public outreach meetings, materials, and other media postings, as appropriate





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

- Implementation strategy

Cloquet's proposal to utilize Brownfield Reuse Planning funding for the Brenny Dahl site has been selected (along with another site in Grand Rapids) and grant funded at \$104,162:

Brenny Dahl – Environmental & Redevelopment Planning	
Task	Estimated Cost
New Phase I ESA	\$5,229
Site-Specific Sampling and Analysis Plan (SSSAP) Update	\$2,459
Phase II ESA	\$44,104
*Asbestos and Hazardous Material Survey	\$13,870
Redevelopment Planning	\$38,500
Total	\$104,162

**cost estimates subject to change based on the findings and updates*

We are excited to collaborate with the property owner and project consultants on this site to consider and assist its future redevelopment. This grant is a tremendous opportunity to assist the property and its opportunities moving forward. Thank you ARDC for the opportunity and to Stantec for the broad suite of consulting services!

Supporting Documents Attached

- EPA Brochure
- ARDC EPA Brownfield Assessment Coalition Grant summary of activities 2020-December 2024

Why revitalize brownfield sites?

- Increase property values
- Reuse existing infrastructure
- Encourage public/private partnerships and redevelopment opportunities
- Eliminate blight impacts to neighboring properties
- Support job creation and retention
- Strengthen the community
- Address and help reduce threats to public health and the environment from known or undocumented contamination
- Minimize potential impacts to surface and drinking water sources



ARROWHEAD BROWNFIELD ASSESSMENT PROGRAM

Learn more information at
ardcplanning.org/brownfields



Contact

Arrowhead Regional Development
Commission (ARDC)
ARDC Planning Division
Josh Bergstad, Principal Planner
(218) 529-7516
jbergstad@ardc.org

2021

What is a brownfield?

The U.S. EPA defines a brownfield as “real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.”

Most industrial sites and commercial sites will meet the definition of a brownfield if they are abandoned, vacant, or even just underutilized.

Did you know?

- Approximately 30% of sites assessed by previous U.S. EPA brownfield grant recipients were found to be clean enough that no environmental cleanup was needed prior to redevelopment
- On average, 80% of brownfields sites will not be redeveloped without some type of initial public assistance, i.e., either pro-actively addressing the sites, or fleshing out environmental concerns and potential costs associated with them
- Brownfield redevelopment is one of the most important sustainable land use practices, saving developers and local taxpayers' significant infrastructure costs through reuse, versus greenfield (sprawl) development
- SBA & HUD studies suggest that, on average, 1 job will be created for every \$13,000 - \$17,000 in public investment in brownfield redevelopment
- Various studies suggest that \$8 - \$17 of private investment can be leveraged for each \$1 of public investment in brownfield assessment or cleanup



Available Funding

\$600,000 in EPA Brownfield Coalition Assessment Grant funding was awarded to ARDC in 2020. These funds can:

- Develop a Brownfield inventory
- Evaluate eligible sites impacted by petroleum or hazardous substances
- Conduct Environmental Site Assessments (Phase I or II ESAs)
- Conduct site investigations, remedial action, and reuse planning
- Asbestos and lead-based paint surveys

In addition, funding assistance may be available from cities, the State of Minnesota, the U.S. EPA, or other federal agencies to assist with cleanup and development of sites assessed using EPA funds. Contact us today to see if your property qualifies for brownfield redevelopment funding.

Frequently Asked Questions (FAQs)

Who pays for this work? For eligible priority sites, 100% of the costs can be covered for approved activities.

Will an environmental site assessment (ESA) affect the value of my property?
No.

How can this assistance enhance the value of my property? ESAs allow property owners to quantify the amount of contamination on a property (if any). For properties with little to no contamination, this knowledge may increase marketability. For sites with significant contamination, property owners can realize increased value through cleanup, tax incentives, and received liabilities.

Will an ESA trigger a requirement that I take action? The program is voluntary. In certain cases, Phase II results may trigger reporting requirements to agencies. If a Phase II is recommended and you provide approval for the work, Stantec will discuss the pros and cons associated with potential outcomes.

Will I have control over the work done?
Yes, you will have the right to stop participation in the program at various phases of the assessment process.

What's the catch? There is NO CATCH! ESAs and/or related activities can be conducted using grant funds at no cost to the property owner. Participation is voluntary and no grant match is required!



Stantec Consulting Services
9200 Shelbyville Road Suite 800
Louisville KY 40222-5136

January 22, 2025

Mr. Joshua Bergstad, AICP

Principal Planner
ARDC Planning
Phone: 218-529-7516
jbergstad@ardc.org

Reference: Site Redevelopment Planning – Brenny-Dahl Site

Dear Mr. Bergstad:

Stantec Consulting Services, Inc. (Stantec) is pleased to present this proposal for Site Redevelopment Planning for the former Brenny-Dahl Site, located on Voyageur Highway (Hwy 33) in the City of Cloquet, Minnesota. The following scope of services outlines the required tasks necessary to perform brownfields site redevelopment planning services as requested per our call on January 7th. We look forward to assisting you with this exciting brownfield redevelopment opportunity.

Scope

Stantec understands that the proposed project includes four contiguous parcels #06-510-5440, 06-510-5450, 06-510-5430, 06-510-5495 and totals approximately 28.64 acres, per Carlton County GIS.

The site was formerly the Brenny-Dahl Concrete Block Co. which ceased operation in 2012. Stantec understands the ARDC and site property owner desire redevelopment planning services to help market the site to future development partners. To support this site redevelopment planning project, our team will conduct existing conditions analysis, due diligence, targeted stakeholder interviews, a hotel/market analysis, master plan design and rendering services. The project will conclude with a final master plan report and implementation strategy to support the sites advancement towards redevelopment. The above-mentioned planning tasks are outlined in the following scope of services.



Design with community in mind

Task A: Project Kickoff & Existing Conditions

At the project kickoff, Stantec will hold a kickoff meeting with ARDC, the City of Cloquet staff, the property owner, and any identified stakeholders to confirm project goals and establish the project milestones and schedule. Following project kickoff, the Stantec team will initiate the Existing conditions phase of the project which will include the following tasks:

Due Diligence: Our team will conduct a desktop review of local and regional ordinances to fully understand land use, zoning, stormwater, floodplain and other regulatory constraints that should be considered in redevelopment. Stantec will conduct a desktop review of local and regional planning documents that may inform the development of the site. Virtual meetings with local staff may be conducted as necessary to fully understand the design parameters. Stantec assumes a boundary and topographical survey will not be provided for this project. A project site base map will be generated in CAD, utilizing publicly available GIS data provided by the city/county, or other publicly available data. Necessary data for this task includes, but not limited to the following: parcels; floodplain; contours; existing building footprints; utilities; floodplain; hydrology; aerial imagery.

Environmental Analysis: Stantec will review environmental assessment reports to understand the brownfield contamination potential per the previously completed Phase I ESA. We will consider environmental impacts in the redevelopment strategy for the site.

Stormwater & Utility Analysis: Stantec will provide a desktop analysis of utility availability and capacity to support redevelopment, including, but not limited to, electric, gas, water, communication, sewer, considering specific circumstances and restrictions from permitting agencies. Stantec will review stormwater needs for the proposed redevelopment and conceptually locate and size stormwater management facilities needed to support the proposed reuse

Stakeholder Interviews: Stantec will virtually interview up to three (3) local stakeholders that may inform the project redevelopment and direction. Stakeholders for this site may include real estate professionals, neighboring business owners, parks and recreation staff, etc. Stakeholders will be identified and coordinated by the city staff.

Deliverable: Existing Conditions Summary Memo

Task B: Market Analysis

Stantec will assess the market viability for a limited-service hotel, commercial/retail use and multi-family housing on the Brenny-Dahl site ("subject site") in Cloquet, Minnesota, which is located on the west side of Highway 33 immediately south of the Minnesota National Guard Armory building.

The assessment will examine market viability through a demand and supply analysis of Cloquet and the larger Duluth-Superior metropolitan area within which Cloquet is located. The demand analysis will focus on key demographic and economic trends and characteristics. The supply analysis will be based on an inventory of existing and pending facilities (for hotels, retail and multifamily apartments) as well as an assessment of current market conditions, such as occupancy and pricing trends.

Based on the demand and supply analysis, we will project the level of market support for new hotel rooms, retail space and apartment units in Cloquet and the portion that can be captured by the subject site.

In 2024, Stantec conducted a comprehensive housing study for the Cities of Cloquet and Scanlon. The study included a thorough analysis of the socio-economic conditions in Cloquet and the surrounding region as well as a detailed breakdown of housing needs by type. Therefore, this study will incorporate data and analysis from the recent housing study. Below is a description of the tasks needed to complete the analysis.

Site Analysis

- Assess access and visibility for the subject site.
- Review traffic volumes on roadways adjacent to and near the subject site.
- Identify nearby land uses and orientation of the subject site.
- Assess the proximity of the subject site to retail and other goods and services of interest to hotel customers and apartment residents.

Socio-Economic Analysis

- Using data from the Cloquet Housing Study, examine population, household, and employment growth trends and projections for Cloquet and the Duluth-Superior metropolitan area.

Hotel Analysis

- Define the competitive trade area for a hotel on the subject site.
- Identify and survey major room-night generators (i.e., uses that consistently drive demand for lodging, such as hospitals, colleges and universities, recreation areas, major employers, etc.).
- Identify destinations, events, and other special amenities in and near the trade area that would attract the leisure market segment.
- Interview local chamber of commerce and/or economic development staff within the trade area regarding current and potential hotel utilization from scheduled events, business travel, recreational opportunities, etc.
- Review historical limited-service hotel market trends (e.g., occupancy, room rates, room supply, room demand, room revenue) for comparable hotel properties in the trade area.
- Inventory comparable lodging facilities in the immediate areas of the subject site; collect data on type of property, year built, number of rooms, room types, rates, and property features and amenities (including food and beverage outlets and meeting/banquet space).
- Identify any planned or proposed hotel facilities within the trade area and assess their impact on the demand.

Retail Analysis

- Define the market area for retail trade on the subject site
- Identify existing demand drivers for new retail development appropriate for the subject site
- Examine the supply of retail square footage relative to similar market areas to understand current retail needs

- Gather data on occupancy levels, rent prices, and existing supply of retail serving the trade area
- Identify new and proposed retail facilities in the subject area
- Interview commercial property realtors and available developers to assess potential of the site for new retail development

Multi-family Housing Analysis

- Based on data and findings from the Cloquet Housing Study, estimate the number and type of multi-family housing units that could be supported on the subject site.
- Use data from the Cloquet Housing Study to explore alternative ownership options on the site oriented towards entry-level housing

Deliverable: Market Analysis Report

Task C: Preliminary Site Design

Stantec will synthesize the findings of Task A and B into an opportunities and constraints exhibit. This exercise will identify developable area, design parameters, environmental and site constraints for redevelopment. Stantec will develop a preliminary site design concept for the project site that outlines the optimal redevelopment scenario, informed the exhibit and by the market analysis findings. The preliminary site design concept will include building footprints/ square footages, parking layouts and counts, pedestrian flow, driveways and vehicular flow, site amenities, parks/public realm improvements, and conceptual landscaping improvements. The preliminary site design concept will be developed in plan view, drafted in CAD, and color rendered to clearly illustrate the proposed design. The site redevelopment vision will be strengthened by precedent imagery. Stantec will present the redevelopment design to city, property owners, ARCD and project stakeholders virtually for input. Up to two rounds of site revisions will be provided per input and feedback.

Deliverables: Opportunities and constraints exhibit, preliminary site design concept and visioning imagery.

Task D: Final Master Plan Report

Stantec will incorporate final feedback into a final redevelopment design for the site. The final master plan design will include one plan view rendering of the site and up to two (2) birds-eye perspective view rendering of site massing to assist the final visioning for the project. Architectural detail of the proposed buildings is not included in this scope of services.

Stantec will develop a final redevelopment planning deliverable for the project which will summarize the findings of the existing conditions, market study, stakeholder input, and concept design. The report will outline the proposed development data for the proposed master plan and a summary of the proposed uses, broken down by SF for each, in addition to site improvement needs to support reuse.

The final master plan report will include an implementation strategy to, including funding suggestions, to help advance the project forward to implementation. Stantec will present the final master plan design virtually to the staff and stakeholder group.

Deliverables: Final Master Plan Report PDF

Exclusions: Typical services not included in the Fee are as follow. The Client shall approve all additional services in writing. Standard hourly rates will apply unless fixed fee services are negotiated on a case-by-case basis. All Services not specifically included in base fee, including services in connection with Client scope increases or decreases.

- Environmental remediation is not included in this scope of services, but can be provided by Stantec at an additional fee.
- Opinion of Probable Cost is not included in this scope of services by can be provided by Stantec at an additional fee.
- Site boundary and topographic survey for base map preparation is not included in this scope of services. The base map for the site will be based on publicly available GIS data. No assurances are expressed or implied that the approximated boundary and topography will accurately represent actual site conditions. Stantec can provide a topographic and boundary survey for an additional fee.
- Utility and stormwater analysis will be conducted utilizing publicly available and GIS data, supplemented with existing conditions photos. Site survey and underground utility survey is not included in this scope of work.
- The design will include conceptual grading, stormwater, and utility needs are included in this scope. Detailed grading, utility design, detailed stormwater management, permitting, engineering, and/or construction documents are not included in this scope of service.
- Detailed Architectural Design
- Soils engineering, geotechnical or reports.
- Variances or Entitlements, Legal Descriptions, or Special Planning Processes.

Schedule

We anticipate completing the project within 3 months of project kickoff.

Fee

Task	Fee
Task A: Project Kickoff & Existing Conditions	\$5,500
Task B: Market Analysis	\$10,000
Task C: Preliminary Site Design	\$10,500
Task D: Final Master Plan Report	\$12,500
Total Fee:	\$38,500

Stantec appreciates the opportunity to provide this proposal. If you have any questions or need additional information, please do not hesitate to call.

Regards,

Stante Consulting Services



Lindsey Brown

Project Manager/Funding Specialist
Phone: 262-649-0124
Email: lindsey.brown@stantec.com



Kaitlyn Woolard, PLA

Landscape Architect
Brownfield Asset Transformation
Phone: 864-608-4805
Email: Kaitlyn.woolard@stantec.com



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: February 27, 2025

ITEM DESCRIPTION: Cloquet Child Care Community-Led Solutions Proposal

Background

Child care was the third listed goal for 2025 and as of June 2024, First Children's Finance estimated that child care in the City of Cloquet are short by 307 child care slots. In 2020, the city participated in the Carlton County partnership with First Children's Finance to develop a Community Solutions Action Plan through the Rural Child Care Innovation Program. Several projects were completed through that process as well as several state grant programs disseminated through the Northland Foundation.

With ongoing concerns from employers on lacking regional child care, staff outreached to Northland Foundation for direction. At the March EDA meeting, Zane Bail, Chief Operating Officer of the Northland Foundation will attend the meeting virtually to share an opportunity for Cloquet to examine child care needs over a one year period starting in 2025, see proposal attached to be facilitated by Northspan. Ms. Bail will review the proposal with the EDA and answer questions.

Policy Objectives

Annually, the Cloquet EDA crafts a Work Plan placing policy goals and directing key work.

Goal #3 – INCREASE CHILD CARE SLOTS

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

Implementation Strategies:

1. *Create stronger local awareness for child care providers of county licensing staff support services and state resources.*
2. *Be a resource to connect home-based Family child care and child care centers (private and non-profit) to regional and statewide resources to retain / expand child care slots e.g. Northland Foundation, First Children's Finance, Business of Child care etc.*
3. *Collaborate with businesses and government to leverage local opportunities to use regional and state programs, loans, and grant opportunities to expand child care in Cloquet.*
4. *Support partnership to expand programming for older children in the community, increasing communication, interaction, and participation with the Cloquet Community Education Foundation on unique opportunities.*



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

5. *Connect inquiries for daycare center facilities to buildings and sites for sale within Cloquet.*

Financial Impacts

Northland Foundation is offering a not to exceed \$29,000 grant investment to assist Cloquet with a facilitation process for Cloquet Child Care Community-Led Solutions in an effort to learn and share findings across the region from the process. Facilitation would be conducted by Northspan who has also used to assist the City of Duluth and Silver Bay through child care challenges in an effort to identify creative solutions.

Staff Recommendation

The opportunity to leverage grant funding was unexpected and certainly is a tremendous opportunity for Cloquet and would recommend this opportunity as an EDA project. Staff has made initial outreach calls to gauge interest in crafting a project steering committee membership which could include organizations, partners, and business and there is willingness to participate. Northland Foundation mentioned there may be opportunities to explore additional issues in nearby areas of the County through this project.

Supporting Documentation

- Northspan Child Care Action Planning Facilitation Services February 2025

NORTHSPAN

COMMUNITY BUSINESS ORGANIZATIONAL DEVELOPMENT

CITY OF CLOQUET

Child Care Action Planning Facilitation Services

February 21, 2025

PREPARED FOR:

Holly Hansen, Community Development Director
City of Cloquet
Email: hhansen@cloquetmn.gov

PREPARED BY:

Ali Bilden Camps, Senior Consultant
202 W. Superior Street, Suite 600 | Duluth, MN 55802
acamps@northspan.org
C: 218.391.0201

INTRODUCTION	3
LETTER OF INTEREST	
SECTION I	4
ABOUT US	
SECTION II	6
GOALS & APPROACH	
SECTION III	9
EMBEDDED METHODS	
SECTION IV	10
DEVELOPMENT PHILOSOPHY	
SECTION V	12
QUALIFICATIONS	
SECTION VI	15
EXAMPLES & REFERENCES	
SECTION VII	17
COST TO COMPLETE	





NORTHSPAN

202 West Superior Street, Suite 600, Duluth, MN 55802
218.481.7737 | acamps@northspan.org

February 21, 2025

Re: Cloquet Child Care Community-Led Solutions Proposal

Dear Holly,

Thank you for your commitment to identifying solutions for child care access and affordability in the City of Cloquet. The current and projected demand for child care in Cloquet surpasses local capacity. Without state and federal policy and funding leadership, it is essential to explore how the City of Cloquet can collaborate with public and private partners to develop resources that expand affordable and accessible child care. We recognize this as a significant challenge—one that local experts and community leaders are prepared to address.

In 2020, Carlton County partnered with First Children's Finance to develop a Community Solutions Action Plan through the Rural Child Care Innovation Program (RCCIP). Building on the findings of this initiative, we propose establishing a community-led committee to create an action plan focused on the following strategic priorities identified during the RCCIP process:

- Finding space for providers
- Workforce development
- Community support
- Legislative support
- Business support

By leveraging the existing data and insights from the First Children's Finance RCCIP committee, we can streamline efforts to enhance efficiency and drive meaningful progress. We will seek ways to draw up the RCCIP work and collaborate with First Children's Finance to utilize any tools or resources they might have to support this effort. I will serve as the lead on this initiative, with support from Northspan Consultants Amber Lewis and Stefanie Sjelin.

Attached, you will find a detailed concept outline for your consideration. Our approach is professional, objective, and inclusive. Northspan is committed to leading innovative strategies that enhance economic vitality and civic well-being, and we appreciate the opportunity to support your community in this effort.

Thank you for your time. We look forward to your feedback.

Best Regards,

Ali Bilden Camps, Senior Consultant



ENGAGE & ELEVATE

OUR MISSION

To be expert navigators, transforming ideas into accomplishments.

OUR EXPERTISE

Northspan delivers high quality development consulting services to clients in the Upper Midwest. We are a critical resource for businesses, organizations, and communities that need solid and dependable research services, professional technical support, and financial assistance to advance their projects.

BUSINESS

- Structure and facilitate financing for projects
- Provide expertise in packaging loan and grant applications
- Partner with communities and financial institutions to provide loan program support services
- Partner with community banks to provide Small Business Administration (SBA) 7a Loan Guaranty program services
- Provide accredited business valuation and succession planning

COMMUNITY

- Coordinate and facilitate critical conversations
- Provide strategic support and gap capacity for communities and regional partnerships
- Devise strategies for diversification, change, and sustainable growth
- Critically examine, research, and analyze opportunities and challenges
- Provide policy recommendations and process for change

ORGANIZATIONAL

- Coordinate and facilitate strategic planning processes
- Provide technical assistance for change, growth management, and development
- Provide meeting management and planning services
- Facilitate economic adjustment, crisis response, and readiness planning initiatives
- Conduct project feasibility studies and economic impact analyses

ABOUT US

The Northspan Group, Inc. is a private, nonprofit development consulting firm located in Duluth, Minnesota. Northspan specializes in creative thinking, enterprising strategies, and systematic approaches to help businesses, communities, regions, and organizations prosper in a global economy. Our professional staff work cooperatively with economic and community development partners to leverage resources for measurable, sustainable results. As a private, nonprofit consulting firm, we work quietly and confidentially to move projects forward on time and on budget by providing critical, gap capacity support that exceeds client expectations.

CORE VALUES

We foster respect through intentional engagement of stakeholders and seek common solutions to community, business, and organizational challenges.

INCLUSIVE: We facilitate intentional engagement of stakeholders and seek common solutions to community, business, and organizational challenges.

TRUSTWORTHY: We earn the loyalty of our clients by operating ethically, reliably, confidentially, and with integrity.

STEWARDS: We carefully manage the resources entrusted to us and focus on the long-term well-being of our clients and programmatic service areas.

ADAPTABLE: We offer a broad range of expertise which enables us to seize new opportunities and tailor our offerings to meet our clients' needs.

DILIGENT: We provide satisfaction to our clients by delivering excellent customer service and clear results.

HISTORY

Northspan has been a behind-the-scenes force for economic development for more than 37 years. It was born in 1985 as a private, nonprofit organization to offer professional business and community development services. At the time, northeast Minnesota was reeling from a recession, record high unemployment, and a shrinking tax base.

Northspan's founders chose its name to reflect its broad mission across the Upper Midwest and formed it as a private, nonprofit fee-for-service consulting group to nimbly address issues while remaining committed to its mission.

Northspan then built a team of professionals with broad capabilities that worked without limits imposed by geography or any professional field. Since its inception, Northspan has spearheaded regional partnerships, lent a fresh perspective, and built deep relationships in the communities it serves.

NORTHSPAN BY THE NUMBERS

75+ YEARS
COMBINED
EXPERIENCE

75+ CLIENTS
SERVED
IN 2022

9 TALENTED
TEAM
MEMBERS

GOAL

Develop a five-year strategic framework including a practical vision, underlying contradictions, strategic directions, and action planning to guide its implementation.

RECOMMENDED APPROACH

Northspan's preferred strategic planning method includes six phases:

1. Preparation & Design
2. Internal and External Analysis
3. Context Presentation & Strategic Directions Workshop
4. Focused Implementation
5. Strategy Documentation
6. Recommended Continued Engagement: Quarterly and Annual Evaluation & Planning Workshops

(1) PREPARATION & DESIGN

Northspan works with the group to design the engagement, clarify who needs to be involved, and examine the group's environment, which provides focus for the workshops. Preparation and design of our strategic planning method could incorporate all the following components:

- Clarify strategic planning goals
- Identify those to be engaged in the workshops
- Organize & schedule workshops and check-in meetings when necessary

(2) INTERNAL & EXTERNAL ANALYSIS**Determine and Conduct Environmental Assessments**

Use data tools and research to determine trends and best practices relevant to the group, including case study comparisons when relevant. Data will seek to provide context to inform strategic planning.

Community-Informed Survey

Utilizing SurveyMonkey, Northspan creates and conducts a community-informed survey. Participants may include current and past child care providers, employers, community stakeholders, local leadership, city/state political leadership, and the public. We distribute the survey to identified audiences and coordinate publicity efforts with staff.

The community-informed survey seeks to gather ideas regarding what stakeholders would like the action committee to focus on in its strategies. These insights will provide ideas on opportunities the committee can propel or create to improve outcomes.

-

COMMUNITY LISTENING SESSIONS

Northspan develops and conducts one focus group listening session with child care providers, parents, employers, and community members. The data and ideas from this conversation will be summarized in a document and synthesized to inform the planning workshops.

For the following two workshops, Northspan proposes a one-day retreat with lunch.

(3) CONTEXT PRESENTATION AND STRATEGIC DIRECTIONS WORKSHOP

Workshop Time: 4 Hours

Use past reports, surveys, focus group results, and relevant community-based demographic and economic data to develop a narrative around the community and create an overview presentation to provide context in first workshop.

Strategic Directions | Using the goals identified in the RCCIP process, the group creates strategies that will deal with the contradictions and move the group toward its vision.

- What innovative, substantial actions will deal with the underlying contradictions and move us toward our vision?
- Enables the group to create clearly focused, yet innovative and empowering strategies that set the course for the group.
- Generates excitement about collaboration within the group and new commitment to practical possibilities.

(4) WORKSHOP: FOCUSED IMPLEMENTATION Parts 1 – 3

Workshop Time: 4 hours

The group decides the substantial actions required to carry out its new directions with measure and implementation plans.

- Discerns the strategic actions that will begin to build momentum behind each strategic direction.
 - Instills ownership, commitment, and accountability for action.
1. Accomplishments
 - a. What will be our specific, measurable accomplishments?
 2. Timeline & Assignments
 - a. What is our timeline for completion of accomplishments?
 - b. What are the identifiable costs for actions on the timeline?
 3. Priorities
 - a. What are our priority actions for the first quarter?

(5) STRATEGY DOCUMENTATION

Once these planning sessions are completed, we draft a feasible Strategic Plan detailing Strategic Directions, Actions, and Outcomes that includes all elements outlined above, plus:

- Create and electronically communicate the draft strategic plan with the group to acquire feedback.
- Edit and present a final strategic plan including a process summary for approval.

(6) RECOMMENDED CONTINUED ENGAGEMENT**WORKSHOP 3: FOCUSED IMPLEMENTATION Part 4**

Workshop Time: 4 hours

- 90-Day Implementation Steps for Quarter 1
 - a. What are the implementation steps for the first-quarter accomplishments?

WORKSHOPS 4 – 6: QUARTERLY EVALUATION & PLANNING

Workshop 4-6 Quarter 2, 3, 4 Planning | Time: 3 hours each quarter

- Review of strategic directions.
- Evaluation of the last 90-day action plans: Each team presents/reports out on accomplishments to date, what didn't get done, blocks, learnings, and implications.
- Plan for next 90 days: Each team works on their measurable accomplishments on the quarterly timeline and creates a draft 90-day action plan for each accomplishment. Each team also updates their timeline if necessary.
- Each team presents out to the group for edits and enhancement ideas.

WORKSHOP 7: ANNUAL EVALUATION & QUARTER 1 PLANNING WORKSHOP

Workshop Time: 8-hours, in-person with lunch

EMBEDDED METHODS

Focused Conversations create a setting for meaningful communication.

- Provide a structure for clear dialogue and reflection
- Probe beneath the surface to the depth of a topic
- Encourage a diversity of perspectives
- Create shared awareness

Consensus Workshops lead to consensus-based group decisions that respect diverse perspectives, create joint resolve, and inspire individual and group action.

- Engage all group members
- Organize the group's ideas and decisions
- Reveal the consensus in large groups
- Build effective team partnerships
- Create shared agreement

Action Planning (when appropriate) is an approach to short-term planning for events or projects that already have group agreement.

- Visualizes the completed task
- Analyzes the current situation
- Focuses the group's commitment
- Sets up clear forms of accountability
- Develops a coordinated action timeline
- Creates commitment to action



DEVELOPMENT PHILOSOPHY: ENGAGING & ELEVATING SINCE 1985

Northspan's mission is to be expert navigators, transforming ideas into accomplishments. Over 37 years of community and economic development work, Northspan has built a reputation as a reliable partner that will create a careful strategy specific to the context of each engagement process. While the faces of staff members may change, the organization maintains a commitment to inclusive participation and profound respect in its work. We build long-term partnerships with communities and organizations. We often operate behind the scenes to add value for and increase the capacity of organizations that provide essential goods and services to people from all walks of life.

Trust is fundamental to our work, and we maintain a high standard of professionalism to continue the legacy we have built. We are well-connected and able to contribute to engagement processes with bodies of state and local government, private companies, philanthropic organizations, nonprofits, and community leaders. Only with buy-in from a dense network of people and groups can community engagement processes be successful, and we aspire to this comprehensive level of connection in every engagement process.

With an ten-person staff, Northspan has the capacity to provide additional research work and administrative support, streamlining our internal processes and allowing us to conduct certain supporting tasks at a lower hourly rate than that of the facilitator. Our track record of professionalism, responsiveness, and fresh energy allows us to move quickly and leave clients satisfied with the support they receive.

OUR ADAPTABLE ENGAGEMENT PROCESS

Above all, Northspan's approach emphasizes inclusive participation and profound respect on behalf of the facilitator, and we adapt and evolve our processes to these guiding principles. We believe it is the facilitator's role to carefully listen to all perspectives, and to encourage and proactively seek participation from everyone in the room. Our flexible approach to facilitation adapts to client needs, meeting attendees, and new developments over the course of an engagement process. When possible, we seek to include non-traditional engagement methods that include the arts and active engagement, which we believe can reach communities in new ways and bring them on board with a renewed vision of their communities' future. These processes provide an essential foundation for enhanced public life, create strong places that people can call home, and foster economic growth.

OUR ADAPTABLE ENGAGEMENT PROCESS CONTINUED

Northspan's facilitation work is based on the Institute of Cultural Affairs-USA Technology of Participation (Top) methods, which aims to transform the way groups think, talk and work together. We learn from the people we are working with by immersing ourselves in their communities or organizations to understand their challenges and opportunities. We make sense of what we learn, identify opportunities for change or movement, and consider how to model or pilot these ideas. Then, together with the community, we bring these ideas to life. How people behave, engage, act, move, think, and work within their communities are fundamental to our understanding of their dynamics. As we observe and analyze communities, gather new data, and use existing data, we begin to understand the reality on the ground.

We work with communities and organizations through the process and build partnerships and collaborations to allow for trust. This has the power to change perspectives and perceptions, inviting broader, long-range thinking. We create opportunities to test new ideas and gather more input, all while engaging all types of people in the community. When we take the time to listen, observe, and engage, we can make the best possible recommendations to elevate growth, recovery, and change.

ELEVATION OF DIVERSE PARTICIPANTS AND VIEWPOINTS

Northspan has a holistic vision of community and economic development and understands how partners can work together to best serve their communities. We know how to navigate a broader community and economic development ecosystem and help organizations find their niches among their partners to ensure they do not replicate services and provide a distinctive value proposition.

We research and learn to negotiate internal politics within the communities we serve, at times doing extensive background reading on communities' histories and tapping everyone in our networks to learn what we can about the places we work. Our diligence and knowledge of history allows us to research and break down historical divides, building connections where none had existed before. Our public and private sector experience leaves us very familiar in negotiating tough crowds and tougher conversations around organizational and community change.

We also believe it is essential to not only recognize people who show up to community meetings, but also explore methods to encourage participation from groups who are conspicuous in their absence. We believe in doing direct outreach in communities instead of waiting for community members to come to us. We identify where community members are and go directly to them, building bridges founded on common interests and goals. We believe in an expansive idea of diversity that works across age groups, race, faith, gender, and sexual orientation. We are also well-connected with the communities in which we operate, with ties to bodies of state and local government, private companies, philanthropic organizations, nonprofits, and community leaders. Only with buy-in from a dense network of people and groups can community engagement processes be successful, and we aspire to this comprehensive level of connection in every engagement process.



ALI BILDEN CAMPS: LEAD SENIOR CONSULTANT

218.481.7737 | acamps@northspan.org

www.linkedin.com/in/alibildencamps

Ali joined Northspan in 2022 as a Consultant and provides community and organizational development services. For two years, Ali managed the NORTHFORCE program by connecting career-minded individuals with professional advancement opportunities and supporting our regional employers' current and future workforce needs.

Ali brings over 15 years of nonprofit management and community development experience including working with organizations and individuals across all sectors. She has roots in northern Wisconsin and has called northeast Minnesota home for almost 20 years.

RELEVANT CREDENTIALS, EXPERIENCE, AND EXPERTISE:

- Strategic planning facilitation for a variety of groups, including City of Rhinelander, Life House, Lake Superior Community Health Center, and Fond du Lac Band of Lake Superior Chippewa. Successfully guides organizations through collaborative visioning processes, identifying actionable goals tailored to their unique missions and challenges.
- Manages the NORTHFORCE webtool; regular activity maintaining the program's database of employers, job posts, and candidate profiles. Continuously improves platform usability and ensures data accuracy to enhance the user experience for both employers and job seekers.
- Works one-on-one with employers to optimize job posts, provide candidate data, and create job ads for social media. Provides tailored recommendations to help employers attract top talent while ensuring alignment with regional workforce needs.
- Works with area partners on high-priority projects including improving access to talent in the fields of child care, health care, construction, and manufacturing. Develops and implements strategies to address workforce gaps, facilitating cross-sector collaboration for sustainable solutions.
- Facilitates community-action groups including the Child Care Talent Pipeline. Drives actionable outcomes by aligning stakeholders around shared goals and leveraging local resources to address talent shortages.
- Coordinates community events to connect students with employers throughout the region, including job fairs and career-experience events. Designs engaging event formats that create meaningful connections and inspire career exploration among participants.
- Bachelor of Science Degree in English with a minor in Gender Studies from the University of Wisconsin-Superior in 2006.
- Superior/Douglas County Leadership Graduate Class of 2014.
- MBA in Leadership and Change from the College of St. Scholastica in 2018, with coursework in Organization Development, Diversity and Inclusion, and Consulting.
- Completed the Certified Career Services Provider (CCSP) credential through the National Career Development Association in November 2022.



AMBER LEWIS: SUPPORT CONSULTANT

218.481.7737 | alewis@northspan.org

<https://www.linkedin.com/in/amberlewis/>

Amber Lewis coordinates the Welcoming Community program focused on finding ways to bring community solutions to challenges while bringing people together across differences. Her work involves fostering a more welcoming community in northeast MN and supporting talent retention and community engagement in the region through facilitating community conversations, learning opportunities, and community projects centered on belonging and inclusivity.

community projects centered on belonging and inclusivity.

She joined Northspan in 2021 on a two-year fellowship with Lead for America and has a master's degree in conflict analysis and resolution from George Mason University.

RELEVANT CREDENTIALS, EXPERIENCE, AND EXPERTISE:

- In August of 2021-August of 2023, Amber completed her two-year fellowship service in which she was tasked with identifying and implementing initiatives and partnerships to launch Welcoming Community programming serving seven counties and six tribal nations in northeast Minnesota. Amber focused on identifying key community challenges and conflicts through relationship building, intentional conversations, and outreach to underrepresented community members in northeast Minnesota. She was Instrumental in forming a 30+ member northeast Minnesota Welcoming Community Advisory Committee with over 50% representation from members of underrepresented community groups
- Over a year-long period, Amber coordinated two Inclusion Learning Cohorts in rural communities of northeast Minnesota. The cohorts were focused on bringing community members together across difference to build relationships, learn inclusive community practices, and address a challenge in the community
- Other key initiatives organized as part of the Welcoming Community programming included the establishment and hosting of regular meetings of the Duluth Lyceum in partnership with the national Lyceum Movement and assisting in the coordination of 80 free Intercultural Development Inventory assessments to rural community leaders.
- Amber assisted the development and execution of the 1st Annual Virtual Northeast Minnesota Equity Summit, with over 200 participants, and was the lead coordinator for the 2nd Annual Equity Summit, Belonging in Northeast Minnesota (in-person), with 120 participants and 24 presenters.
- Before joining Northspan, Amber completed her master's degree in Conflict Analysis and Resolution from the Jimmy Carter School for Peace and Conflict Resolution. As a student and post-graduation, she was a participant in planning and facilitating a series of dialogues concerning controversial nomenclature and monuments for the City of Fairfax, VA. She effectively collaborated with city staff, professors, and other volunteers resulting in successful dialogue sessions and improved understanding of best practices for future Fairfax dialogue sessions.
- In 2015, Amber served as Augsburg's Environmental Stewardship Fellow. She was a key partner with Augsburg's Environmental Stewardship Committee and served a supervisory role as an advisor to four undergraduate students involved in the Environmental Student Leaders Action Network (ESLAN) in creating and implementing projects and events related to campus and community sustainability.
- Amber was a founding member of the Utah Valley University Interfaith Student Council. She effectively participated in the drafting, planning, and hosting of various workshops and lectures aimed at resolving religious based conflicts and successfully participated in and assisted in the facilitation of dialogues between those of different faiths using conflict resolution principles.
- Currently serving the second year of a two-year term as a member of the FUSE Leadership Council
- Participated in the 2023 cohort for the Minnesota Young American Leaders Program
- Currently completing training to serve as a volunteer moderator for the non-profit Braver Angels

**STEFANIE SJELIN: SUPPORT CONSULTANT**

218.481.7737 | ssjelin@northspan.org

<https://www.linkedin.com/in/stefaniesjelin/>

Stefanie joined Northspan in 2023 as an Associate Consultant in a generalist role, utilizing a varied skillset and strategic mindset to capably assist with community, organizational, and business development and support the NORTHFORCE, Welcoming Community, and Northland Connection programs.

Stefanie graduated summa cum laude from The College of St. Scholastica with a bachelor's degree in organizational leadership and has lived in Duluth for over ten years. She is passionate about maximizing

potential, furthering equity, and delivering quality results to stakeholders in communities throughout the region.

RELEVANT CREDENTIALS, EXPERIENCE, AND EXPERTISE:

- Collaborates closely with staff to provide general assistance with various community, organizational, and business development projects to meet client and stakeholder needs.
- Actively supports the Northland Connection, NORTHFORCE, and Welcoming Community programs by conducting research, making strategic recommendations, and engaging in community and workforce outreach.
- Utilizes strong attention to detail in formatting, preparing, coordinating, proofreading, and editing contracts, proposals, reports, applications, and other documents while maintaining strict confidentiality standards.
- Currently pursuing certification in Technology of Participation (ToP) facilitation methods through the Institute of Cultural Affairs, emphasizing focused conversations, consensus workshops, and action planning in alignment with Northspan's preferred strategic planning method.
- Certified as a Social-Behavioral-Educational Researcher through the Collaborative Institutional Training Initiative (CITI), with a demonstrated ability to collect, interpret, and present data.
- Graduated with highest honors from Lake Superior College with an Associate of Arts and a distinction in Diversity, Equity, and Inclusion in December 2020.
- Graduated summa cum laude from The College of St. Scholastica (CSS) with a Bachelor of Arts in Organizational Leadership and minors in Psychology and Human Resources Management in May 2023, with focused coursework in organizational development, industrial-organizational psychology, business ethics, research, data analysis, and evidence-based decision-making.
- Worked as a Career Assistant with CSS Career Services, including helping to draft and edit professional documents, co-presenting workshops, and representing the department at workforce development events; recognized as a 2023 Student Employee of the Year finalist for outstanding performance and dedication to promoting equity and inclusion.

RELEVANT EXPERIENCE & REFERENCES

CHILD CARE TASK FORCE FACILITATION | 2023-2024

Challenge: The City of Duluth was facing a significant gap between the number of available child care slots and the growing demand from families. To address this issue, a Child Care Task Force was established with members representing child care providers, local government, education, business, and nonprofit sectors. The goal of the Task Force was to develop sustainable and collaborative solutions to expand child care availability across the city.

Role: Northspan led the Task Force through a comprehensive process to identify strategic actions for improving Duluth’s child care landscape. This included presenting national, state, and local context to help members understand the scope of the problem, conducting a survey to gather ideas from Task Force members and local child care experts, and facilitating several workshops to develop targeted strategies. Northspan compiled the insights into a final report and presented it to the community.

Results: The Task Force developed a set of strategies aimed at supporting existing child care providers and fostering the growth of new facilities, including:

- Increasing Community Education and Support
- Developing a Sustainable Workforce
- Creating Opportunities for Current and New Facilities
- Improving Financial Support for Providers and Parents

These strategies serve as a guide toward a more accessible, supported child care system for families in Duluth

Reference: Mayor Roger Reinert, rreinert@duluthmn.gov , 218.730.5230

RELEVANT EXPERIENCE & REFERENCES

NORTHLAND FOUNDATION CHILD CARE COMMUNITY SOLUTIONS ACTION PLANS 2019-2020

Challenge: Silver Bay faced an 833% deficit in available child care slots in late 2019, which was by far the highest number in the region. The shortage was so dire that partners from a wide range of areas knew they needed to come together to find a solution but weren't sure what direction their efforts would take. Similarly, Chisholm and the communities of East Range also faced child care slot shortfalls.

Role: Developed the Community Solutions Action Plan to guide the processes in Silver Bay, Chisholm, and on the East Range. In Silver Bay, convened numerous stakeholder meetings, conducted extensive survey work, and worked to bring a diverse array of partners together to support and fund the project. On the East Range, worked with a potential provider on funding for a project. Provided support as necessary for the Chisholm project.

Results: Little Mariners Child Care Center located in William Kelley School opened in 2020 with financial and logistical support from a long list of community partners. Efforts to develop projects in Chisholm and on the East Range are ongoing.

Reference: *Tony Sertich, Northland Foundation, tony@northlandfdn.org, 218.723.4040*

INVESTMENT

Northspan bills for services on a cost reimbursement basis based upon the hourly rates of professional staff involved and any direct charges and travel associated with the work performed.

We propose a contract not to exceed \$29,000 to provide these services. This figure includes the complete scope outlined in the line-item budget.

Preparation & Design

\$1,165.00 Conduct a kickoff meeting with the group to design the engagement, clarify who needs to be involved, and examine the group's environment, which provides focus for the workshops.

\$8,420.00 Determine & Conduct Environmental Scan/Assessments, including but not limited to:

\$2,660 1. Internal & External Analysis

\$2,830 2. Community-Informed Survey

\$2,930 3. Community Listening Session (1. 2-Hour)

\$4,950.00 Strategic Planning Retreat

\$2,475.00 Context Presentation & Strategic Directions Workshop

\$2,475.00 Focused Implementation Part 1-3

\$4,865.00 Strategy Documentation

\$19,400.00 SUBTOTAL

Quarterly Workshops

\$1,050 Focused Implementation Part 4 / Quarterly Planning Workshop

\$1,050 Quarter 2 Planning Workshop

\$1,050 Quarter 3 Planning Workshop

\$1,050 Quarter 4 Planning Workshop

\$2,800 Annual Evaluation & Quarter 1 Planning Workshop

\$750.00 Design, Printing & Meeting Supplies

\$500.00 Snacks and Meals for Workshops

\$168.00 Mileage

\$6600.00 Travel Time, based on 2 trips

\$2,078.00 SUBTOTAL Design, printing, food, mileage, & travel

\$21,478.00 TOTAL without quarterly workshops

\$28,478.00 TOTAL

N O R T H S P A N

202 W. SUPERIOR ST., SUITE 600 DULUTH, MN 55802 218.481.7737
INFO@NORTHSPAN.ORG



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: February 28, 2025

ITEM DESCRIPTION: Request General Authorization Authority for staff to determine select distressed property parcels to proceed with ordering Ownership and Encumbrance reports and Property Appraisals on

EDA Requested Action

The EDA is asked to authorize authority for staff to determine select distressed property parcels to proceed with ordering ownership and encumbrance reports and property appraisals on.

Background

At last month's EDA meeting, staff sought direction on ways to move forward with various recommendations contained in the October 2024 Cloquet/Scanlon Housing Study. Through that process staff sought input on distressed properties. Feedback was requested from EDA Commissioners individually during the meeting and from Ex-Officio staff.

Cities/EDA's can purchase blighted properties, they do not just have to be hazardous (structurally or physically) for the possibility of housing redevelopment. Prior to doing so in an effort to clearly understand property structure and liabilities related to potential acquisition cities/EDA's must order: ownership and encumbrance reports and then secondly property appraisals. Through my tenure with the city working various cases, I distinguish property distress in three general categories:

1. Vacant Buildings.

- a. Taxes current, properties vacant with utilities off.

2. Forfeiture Candidates.

- a. Mortgage forfeiture. Properties are financially distressed with back mortgage payments accumulating, utility shut offs, and back taxes accumulating, property disinvestment, some potential liens (medical, child support) often headed towards mortgage forfeiture first – a much shorter timeframe before bank obtained.
- b. Tax forfeiture. Properties are financially distressed with back taxes accumulating, utility shut offs, property disinvestment, some potential liens (medical, child support) often headed towards tax forfeiture – a lengthy process, now longer by Minnesota adding one year for private market sale processes due to court cases.

3. Property Maintenance and Utility Distress; Tenant/Owner Nuisance Distressed.

- a. Property disinvestment, utility shut offs, tenants present on the property, and ownership may or may not be actively engaged in respectful management of conditions. Acquisition not advised as doing so requires responsibility for tenants via relocation requirements. Advised pathway citations from Building Official on housing code violations and exterior conditions via the Zoning Administrator / Police Department.



Policy Objectives

Proactively pursuing housing redevelopment opportunities for the EDA/city align with the 2025 EDA Work Plan as follows:

Goal #1 – HOUSING - Facilitate the development of ownership and rental housing projects marketing re/development site opportunities, and promote programs that help maintain existing ownership and rental housing stock. 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 to assist with key community priorities/projects.

Goal #5 - REDEVELOPMENT SUPPORT - Ensure difficult sites that require redevelopment are supported with economic development tools as warranted.

Financial Impacts

Ownership and encumbrance reports typically cost about \$80 each. Property appraisal reports on home lots are estimated by the city's appraiser at \$1,200 each. If the EDA provides staff authority to determine select distressed properties, I would anticipate the selection of 3-4 homes that fit the direction of EDA goals (total estimated cost of \$1,300 per property). Funding used could come from Fund 202 (if three sites \$3,900, if four sites \$5,200).

Staff Recommendation

If authorized by the EDA, properties will be selected by staff. No properties have been selected at this time. If authorized staff will generally screen for vacant properties, with utilities that are on or off, or could be structural ownership distressed.

At a future EDA meeting, a closed session will be held to review, discuss, and consider select blighted properties for purchase for housing redevelopment based on the appraised value noting that if offers are not accepted that in the future the city may proceed with recommendation of eminent domain proceedings to do so. Coming out of that closed meeting session, per Mn. Stat. 13D.05, the EDA would then name properties to pursue for housing redevelopment.

The process from there is the EDA could be successful in property acquisition, or may not, but would pay for the process. If acquired, the EDA would proceed to city council for authorization/discussion on the city's use of SAHA funds (Fund 207) to demolish/clear homes on these properties so that they are cleared for redevelopment. Lastly, the EDA would prepare Request for Proposals to contractors for redevelopment into housing.

Supporting Documentation

- N/A



AGENDA INFORMATIONAL UPDATES 2-27-25

CHAMBER

- The next **Chamber Chat luncheon** will be on Thursday March 13th at Carmen's from 11:30a.m.-12:30p.m.
- **Home Show** - March 14th and 15th at Black Bear Casino and Resort – on the search for businesses who would like to participate!
- The **Annual Meeting of the Cloquet Area Chamber of Commerce** will be on Thursday April 24th at the Black Bear Casino and Resort

COUNTY

- None provided.

CITY

- The city will be **scheduling the property closing** for lot sales in the Cloquet Business Park with JBB LLC who this spring will begin construction on a 6,400 square foot facility for Collins Roofing and Sheet Metal. The property sale was approved by the City Council on February 18th.
- Staff has initiated several private property owner meetings to inquire and assist with future development plans.
- The **Cloquet Economic Development Partnership** will meet at City Hall on Tuesday March 11th with the city hosting lunch.
- New **Cloquet HRA website!** <https://www.cloquetcarltonhra.org/>
- Pine Journal February 21, 2025 '**Classic meets modern' in Solem Hotel renovation** – see attached article or online here: <https://www.pinejournal.com/news/local/classic-meets-modern-in-solem-hotel-renovation>
- Fox 21 interviewed Chad Scott of C&C Holdings Cloquet/AMI Engineering and city staff on February 27, 2025 <https://www.fox21online.com/2025/02/28/historic-cloquet-hotel-solem-undergoing-renovations/> Attached, Chad Scott has provided visuals of the draft interior renderings planned.

DRAFT HOTEL SOLEM INTERIOR RENDERINGS



Join us! **CHAMBER CHAT**

11:30-12:30



JAN - RIVER INN
FEB - PERKINS
MARCH - CARMENS
APRIL - HANK'S
SPORTS BAR & GRILL
MAY - PEDROS
JUNE - GORDYS /
WARMING HOUSE

JULY- SAMMY'S PIZZA
AUGUST - B&B MARKET
@CLOQUET CHAMBER
SEPT - RENDEZVOUS
OCT - BUFFALO HOUSE
NOV - THE JACK
DEC - HOLY SMOKES

2ND THURSDAY

**BRING A FRIEND - ENJOY LUNCH FROM THE MENU
- AND GET READY TO MEET YOUR NEW BEST
CUSTOMER AND MAKE SOME VALUABLE
CONNECTIONS!**

CLOQUET AREA CHAMBER OF COMMERCE

CLOQUET AREA **Home Business & Sports Show** CHAMBER OF COMMERCE

Fri., March 14

1:00 p.m.-8:00 p.m.

Sat., March 15

9:00 a.m.-5:00 p.m.

Otter Creek Event Center, Black Bear Casino Resort

Sponsored by the Cloquet Area Chamber of Commerce

879-1551 or www.cloquet.com

**Over 100
Booths to
Visit!**



**Craft
Show**



**FREE
Admission**



**Boats,
Docks, Sauna's,
Vehicles, ATV's
and much
much more!**



FAMILY ATTRACTIONS & LIVE ENTERTAINMENT

Bring your camera
for a photo with
the Easter Bunny!



**Carlton County
Animal Rescue**

**The Amazing Charles
Magic Show**

Balloon Animals

**Shooting Stars Dance
performances**

**Carlton County K9
doing demonstrations**



Fun for the Whole Family!

CLOQUET AREA

CHAMBER OF COMMERCE & OFFICE OF TOURISM

225 Sunnyside Drive, Cloquet, MN 55720

(218) 879-1551 | www.cloquet.com

CONNECTING BUSINESS AND COMMUNITY

www.visitcloquet.com

‘Classic meets modern’ in Solem Hotel renovation

The century-old 25,000-square-foot building in Cloquet is being converted into 18 market-rate apartments.

PINE JOURNAL <https://www.pinejournal.com/news/local/classic-meets-modern-in-solem-hotel-renovation>



The Solem Hotel, which most recently served as the home of Pedro's Grill and Cantina, undergoes reconstruction on Feb. 7. The building will become an 18-unit apartment complex.

Macklin Caruso / Duluth Media Group



CLOQUET — After being condemned, the century-old Solem Hotel in downtown Cloquet is being revived as a 25,000 square-foot apartment building with 18 market-rate units.

Taking a “classic meets modern” approach to the renovation, developer Chad Scott said he plans on retaining the character of the building while complimenting it with high-end modern amenities.

The Solem Hotel will retain its original name and have a variety of three-bedroom, two-bedroom and studio apartments with an elevator, gym and basement storage. Scott aims to start renting the apartments in August.

“It’ll be a really, really unique and cool building,” said Scott, who is renovating the building alongside Craig Jouppi through their construction and engineering companies C&C Holdings and AMI Consulting Engineers.



A 3D scan of the Solem Hotel in its pre-renovation condition.

Contributed / Chad Scott

The Solem Hotel was originally built as a boarding house after wildfires devastated the city of Cloquet in 1918, according to Scott. Though the original boarding house design with small rooms and shared facilities is not conducive to a modern apartment complex, Scott plans to incorporate the original architecture of the building — such as the brick walls and the building’s natural light — into the design of the remodeled apartments.

Mandy Chrisoph with Ramaker and Associates, an interior design firm contracted to design the building, is planning a “modern take on some of those older elements” by allowing the design to be informed by the building’s original detailing.

“We’re trying to take this piece of history and adapt it to the modern era,” she said.



A rendering detailing what the final apartments could look like at Solem Hotel. The developers will use the building's brick walls to create an exposed brick aesthetic inside the units.

Contributed / Chad Scott

Christoph believes that when designing a space, it is important to not get swayed by trends, which inevitably go out of style. Instead, she prefers to incorporate older elements that have proven timeless, noting that the details of old buildings no longer exist in modern construction.

The building will retain many of the original brick walls, which will be featured in the apartments. To draw attention to the wall, Christoph will employ neutral colors to juxtapose high-contrast elements in the brick.

“The building is telling us to do this. The building really drives us,” she said. “It's very important to tell its story.”

In cases where the builders are unable to keep original detailing, Christoph aims to replace it with similar design elements.

“We're working on some just elements that would have been from the era,” she said. “It's more modern, more durable, but looks like it could have been original to the building.”



A rendering of a one-bedroom apartment planned at Solem Hotel.

Contributed / Chad Scott

The building was [condemned, and then acquired by the city of Cloquet in 2022](#). Despite its historic value, the dilapidated condition of the building presented a dilemma for the city. Because of the high level of work required, the building would be unlikely to sell on the open market. However, demolishing the building would be expensive and leave a vacant lot in the heart of downtown.

Despite working on similar projects in the past, Scott and Jouppi were initially hesitant to take the project on due to the condition of the building, which at the time had severe structural problems, a flooded basement and failing roof.

The initial estimate to gut and rehabilitate the building was nearly \$4 million. To mitigate some of the financial risk, the Cloquet Economic Development Authority — which has led the efforts to convert the old hotel into an apartment complex — provided C&C Holdings with [competitive financing for the project](#). Scott said he is a history buff and was ultimately unable to pass up the opportunity to give new life to such a historic building.

“I would say me and Craig, we’ve never run away from a challenge,” Scott said.



The east wall of the Solem Hotel had been removed for reconstruction as of Feb. 7.

Scott estimates they are around 70% through with gutting the building. They have cleaned out the basement, abated hazardous waste and torn down the failing east wall of the building.

Just as the original hotel was built to house Cloquet's workforce, Scott hopes that because of the apartment's proximity to major employers like USG Interiors, Sappi and Community Memorial Hospital, the Solem Hotel will continue to provide housing for a new generation of Cloquet's workforce.

"(It's for) people working at their different facilities, maybe a nurse or somebody that's working in the area looking for a place to stay," Scott said. "We're trying to bring some professional living space to the area."