

Cloquet Economic Development Authority MEETING AGENDA Wednesday August 6, 2025 8:00AM

101 14th Street Cloquet, MN 55720

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. June 4, 2025
5.	Monthly Financials a. May 2025 b. June 2025
6.	Action Items: a. Update on Stanley Avenue Site – Responses - Request for Proposals due 7/18/25
	b. Cloquet Economic Development Video Campaign Proposal
	c. Discussion Revolved SCDP Grant Request – 1103 Avenue B (Holy Smokes BBQ):
	d. 106 7 th Street Redevelopment Project:
	 i. Salvage removal update ii. Review and authorize trash out bid iii. Review and consider proposal for garage demolition and MSW trash out iv. Authorize property boundary survey v. Authorize tree trimming vi. Review and issue Request for Bids for line item home demolition and infrastructure removal and new installation to support the rehabilitation / redevelopment of 106 7th Street; add garage line item if above bid not authorized
7.	EDA Informational Updates
8.	Adjourn



CLOQUET ECONOMIC DEVELOPMENT AUTHORITY

101 14th St., Cloquet, MN 55720 June 4, 2025

MINUTES OF THE CLOQUET EDA MEETING

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

Ex-Officio Staff/Staff Members/Others Present: Kelly Zink (Chamber)

EDA/Ex-Officio/Staff Members Absent:

Holly Hansen, Tim Peterson, Katie Bloom (City of Cloquet); Ryan Pervenanze (Carlton County)

1. CALL TO ORDER

The meeting was conducted 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

MAY

President Manderfeld asked for any corrections, additions, or deletions to the May 7, 2025 Cloquet EDA Meeting Minutes. Hearing none, he asked for a motion.

Motion: Commissioner Blatchford moved, and Commissioner Lanigan seconded, that

the EDA approve the May 7, 2025 Cloquet EDA Meeting Minutes. (Motion

passed 7-0).

5. APPROVAL OF MONTHLY FINANCIALS

APRIL 2025

The summary of April 2025 financials which currently total \$764,750.69 are:

- Fund 201 (LDO-Loan)/ Fund 201 (LDO-Project/Loan) there is an increase in the fund balance due to loan repayments into Fund 201.
- <u>Fund 202 (Fed CDBG)</u> there is an increase in the fund balance due to interest allocated into the fund, while there were some legal charges against the fund this month.
- Fund 203 (ED) there was a decrease in the fund due to the \$149,000 loan issued for JBB Group LLC (Collins Roofing) in late April structured as an FB&T loan participation.
- Fund 206 (Revolved Phase 3 SCDP loan repayments) there is an no change in fund balance and \$10,000 is being helf for CCHS.



CLOQUET ECONOMIC DEVELOPMENT AUTHORITY

101 14th St., Cloquet, MN 55720 June 4, 2025

• <u>Fund 207 (Housing Trust Fund)</u> there is no change in fund balace as statewide affordable housing aid (SAHA) payments are received with February and July local government aid (LGA) disbursements to the city from the state.

LOAN STATUS

The total outstanding loan balance for City funds is \$1,538,439.66 (8 business loans) with monthly repayments of \$9,001.85 with one loan deferral and one interest only short term housing loan. The building formerly owned by the City and sold to a developer in 2012 located at 1111 Cloquet 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.

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

6. ACTION ITEMS:

A) Stanley Avenue Site – Issue Request for Proposals

President Manderfeld reviewed the proposal with the EDA explaining that this is the draft Request for Proposals to Develop a two-acre Site into Ownership or Rental Housing or Office in Cloquet, MN located on the corner of Stanley Avenue and 14th Street. The site is owned by two different parties (one of whom is a realtor who hasn't been able to gain interest in the site) and part of the EDA's direction in 2025 is to work with private property owners to further city development goals. With those marching orders, staff has worked across various undiscussed sites across the city since that time and has gained traction with several of them assisting owners with resources and facilitating communication and mediation with multiple landowners to align outcomes. Attached is the outcome of collaborative work done since January on this specific site. The two property owners have "done the work" required to privately appraise and determine the value of their properties and work together on the price while partnering with the city on development goals, priorities, and needs. While owners are motivated with the specific interest to sell, the EDA's motivation for involvement is to guide for city needs and attract a construction project. Attached is a copy of the RFP, you will note the price of the property, timeframe for release and responses, and goals for office and housing as the former Newby lot (Diamond Development & Properties) is deed restricted for retail uses. The proposal would be placed on the EDA website on June 9th and emailed/mailed as outreached to developers and due back on July 18th in preparation for feedback for the August Cloquet EDA meeting.

Commissioner Wilkinson thought the proposal was thorough and added in information on city incentives and development requirements which is helpful for folks examining the site which hopefully will gain some attention. President Manderfeld asked for a motion.



CLOQUET ECONOMIC DEVELOPMENT AUTHORITY

101 14th St., Cloquet, MN 55720 June 4, 2025

Motion: Commissioner Lanigan moved, and Commissioner Blatchford seconded, that

the EDA approve the Stanley Avenue Request for Proposals. (Motion passed

7-0).

B) Responses to property offers

There have been no responses yet on offers made on three blighted properties. Staff will keep you informed moving forward.

C) Project updates - Marketing

As directed after the May meeting, staff met with Promoting Me LLC (PM) on excess marketing budget and creative options to market Cloquet. I shared the feedback on concepts from the EDA and PM will be investigating basic video promotional opportunities. Staff will keep you informed as this progresses.

7. INFORMATIONAL UPDATES:

Chamber

Kelly Zink shared the Chamber golf outing is set for Monday June 9th and is full with teams. She said the monthly Chamber Chat is set for Thursday June 12th at Gordy's.

City

President Manderfeld shared he was pleased with construction activities around town including:

- Woods and Water Family Dental under construction in the Cloquet Business Park
- Collins Roofing and Sheet Metal under construction in the Cloquet Business Park
- Hotel Solem Redevelopment project underway with substantial construction work ongoing
- Tractor Supply—site development underway
- Dryco Building—renovations started initial work.

County

None provided.

Adjourn

President Manderfeld adjourned the meeting at 8:14 a.m.

Respectfully submitted,

Holly Hansen, Community Development Director



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: July 30, 2025

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

EDA Requested Action

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

Monthly Review

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

CASH BALANCES

The summary of May 2025 financials which currently total \$766,498.68 are:

- Fund 201 (LDO-Loan)/ Fund 201 (LDO-Project/Loan) there is a slight increase in the fund balance due to loan repayments. There is one loan defferal in this fund: C&C Holdings (first loan payment due December 24, 2025) and one short term housing loan with interest only payments for 18 months for Boss Builders (through January 1, 2026).
- Fund 202 (Fed CDBG) there is a slight decrease in the fund balance due to legal fees.
- <u>Fund 203 (ED)</u> there was a slight decrease in the fund due to legal fees related to a new loan for Collins Roofing. FB&T offered a construction defferal to JBB Group (Collins Roofing), as a loan participation, payments will be dispursed by FB&T once construction is complete.
- <u>Fund 206 (Revolved Phase 3 SCDP loan repayments)</u> there is an **no change** in fund balance and \$10,000 is being held for CCHS. Staff has had an interestd party inquire about the \$7,365.59 remaining for consideration of a project.
- <u>Fund 207 (Housing Trust Fund)</u> there is **no change** in fund balace as statewide affordable housing aid (SAHA) payments are received with February and July local government aid (LGA) disbursements to the city from the state.

LOAN STATUS

The total outstanding loan balance for City funds is \$1,536,586.23 (8 business loans) with monthly repayments of \$9,001.85 with one loan deferral and one interest only short term housing



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loan. The building formerly owned by the City and sold to a developer in 2012 located at 1111 Cloquet 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 May 2025 EDA financial statements.

Supporting Documentation

• May 2025 Cash Balances; May 2025 Loan Balances

City of Cloquet Cash Balances May 2025

		Current Month	Previous Month
201	LDO Loan (EDA) - Loan	\$76,176.59 1	\$74,216.93
201	LDO Loan (EDA) - Project/Loan	\$2,000.00	\$2,000.00
202	Federal CDBG Loan (EDA)	\$333,849.50 2	\$333,969.61
203	Economic Development Loan (City)	\$207,487.00 1 & 2	\$207,578.56
206	Revolving SCDP (EDA)	\$17,365.59	\$17,365.59
207	Housing Trust Fund (City)	\$129,620.00	\$129,620.00
		\$766,498.68	\$764,750.69

206 Commercial Grant Awards:

3 - \$10,000 held for Carlton County Historical Society

Monthly change explanations:

- 1 Loan repayments
- 2 Legal fees

Community Development Loan Balances May 2025

Loan	Loan Date	<u>%</u>		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	\$	-	Paid off 2/3/25
			Fund	d 201	\$	6,953.34		\$	1,079,500.00	
Fund 202 (EDA CDBG Fund, all	loans are repaid	d into Fun	d 201	LDO to revolve i	restri	ctions once lo	oaned, interest ac	crues	s 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	\$	59,627.97	
North Country Dental LLC	8/3/2020	2.00%	\$	20,000.00	\$	390.79	7/1/2025	\$	779.36	7/24/2025
WebMed, LLC	12/11/2020	2.00%	\$	20,000.00	\$	391.56	12/15/2025	\$	2,722.27	12/8/2025
Hieb Properties LLC	8/19/2024	4.00%	\$	20,434.00	\$	279.31	8/19/2031	\$	18,654.86	
			Fund	d 202 into 201	\$	1,450.02		\$	293,284.46	
Fund 203 (City)										
CMW Retail Properties	7/1/2012	1.00%	\$	100,000.00	\$	598.49	8/1/2027	\$	14,801.77	
JBB Group LLC	4/25/2025	4.00%	\$	149,000.00		TBD	4/25/2045	\$	149,000.00	****
			Fund	d 203	\$	598.49		\$	163,801.77	
Fund 206 (EDA SCDP Fund no	current funds fro	om 208 Ci	ty SCD	P)						
			Fund	d 208	\$	-		\$	-	
Total Community Developmer	nt Loans Outstan	ding			\$	9,001.85		\$	1,536,586.23	

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

^{****}Interest only payments for 12 months through April 2026



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To: City of Cloquet Economic Development Authority (EDA)

From: Holly Hansen, Community Development Director

Date: July 30, 2025

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

EDA Requested Action

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

Monthly Review

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

CASH BALANCES

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- <u>Fund 202 (Fed CDBG)</u> there is a decrease in the fund balance due to acquisition fees related to a blight home purchase for community redevelopment (106 7th Street).
- <u>Fund 203 (ED)</u> no change in fund balance. FB&T offered a construction defferal to JBB Group (Collins Roofing), as a loan participation, payments will be dispursed by FB&T once construction is complete.
- <u>Fund 206 (Revolved Phase 3 SCDP loan repayments)</u> there is an **no change** in fund balance and \$10,000 is being held for CCHS. Staff has had an interestd party inquire about the \$7,365.59 remaining for consideration of a project.
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Policy Objectives

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Financial Impacts

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Staff Recommendation

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Supporting Documentation

• June 2025 Cash Balances; June 2025 Loan Balances

City of Cloquet Cash Balances June 2025

		Current Month	Previous Month
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207	Housing Trust Fund (City)	\$129,620.00	\$129,620.00
		\$757,670.10	\$766,498.68

206 Commercial Grant Awards:

3 - \$10,000 held for Carlton County Historical Society

Monthly change explanations:

- 1 Loan repayments
- 2 Legal fees
- 3 Blight home purchase for redev (taxes & appraisal value of 106 7th ST)

Community Development Loan Balances June 2025

Loan	Loan Date	<u>%</u>		Loan Amount		Monthly Payment	Maturity Date		Balance	*Exp. UCC or FF
Fund 201 (EDA LDO Fund)										
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C&C Holdings LLC	7/24/2024	2.00%	\$	211,500.00	\$	-	7/24/2044	\$	211,500.00	**
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Hieb Properties LLC	8/19/2024	4.00%	\$	20,434.00	\$	279.31	8/19/2031	\$	18,437.74	
			Fun	d 202 into 201	\$	1,450.02		\$	292,790.78	
Fund 203 (City)										
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JBB Group LLC	4/25/2025	4.00%	\$	149,000.00		TBD	4/25/2045	\$	149,000.00	****
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Fund 206 (EDA SCDP Fund no	current funds fro	om 208 Ci	ty SCD	P)						
			Fund	d 208	\$	-		\$	-	
Total Community Developmen	nt Loans Outstan	ding			\$	9,001.85		\$	1,536,092.55	

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

^{****}Interest only payments for 12 months through April 2026



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To: City of Cloquet Economic Development Authority (EDA)

From: Holly Hansen, Community Development Director

Date: July 22, 2025

ITEM DESCRIPTION: Cloquet Economic Development Video Campaign

EDA Requested Action

The EDA is asked to review the attached proposal from Promoting Me LLC related to direction provided during the May 2025 meeting related to community marketing. If the proposal captures the intent of marketing direction, the EDA is asked for authorization. Secondly, the EDA is asked to authorize transferring \$500 from Project Fund 201 into Community Development Marketing to cover the overage to create the Cloquet Economic Development Video Campaign.

Background

As directed by the EDA, Promoting Me LLC has submitted a proposal aimed at accomplishing the goal of community marketing described during the May 2025 meeting.

Financial Impacts

The Community Development Department 2025 operating budget has a marketing budget of \$5,000. The current and anticipated 2025 expenditures for the marketing budget are as follows:

MARKETING BUDGET 2025 \$5,000	Cos	t	Vendor	
Hidden Gems domain & Riverside podcast	\$	521	PM	
Sidewalk Days & Get DT Week (July 2025)	\$	250	PJ - digital	
	\$	120	PKN - print	
	\$	60	WKLK - radio	
Small Business Saturday – '24 Expenses (Nov)	\$	350	PJ - digital	
	\$	416	PKN - print	
	\$	70	WKLK - radio	
Subtotal	\$	1,787		
Cloquet EDA Video Campaign	\$	3,500	PM	
Anticipated 2025 Marketing Expenditures	\$	5,287		
Recommend \$500 project funds from 201 Project	\$	500		
	\$	5,787	buffer	

2025 increases likely



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Staff Recommendation

Staff recommend authorization of the video campaign which effectively captures the project goals. Secondly, staff recommend transferring \$500 from Project Fund 201 into Community Development Marketing to cover the overage to create the Cloquet Economic Development Video Campaign.

Supporting Documentation

• Cloquet Economic Development Video Campaign Proposal



Proposal: Cloquet Economic Development Video Campaign

Prepared for:

Cloquet Economic Development Authority (EDA) Holly Hansen

Prepared by:

Promoting Me LLC Shelly Peterson

Date: July 21, 2025

Project Overview

This video campaign highlights Cloquet's economic vibrancy by featuring successful local businesses, infrastructure investment, available commercial spaces, workforce advantages, and the City's pro-business leadership.

The deliverables will serve as powerful tools for:

- Business attraction and retention
- · Community engagement
- Showcasing EDA impact
- Digital and event marketing

Video Concept & Storyboard (Proposed)

1. Opening Scene: Welcome to Cloquet (0:00-0:30)

Visuals:

- Aerial footage of the Cloquet riverfront, downtown, and business parks
- Street-level scenes of thriving businesses and vibrant community areas



Voiceover/Text:

"Welcome to Cloquet — a community where business and quality of life grow together."

2. Section: Economic Momentum (0:31-1:30)

Visuals:

- Inside footage of manufacturing, retail, and service businesses
- Interviews with key employers
- Workers on the job, storefront traffic, logistics activity

Voiceover:

"From advanced manufacturing to main street merchants, Cloquet is fueling job growth and innovation."

Lower Thirds (Text on Screen):

- "Over \$XX million in recent investment"
- "Proximity to Twin Ports logistics hub"
- "Skilled regional workforce"

3. Section: EDA in Action (1:31-2:00)

Visuals:

- Footage from EDA meetings, ribbon cuttings, and infrastructure projects
- Business owners shaking hands with city staff
- Graphics with EDA incentives, façade grants, and available properties

Voiceover:

"The Cloquet EDA is a hands-on partner—investing in infrastructure, guiding new ventures, and helping existing businesses grow."



4. Section: Quality of Life (2:01-2:30)

Visuals:

- Local parks, schools, family-owned shops, and restaurants
- People biking, walking, dining, and shopping downtown

Voiceover:

"In Cloquet, it's not just about doing business. It's about building a life where community, nature, and opportunity meet."

5. Closing: Why Choose Cloquet (2:31-3:00)

Visuals:

- Smiling faces of business owners and employees
- Closing drone shot of Cloquet's business district

Voiceover/Text:

"Rooted in tradition. Driven by progress. Cloquet is open for business."

Deliverables

- One 3-minute economic development video
- 30-second and 60-second cutdowns for social media
- Licensed background music
- Logo animations and on-screen graphics
- Social media-ready formatting (horizontal and vertical)



Filming Locations (Suggested)

- 1. Cloquet Business Park / Manufacturing Site
- 2. Downtown Cloquet (retail & dining)
- 3. New or renovated business (ex: Cloquet Antique Marketplace)
- 4. City Hall / Council Chambers
- 5. Parks, trails, and scenic views

Pricing Estimate

Item	Cos t
Pre-Production Planning & Storyboarding	\$750
On-site Filming (2 Days, 2 Crew)	\$2,000
Drone Footage Licensing & Filming	\$500
Interview Setups (Up to 4 interviews)	\$800
Post-Production & Editing (Main + Cuts)	\$2,000
Motion Graphics, Titles, and Music	\$500
Project Management & Final Review	\$450
Total Project Cost	\$7,000

Note: Pricing includes all filming, travel within Cloquet, and up to 2 rounds of editing revisions.



Timeline

Milestone Date (Week of)

Approval & Contracting August 11th

• Pre-Production Meetings August 11th

• Filming Dates

August 18th –

September 5th

• First Draft Delivery September 15th

• Final Edits Complete October 3rd

• Campaign Launch October 6th

Next Steps

We look forward to partnering with the Cloquet EDA on this impactful initiative. Upon approval, we will begin scheduling and pre-production immediately to meet an early Fall launch.



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To: City of Cloquet Economic Development Authority (EDA)

From: Holly Hansen, Community Development Director

Date: July 31, 2025

ITEM DESCRIPTION: SCDP GRANT REQUEST 1101 - 1103 AVENUE B (HOLY

SMOKES BBQ) FOR FAÇADE WEATHERIZATION

IMPROVEMENTS

EDA Requested Action

The EDA is asked to approve allocating \$7,365.59 for 1101 - 1103 Avenue B in Small Cities Development Program (SCDP) grant funding to support façade weatherization improvements.

Background

Please see the attached letter of interest from building owners Lee and Julie Harris. They wish to replace two front entrance doors and windows.

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.

The Cloquet EDA manages Fund 206 the funding of which is now "revolved" and is not first time grant draw funds from the state to the city. The 2015-2017 grant project had a "Target Area" within which eligible projects could apply, that same Target Area was continued for the Reuse Policy to fund grant projects. This building is located half a block outside of the Target Area. There is some discretion as these funds are "revolved" and the Cloquet EDA could document their rationale based on land use changes/transitions to consider this request especially in light of the fact the building has been rezoned from light industrial to city center to support its transitioning uses from warehousing into office, housing, and commercial uses with future plans for a potential restaurant.



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Financial Impacts

The total fund balance left at this time for SCDP projects is \$7,365.59 and the revolved loan funding policy has strived to allocate the maximum grant award of \$10,000. Projects must be matched at 30% by the applicant.

Staff Recommendation

Staff recommend the EDA move to approve allocate \$7,365.59 from Fund 206 for the Holy Smokes building at 1101-1103 Avenue B for a Small Cities Development Program (SCDP) grant project.

Supporting Documentation

- Letter of Interest HOLY SMOKES BBQ
- Cloquet SCDP Program Fact Sheet



HOLY SMOKES

BBQ & CATERING CO

Date: __7/27/2025___

Lee Harris Holy Smokes BBQ & Catering Co 1101 Avenue B, Cloquet, MN 55720 Phone: 218-340-5008

Email: bbq@holysmokesmn.com

Website: https://www.holysmokesmn.com/

Dear Cloquet Economic Development Authority/Holly Hansen

My name is Lee Harris. My wife, Julie, and I have owned Holy Smokes for five years. We purchased our building 1101-1103 Avenue B, in 2022.

We have extensively renovated the space since we became the owners, adding our permanent residence, a commercial kitchen, and are currently finishing space for our restaurant.

Our desire is to have the exterior of the building reflect the changes that have occurred on the inside. Our plan is to paint the entire building and refresh the front of the building with more modern colors and enhance the curb appeal.

We hope that with your help and our commitment to growing our business in Cloquet, we can replace the two front entrances with new doors and possibly new windows. This combined with our refreshed color scheme will enhance the aesthetic and revitalize another building in the city we love. Our goal is to have the building look like a modern smokehouse and help draw people to the downtown Cloquet.

Thank you for the opportunity to share our dream and to expand the dining and business experience in Cloquet.

Lee and Julie Harris

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:

- o 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.
- o 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

North Side of Avenue B Avenue C South Side of Cloquet Ave





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

REQUEST FOR EDA ACTION

To: Mayor and Cloquet City Council

From: Holly Hansen, Community Development Director

Date: July 31, 2025

ITEM DESCRIPTION: Financial Strategy Blight Redevelopment Project – 106 7th ST

Proposed Action

Staff recommends EDA review and authorize the following work tasks related to a blight redevelopment project at $106 \, 7^{th}$ Street.

- 1. Authorizing contract with **Duluth Hauling to Trash out the home and rear yard for** \$8,500 (Fund 207)
- 2. Discuss the estimate for garage demo and MSW garage waste removal received from BH Environmental Services, Inc. / Crestik Cloquet Sanitary. It is logical to trash out considering the volumes of MSW at the same time as home trash out work. Considering the structural dangers and unknown volumes of what could be inside based on visible appliances and more the bid seams reasonable at \$7,950 (Fund 207)
- 3. Hiring a property boundary survey with Straightline Surveying for \$900 (Fund 207)
- 4. Hiring tree trimming with the city's tree trimming contractor team from **Sawtooth Arbor Supply & Tree care for \$2,100 fall/winter season work (Fund 207)**. The rear tree is healthy but has several dead leads while the front tree has several branches touching the neighbors home, who has already contacted city staff about this situation.
- 5. Review and Issue a Request for Proposals for Demolition and Installation: Existing Infrastructure Removal (galvanized pipes, old sewer lines neither allowed or suitable for reuse), and Installation of new Infrastructure (if house remains, infrastructure needs to come through the existing foundation walls; full demo infrastructure stubbed into lot)
 - a. LINE ITEM FOR ESTIMATE ON HOME DEMO
 - b. LINE ITEM FOR ESTIMATE ON GARAGE DEMO AND MSW WASTE REMOVAL (depending on if #2 above is authorized or not)

At a future meeting the EDA will issue a Request for Proposals to contractors for redevelopment into housing.



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With the EDA/City directed use of SAHA funding towards this blight project, staff advises that any selected contractor wishing to obtain a gap financing loan towards a rehabilitation or redevelopment project at 106 7th Street utilize EDA Fund 201, however with looming reporting and use deadlines Fund 207 may also be considered.

Background / Overview

After completing the 2024 Cloquet-Scanlon Housing Study the Cloquet EDA discussed creative ways to grow housing options. Owning no land for large scale development, the EDA decided to proactively look to secure sites (in light of litigation on county forfeitures). Secondly, in so doing it provides the EDA a way to use statewide affordable housing aide (SAHA) funding allocation towards eligible project expenses.

BLIGHT PROJECTS

In March the EDA authorized staff to determine select distressed property parcels (vacancy, utilities off, accruing non-payments for property, and/or lack of building maintenance with nuisance elements) to proceed with ordering ownership and encumbrance reports (examine mortgage, tax, and medical liens) and property appraisals on in an effort to secure sites for infill housing redevelopment. On such property selected and now owned by the EDA is 106 7th Street.

106 7th Street

In May property offers were made as directed by the Cloquet EDA. On June 11, 2025 the owners of 106 7th Street signed over the property to the EDA, and that deed was recorded on June 24, 2025. Payment was provided for the property to the owners and payment was made to the county for back taxes and current taxes. The property has belonged to the Cloquet Economic Development Authority since that time who will now be undertaking a project onsite for a housing redevelopment goal. The home is suffering from significant deferred maintenance and has been vacated with significant volumes of debris left behind (hoarding activity). As such, staff has been investigating all issues related to the property to formulate a gameplan and detailed strategy, and financial strategy, to accomplish redevelopment goals. Staff has toured rehabilitation and new contractors through the home, and the Building Official has examined the home as well.

REDEVELOPMENT OF 106 7 TH STREET CLOQUET, MN 55720							
Work Task	Vendor	Cost Estimate	Fund				
1. Property Acquisition Costs	Property Appraiser Current 2025 taxes County - back taxes & remaining appraised value payment to owner Fryberger attorney costs case	\$1,200 \$2,084.88 \$12,000 \$1,000	FUND 202 (EDA) Also eligible costs for FUND 207 (City) as part of a project				
2. Salvage items for resale (remove from home, city receives partial revenues for vendor resale)	Silverbrook Sales LLC (Lots for Bid)	N/A	N/A				



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3. Trash out Home & Rear Yard	TBD, bids out - will be discussed by the EDA August 6th	Onsite assessment & bids provided \$8,500 – 23,250	FUND 207 (CITY)
4. Review proposal for demo of collapsed garage full of MSW waste inside.	Staffing for the job is time specific – summer seasonal. If fair, authorize, otherwise proceed to issue RFP for infra removal and installation and consideration of home and garage/msw demo. May be time ahead phasing wise to trash out the site at one time making way for future infrastructure work and consideration of the home.	Onsite assessment & bid provided \$7,950	FUND 207 (CITY)
4. Cat Assessment	Carlton County Animal Rescue contacted	N/A	N/A
5. Infra Removal of galvanized pipes and old sanitary line, installation of new infrastructure; Obtain separate line item for home demolition as well (C&D waste) – same for garage full of MSW if additional bids wanted	Issue Demo/Infra Contractor RFP due for decision at Sept EDA meeting	TBD	FUND 207 (CITY)
6. Property boundary survey	Direct Hire - Straightline Surveying	\$900 – this includes setting the corners, marking the lines in between, and a Certificate of Survey	FUND 207 (CITY)
7. Trim two onsite trees	Direct Hire - city's tree trimming contractor this year - Sawtooth Arbor Supply & Tree Care who we are already working with	Onsite assessment & bid provided \$2,100 Fall/winter season trim	FUND 207 (CITY)
8. Redevelopment for Ownership Housing 115% of statewide median income	Issue Housing Contractor RFP due for decision at Oct/Nov EDA meeting	Private Investment	N/A If contractor sought a gap loan – Fund 201 (EDA)
9. Legal costs property closing	Fryberger Law - CCAT	TBD	FUND 202 (EDA)
10. Contractor gap loan	Cloquet EDA	TBD	FUND 201 (EDA) [or FUND 207]

Policy Objectives

HOUSING / REDEVELOPMENT OBJECTIVES:

The EDA is collaborating with private property owners to support and guide development goals in the city and attract a development project to this site. This work is supported by the 2025 Cloquet EDA policy objectives as follows:

Goal #1 - HOUSING

CLOQUET

Community Development Department

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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.

Goal #5 – DOWNTOWN REVITALIZATION / BUSINESS SUPPORT / REDEVELOPMENT SUPPORT

Increase the variety of restaurants, retail, office, commercial, mixed-use housing and add attractions such as breweries, to maintain Downtown as a vibrant destination and place of commerce. Have strong local business relationships, awareness of their needs and market Cloquet. Ensure difficult sites that require redevelopment are supported with economic development tools as warranted.

STATEWIDE AFFORDABLE HOUSING AIDE (SAHA) OBJECTIVES:

SAHA is eligible for use in affordable rental construction, affordable single-family construction, or demolition in preparation for the above two affordable housing options per the affordable housing 2025 income limits for single-family ownership at Minnesota statewide median income thresholds and rental income at Duluth-Superior Area median income thresholds. SAHA eligible uses of housing aide can also be provided to projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing and gap financing of affordable housing. For more on eligible uses of SAHA, visit: <a href="https://www.mnhousing.gov/content/published/api/v1.1/assets/CONTFD4A114228164C7DB3C3ECE1D8580270/native?cb=_cache_d4b&channelToken=294436b7dd6c4570988cae88f0ee7c90&download=false

SAHA REPORTING AND PROJECT FUNDING COMMITMENTS AND SPENDING DEADLINES

Starting in 2025, aid recipients must report their use of these funds to Minnesota Housing each year by December 1. Funds received by year have a deadline to be expended on eligible projects. Funding placed into Housing Trust Funds is not considered spent. The city began receiving SAHA in 2023, that allocation must be committed to projects by December 2026 and those funds then expended by December 2027. Each following year of total SAHA allocations have similar deadlines shown below.

STATEWIDE AFFRODABLE HOUSING AIDE

Aide Year	Fund Commitment Deadline	Expenditure Deadline	Clo	quet Allocation
2023	December 31, 2026	December 31, 2027	\$	64,810
2024	December 31, 2027	December 31, 2028	\$	64,810
2025	December 31, 2028	December 31, 2029	\$	28,473
		TOTAL	\$	158,093

For more information on SAHA reporting visit:

https://www.mnhousing.gov/content/published/api/v1.1/assets/CONTFD4A114228164C7DB3C3ECE1D8580270/native?cb= cache d4b&channelToken=294436b7dd6c4570988cae88f0ee7c90&download=false



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Financial/Budget/Grant Considerations

FINANCIAL STRATEGY FOR 106 7th STREET

The EDA has pursued acquisition and has crafted a strategy to support a housing rehabilitation/redevelopment project at 106 7th Street specific to this site.

The plan will be to use the city's SAHA funds (Fund 207) to accomplish critical work tasks related to preparing the lot for housing redevelopment activities. Specifically, the work tasks will utilize Cloquet SAHA funds for demolition, trash out activities, removal of unusable former water/sewer infrastructure which include galvanized water lines and will either pull new water/sewer lines through the existing foundation of the home or will stub them into the lot for redevelopment setting the property up for redevelopment. Additionally, planned soft costs such as a property survey and necessary tree trimming are also eligible as part of a qualifying project. Staff has consulted MnHousing on these planned uses. The EDA's costs related to acquisition, appraisal, and current taxes are also reimbursable to city SAHA funds while legal costs and back taxes are not. At this juncture to preserve hopeful other potential projects and preserve fund balance for those activities, at this time the EDA is willing to pay for acquisition / legal costs but open to strategize those reimbursements in light of SAHA funding use deadlines.

REALISTIC OF INCENTIVIZATION TO CONTRACTORS FOR INFILL INNER CITY HOUSING REDEVELOPMENT

The strategy of selling these infill lots to contractors in an effort to recoup city expenses is illogical. The proactive acquisition of properties by the city is to prepare them and all of their deficiencies for successful redevelopment opportunities. Selling these lots at a below market option to contractors as the EDA/City has done to date shaves costs for contractors as an incentive to consider the opportunity. Furthermore, as available contractors can consider gap financing loan funding from Fund 201 or Fund 207 to help structure their affordable housing construction projects. Redeveloped lots will be guided as single-family ownership projects at statewide median income limitations per SAHA requirements (as of April 2025 that is a maximum of \$134,435 or less total family income).

Supporting Documentation

- For property interior background Request for Trash Out Estimates at 106 7th Street Cloquet, MN 55720
- Trash out RFP for Interior Home & Rear Yard (MSW) Trash out bids
- Collapsed Garage & Interior Garage (MSW) Trash out bid
- Tree trimming
- Property boundary survey
- Request for bids to remove existing infrastructure and install or stub in new infrastructure and line item home demolition



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MEMO

To: Junk haulers / Trash out companies

Date: July 14, 2025

From: Holly Hansen, Community Development Director

(hhansen@cloquetmn.gov; 218.879.2507 x4)

RE: Request for Trash Out Estimates to be received by Noon Wednesday

July 30th to trash out the home at 106 7th Street Cloquet, MN 55720

The City of Cloquet EDA owns this home and has keys to the interior of the home which has full contents of a home left behind (e.g. beds, clothes, couch etc.). As such we are requesting trash out bids for 106 7th Street. **During the month of August, a salvage** company will remove some items for resale from the property. Photos on the attached page are prior to any additional item removal.

1. SITE ACCESS:

• Site access is off of 7th Street.

2. HOUSE SITE:

- Interior home and exterior yard debris should be fully removed from the site.
- O DO NOT ENTER THE GARAGE, IT IS STRUCTURALLY UNSAFE TO DO SO

3. TIMEFRAME:

- o To make way for future property work needed, it would be ideal to have the yard and home cleared by September 15th.
- Once the bidder is selected August 6th by the EDA, the site would be available for clearing as August 7th through September 15th.

4. WALK THROUGH FOR BID ESTIMATE PREPARATION:

o If you would like to conduct a walk through to prepare your bid estimate please contact Matt Munter, Building Official mmunter@cloquetmn.gov or 218-879-2507 x3 or Holly Hansen, Community Development Director (info above) to schedule your timeslot to do so.

PLEASE SUBMIT YOUR BID ESTIMATE TO MY ATTENTION BY NOON JULY 30^{TH}

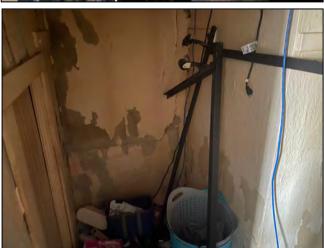


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UPSTAIRS HOME INTERIOR PHOTOGRAPHED 7.9.25















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MAIN LEVEL HOME INTERIOR PHOTOGRAPHED 7.9.25















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BASEMENT HOME INTERIOR PHOTOGRAPHED 7.9.25













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ENTRYWAY / PORCH AREA PHOTOGRAPHED 7.9.25





REAR YARD CONDITIONS PHOTOGRAPHED 6.30.25







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INTERIOR HOME & REAR YARD TRASH OUT BIDS

Duluth Hauling

Rodney Ogima
Duluth, MN
(218) 213-0718
DuluthHauling@Gmail.com

Invoice

Submitted on 07/29/2025

Invoice for Payable to

Holly Hansen Rodney Ogima

Community Development

Department

101 14th St

Cloquet, MN, 55720 Junk Removal

Description	Qty	Unit price	Total price
Trash Out - 106 7th St Cloquet, MN 55720	1	\$8,500.00	\$8,500.00

Project

Notes: Invoice to remove all appliances and

everything in the backyard everything inside

of the house but not in the garage.

Any questions please call or text me.

Subtotal \$8,500.00

\$8,500.00



Tjs yard & snow solutions sent you an estimate

We look forward to working with you.

Customer

Holly Hansen, community development director hhansen@cloquetmn.gov +1 (218) 879-2507 101 14th st Cloquet , MN 55720

Estimate #000001

July 28, 2025

Hide full details ^

Trash/junk removal 106 7th st property

Service date: August 7, 2025

Labor, dump fees, fuel, and other expenses

\$23,250.00

Subtotal

\$23,250.00

Total

\$23,250.00

Accept



Twin Ports Trailer Trash sent you an estimate

We look forward to working with you.

Show full details >

Cubic yard \$50 (\$50.00 ea.) × 190	\$9,500.00
Tire	\$9.00
Appliance (\$15.00 ea.) × 2	\$30.00
Tire W/rim	\$11.00
Moped	\$50.00
Appliance with freon (\$25.00 ea.) × 6	\$150.00
Cubic yard hay (\$65.00 ea.) × 6	\$390.00
Dehumidifier	[Text us

Microwave	\$10.00
Computer Monitor (\$25.00 ea.) × 8	\$200.00
TV Under 32 Inch	\$35.00
Small Electronic (\$5.00 ea.) × 20	\$100.00
Medium Electronic (\$10.00 ea.) × 16	\$160.00
Air Conditioner	\$25.00
Mattress/box Spring Clean And Dry (\$25.00 ea.) × 2	\$50.00
Manhour	\$1,500.00
(\$50.00 ea.) × 30 Subtotal	\$12,235.00
Total	\$12,235.00

Twin Ports Trailer Trash

bernard.mccarthy@hotmail.com +1 (845) 304-8031

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COLLAPSED GARAGE AND INTERIOR GARAGE MSW TRASH OUT BID

From: <u>Jenaya Crestik</u>
To: <u>Holly Hansen</u>

Subject:Community Development Dept: Bid OfferDate:Wednesday, July 30, 2025 11:46:57 AM

Caution: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Holly,

After some consideration, we thought we would propose a bid offer for just the garage demo/tear down and debris removable. We offer a bid \$7950.

Checks payable to BH Environmental Services, Inc.

Josiah Crestik

Sent from my iPhone



TREE TRIMMING BID



QUOTE #2466

SENT ON:

Jul 14, 2025

RECIPIENT:

CITY OF CLOQUET EDA

101 14TH STREET Cloquet, MN 55720 SENDER:

Sawtooth Arbor Supply & Tree Service

1325 North 59th Avenue West Duluth, Minnesota 55807

Phone: (218) 310-4343

Email: remove@sawtoothtreeservice.com

Website: sawtoothtreeservice.com

Product/Service	Description	Qty.	Unit Price	Total
Tree Pruning, Box Elder	**Work Scope**: Box Elder between 106 and 108	1	\$850.00	\$850.00
	The scope of work includes utilizing an aerial lift or climbing access to conduct reduction pruning.			
	This pruning will focus on creating clearance over the rooftops of adjacent houses, while also elevating the lower canopy to better accommodate the urban environment.			
	Given the tree's aesthetic appeal, implementing reduction pruning to manage its growth rate and direct growth away from the houses is an appropriate strategy.			
	Chipping all trimmings with cleanup.			
	Please note that this pruning will be scheduled for the fall/winter season.			



QUOTE #2466

SENT ON:

Jul 14, 2025

Product/Service	Description	Qty.	Unit Price	Total
Tree Pruning, Box Elder Tree (backyard)	Following our evaluation, we recommend undertaking reduction and clearance variance pruning on this mature Box Elder tree.	1	\$1,250.00	\$1,250.00
	Reduction pruning will be conducted over the roof, ensuring that any dead leads are addressed and that the crown canopy is headed back to healthy tissue to promote healing.			
	We will also perform a lower canopy lift to respect the neighboring property, enhancing the visual representation of this tree in the backyard.			
	All trimmings will be chipped, and any larger round wood that is removed will be hauled away.			
	Prior to commencing the tree work, a thorough cleanup of the area beneath and around the tree will be necessary to ensure safety.			
	We advise scheduling the pruning for the fall or winter season.			
			Total	\$2,100,00

This quote is valid for the next 30 days, after which values may be subject to change.



PROPERTY BOUNDARY SURVEY

 From:
 Kristine

 To:
 Holly Hansen

 Subject:
 106 7th St

Date: Tuesday, July 15, 2025 11:24:03 AM

Caution: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Holly,

I hope your days are getting better than when we last spoke.

I have an estimate for a boundary survey on 106 7th Street, Cloquet. The guys could complete this for \$900. This includes them setting the corners, marking the lines in between, and a Certificate of Survey.

Let me know if you have questions and if you want to proceed. Thanks,

--

Kristine Salzer StraightLine Surveying, Inc. 218-485-4811



RFP TO REMOVE EXISTING INFRASTRUCTURE, INSTALL NEW INFRASTRUCTURE AND LINE ITEM BIDS FOR HOME DEMOLITION AND FOR GARAGE / MSW INTERIOR GARAGE REMOVAL



COMMUNITY DEVELOPMENT DEPARTMENT

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

MEMO

To: Cloquet Area Demolition Contractors

Date: August 7, 2025

From: Holly Hansen, Community Development Director

(hhansen@cloquetmn.gov; 218.879.2507 x4)

RE: Request for Bids to be received by Noon Tuesday August 26th to

Remove old infrastructure. Install new water / sewer lines, and line

items to demolish the home

The Cloquet EDA has authorized bids to trash out the home and demolish the rear garage and its contents. Those work activities will be underway during August to mid-September. Site access for the property is from 7th Street.

The Cloquet EDA is looking to receive project estimates for the following work tasks:

1. LINE ITEM FOR HOME DEMOLITION

2. UTILITY DISCONNECTION & NEW CONNECTIONS

Whether the home is demolished and one reconstructed or if it is renovated, the existing water line cannot be reused under either scenario as it has been deemed an illegal material being galvanized. Additionally, the existing sewer based on 1919 construction is assumed old clay or cast sewer. Both will require complete replacement including digging up/repair of the street. There are no connection fees as the services are existing services. Please provide contractor estimates for the Cloquet EDA for:

- A. New utility connections into the existing home; and
- B. New utility connections into the lot if cleared for new development

The contractor must:

- Dig up the street to install two new sewer/water services. Prior to digging, the contractor should call Gopher One for utility locates.
 - The new sewer line should be brought up to the foundation of the home for connection at the outside of the foundation and should be four-inch PVC
 - The **new water line** needs to be brought from the main to the meter socket of the home (this portion is the city's responsibility to

COMMUNITY DEVELOPMENT DEPARTMENT



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be compliant with the Health Department) which may require coming in through the existing foundation. The water line should be ¾ inch copper. Records indicated that there is a new water meter on the property however Public Works Water Department will have to examine if it is still workable.

- The contractor would provide the pipes and labor, however the contractor should obtain from the City the tapping saddles, corporation stop, curb stop etc. from the City Engineering which will be provided by the City for the project.
- Restore the road / curb / street to acceptable conditions per City Engineering standards and City Engineering inspection. For questions, please contact John Anderson, Ast. City Engineer at janderson@cloquetmn.gov or 879-6758.

2. YARD RESTORATION EXPECTATIONS

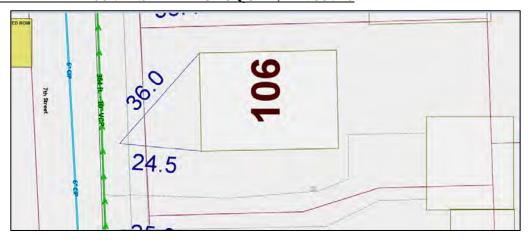
o All disturbed areas should be restored with seed and straw mulch.

3. REQUIRED CITY PERMITS:

- o Demolition Permit, fee waived however inspections required (garage to be demolished).
- Excavation Permit (to excavate in city street for complete replacement of water/sewer lines and installation of new taps), fee waived however inspections required.

PLEASE SUBMIT YOUR BID TO MY ATTENTION BY NOON AUGUST 26TH TO MY ATTENTION. THANK YOU!

UTILITY MAP 106 7TH STREET CLOQUET, MN 55720





AGENDA INFORMATIONAL UPDATES 8-1-25

COUNTY

None provided.

CHAMBER

 MEMBERSHIP APPRECIATION LUNCHEON Thursday, August 14th Cloquet Area Chamber of Commerce 225 Sunnyside Drive, Cloquet 11:30-1:00.

CITY

- The Cloquet Community Action Planning Forum will be held on Thursday August 7th at 2pm at the Cloquet Public Library. To register:
 https://forms.office.com/pages/responsepage.aspx?id=pcVcMF3y2UWscd3FkE5wIme60Sqq
 https://forms.office.com/pages/responsepage.aspx?id=pcVcMF3y2UWscd3FkE5wIme60Sqq
 https://forms.office.com/pages/responsepage.aspx?id=pcVcMF3y2UWscd3FkE5wIme60Sqq
 https://forms.office.com/pages/responsepage.aspx?id=pcVcMF3y2UWscd3FkE5wIme60Sqq
 https://forms.office.com/pages/responsepage.aspx?id=pcVcMF3y2UWscd3FkE5wIme60Sqq
 https://forms.office.com/pages/responsepage.aspx?id=pcVcMF3y2UWscd3FkE5wIme60Sqq
 ppJ9PimwYcJemqmZUN1JDOVJDNVRWTU85SEZXSIFUQUhcWFITNC4u&route=shorturl">https://forms.office.com/pages/responsepage.aspx?id=pcVcMF3y2UWscd3FkE5wIme60Sqq
- On June 5th the Solem Lofts project was awarded the Response and Rally Award from Rethos at the Minnesota Mainstreets Conference!
- With the end of the state fiscal year and ongoing changes from impacts of historic tax credit changes, the Minnesota Mainstreets program has had to make staffing cuts, see attached letter.
- SOLD 316 20th Street was purchased on July 15th.
- As a member of the northeastern Minnesota Brownfields
 Assessment Coalition managed by ARDC, during mid-July
 brownfield testing work which included Phase II ESA drilling
 activities, an asbestos inspection and hazardous materials survey for
 the buildings on-site was conducted at Brenny Dahl Block Plant
 as part of the city's selected project for use of federal brownfield
 development funding from the EPA.
- Staff and the development team submitted a brownfields report to
 DEED on Solem Lofts status. With the interior demolition work
 and exterior shell complete, the elevator shaft will be constructed
 and installed, the lower rear roof will begin and then carpentry work
 on the interior starting in the building from the top down. Kiminski
 - Paving will work on municipal parking lot striping this summer.
- At the request of many small downtown business owners, the second annual Sidewalk Days and Get Downtown Week 2025 week was held Monday July 21st through Saturday July 26th.









AGENDA INFORMATIONAL UPDATES 8-1-25

- With few bidders on their ash room project and commercial door replacement project, the CCHS SCDP grant project was re-bid to include the commercial door only and bid opening will be July 24th.
- Progress continues across the city with a variety of construction projects including Tractor Supply, Woods and Water Family Dental, Collins Roofing and Sheet Metal, Solem Lofts, and more.
- West End Wednesdays! This summer, owner Paul Sapyta has decided to launch West End Wednesdays at the Cloquet VFW where you will find him from 4-8pm for most of the rest of the summer: July 16, 30 and August 6, 13, and 27, follow Room at the Table Catering & Bakery on Facebook for updates and be sure to grab a Smashburger this summer!
- Staff provided the **Cloquet Rotary** an update on various projects and initiatives around town.
- Staff continues to work with **private property**

owners on future development options and businesses interested in expanding in Cloquet.







July 2025, **Woods and Water Family Dental** under construction along Commerce Way.



July 2025, **Collins Roofing** under construction along Commerce Way.

West End Wednesdays! Paul Sapyta and his staff will host West End Wednesdays at the Cloquet VFW where you will find him from 4-8pm for most of the rest of the summer: July 16, 30 and August 6, 13, and 27.



Cloquet Sidewalk Days & Get Downtown Week Monday July 21 – Saturday July 26, 2025

(weather dependent sale sites)

Schedule of Events

CLOQUET AVENUE BUSINESS DISTRICT:

- Abundant Baby More than just baby! (807 Cloquet Ave. Suite 8 https://abundantbabyllc.com/) Tues. to Fri. 10am-4pm. Month long BOGO 1/2 and clearance racks for sidewalk days!
- Carlton County Historical Society (406 Cloquet Ave. https://www.carltoncountyhistory.org/) Mon. to Fri. 10am-3pm. Check out the merchandise and enjoy touring the Museum! Books sales, \$5 books sale on the cart, books 25% off on the shelf, book-marks 50% off, and free admission!
- · Cloquet Antique Marketplace (1306 Cloquet Ave. https://www.facebook.com/people/Cloquet-Antique-Marketplace/61572964588611/?_rdr) Wed. to Sat. 11am-4pm. Sidewalk sales!
- Dave's Cloquet Mattress and Furniture (1207 Cloquet Ave. https://cloquetmattressfurniture.com/) - Mon. to Fri. 10am-5:30pm and Sat. 10am-4pm. Sidewalk sales!
- **Epic Nutrition** (10 N. 12th St. https://www.epicnutritioncloquet.com/) Mon. to Fri. 7am-3pm and Sat. 9am-1pm. Get \$2 off loaded shake and tea combo and \$8 salt room sessions!
- Garden Isle Bath and Body (807 Cloquet Ave. https://www.gardenislebathandbody.com/) Tues. to Fri. 10am–3pm. Storewide sales 10% to 50% off.
- **Glow Getter Aesthetics** (905 Cloquet Ave. https://www.glow-getter-aesthetics.com/) Mon. to Tues. 10am–4pm stop in to check out products and services!
- Graceful Strides Farm & Country Store (903 Cloquet Ave. https://www.facebook.com/profile.php?id=100063743217345#) Mon. to Fri. 9am–5pm; Sat. 9am-1pm. Sidewalk sales!
 - Bag sale \$10 fill a bag with clothes
 - 50% off tables on sidewalk
 - Baby equipment 50% off
 - 50% off toys
- Heather's Café (1304 Cloquet Ave.
 https://www.facebook.com/profile.php?id=100065532337788#) Mon. to Fri. 6:30am-2pm. Grab a cheese burger with chips for \$7.99 during sidewalk sales week!
- **Holy Smokes Food Truck** (1103 Avenue B https://www.holysmokesmn.com/) Wed. to Thurs. 11am-6pm. Check out the food truck menu and specials!
- **Human Development Center HDC** (1102 Cloquet Ave. https://hdcnorth.org/locations/carlton-county/) Mon. to Thurs. 9am-3pm. Grab a brochure on



Cloquet Sidewalk Days & Get Downtown Week Monday July 21 – Saturday July 26, 2025

(weather dependent sale sites)

Schedule of Events

the sidewalk about the services we offer, and if you have questions come in and ask our staff your questions on programs!

- **THE JACK** (1016 Cloquet Ave. https://www.instagram.com/thejackcloquet/) Mon. to Sun. 10am-2am. Sidewalk days will offer \$2 off pizzas and discounted clothing for sale!
- **LOC Auto & Weld** (1503 Cloquet Ave. https://www.facebook.com/locautoandweld/) Mon. to Fri. 8am-4:30pm. Call or stop in to schedule an oil change and receive 20% off! Want 25% off your next bill? Schedule any new appointment during Sidewalk Days to be entered into our drawing!
- Mitch's Barber Shop (1423 Cloquet Ave.) Mon. to Tues. 9am–3:30pm. Come meet Mitch, our talented local barber and consider using his sign-up sheet for a professional men's haircut!
- Mirror Mirror Esthetics by Racheal (907 Cloquet Ave. https://www.mirrormirror-salon.com/) Wed. to Thurs. 10am–6pm. Find 10% off Store wide and 15% off all services!
- **NDGNS Beads N Gifts**—(612 Cloquet Ave. https://ndgnsbeadsngifts.square.site/) –Tues. to Fri. 10am-5:30pm and Sat. 10am-3pm. Sidewalk sales!
- Pack & Mail Station—(1110 Cloquet Ave. https://www.cloquetmailstation.com/) Mon. to Fri. 9am-6pm and Sat. 10am-3pm. Find out Christmas in July Sidewalk Sale Celebration! Jollygood deals you won't want to miss! Shop local, support small, and save BIG!
- Shop on the Corner (612 Cloquet Ave. https://www.shoponthecorner.rocks/) Wed. to Fri. 10am-5pm, Sat. 9am-4pm; Sun. 11am–4pm. Find awesome deals and great treasures in our Shop! Ask about our classes or learn more online!
- The Sass Boutique (903 Cloquet Ave. https://www.thesassboutique.com/storefront) Wed. 2pm-6pm, Thurs. 12pm–6pm, Fri. 11am–5pm, Sat. 11am–4pm. Summer sales rack & door buster deals! Stop in for hot deals & a sweet treat.
- **Skutevik's Floral** (1429 Cloquet Ave. https://www.skuteviks.com/) Mon. to Fri. 8:30am–5pm and Sat. 9am–Noon. Sidewalk specials to include: Monday 20% off house plants; Tuesday 20% off roses; Wednesday 20% off premade floral arrangements; Thursday-Sat \$.99 each carnation sale!

CARLTON AVENUE BUSINESS DISTRICT:

• **Burger Shoes** (1609 Carlton Ave. https://burgershoes.com/) — Mon. to Fri. 9:30am-5pm and Sat. 9:30am-3pm. Additional \$15 off clearance footwear, \$20 off in-stock regular-priced footwear, \$2 off all socks, and clearance priced sidewalk sales!

Hit the Lincoln Park streets for Summerfest

By Teri Cadeau June 11, 2025

The festival is set to return to Duluth for the second year Saturday.

DULUTH — The Lincoln Park Business Group is taking to the streets. Lincoln Park Summerfest invites the public to join a family-friendly celebration of creativity and community Saturday from 11 a.m. to 4 p.m. on Superior Street.

The inaugural event was last year, according to administrator Cameron Kruger. Replacing the Lincoln Park Business Group's annual walleye tournament, the festival is a new way for the organization to dive into summer.

"The idea behind it is an opportunity for people to meet up in Lincoln Park and enjoy everything we have to offer," Kruger said. "We designed it to highlight both the businesses that are already in Lincoln Park along Superior Street and bring in 40 outside vendors and food trucks as well."

The free event will close off Superior Street between 19th and 22nd avenues west. Vendors and food trucks will line the street, along with outdoor activities and indoor attractions by the businesses based there.

Families will find no shortage of fun for kids, including a bounce house, interactive activities with the Duluth Children's Museum,

Girl Scouts, Duluth Huskies, face painting, a petting zoo hosted by Cook's Country Connection and more.

Other activities and demonstrations for people of all ages include dance lessons from Simply Ballroom, a maypole dance led by Tamarack Dance Association, and interactive demonstrations from Duluth Folk School, Summit Martial Arts and the Forging Community.

There will be music from Breanne Tepler, Yuya Mix and Sam Henry throughout the day.

"Really, there's going to be something for anyone; we have such a wide assortment of things for everybody," Kruger said.

Kruger said the idea of the event is to bring people to the area and give them some fun activities to do. "I think locals tend to be shy of Lincoln and Canal Park during this time of year because we have a huge tourism economy here," Kruger said. "So this celebration is for everybody to enjoy, from locals to anyone visiting the city."



Simply Ballroom provides dance lessons during the first Lincoln Park Summerfest in 2024. Contributed / Lincoln Park Business Group



Vendors, food trucks, and activities for kids and adults line the streets of Lincoln Park during the first Summerfest celebration in 2024. Contributed

Tuesday, July 1, 2025

Dear Main Street Directors,

I'm writing with difficult news regarding the Minnesota Main Streets program. Despite our best efforts—including direct appeals to funders, press outreach, and personal conversations—we have been unable to secure the emergency funds necessary to maintain the program at its current level. As a result, we have made the incredibly hard decision to lay off Emily Kurash Casey, Director of Community Programs, effective mid-July. Shannon Laing will remain on staff and will continue to manage the day-to-day operations of the Minnesota Main Streets program as we begin a restructuring process.

Emily has been with Rethos since 2019 and has made lasting contributions to this organization and to the Main Streets program. Her leadership, vision, and deep care for community have been invaluable. We are committed to doing everything in our power to support her in finding a new position that reflects her skills and dedication.

We are continuing the campaign to stabilize the program, including distributing the open letter from Main Street communities from those who've agreed to sign (expect this in your inbox for signing this week) and preparing a press release to go out next week following the July 4th holiday. While we had hoped to share the release earlier, we delayed it out of respect for the tragic assassination of Representative Hortman and her husband, which has rightly dominated media coverage. We understand you may have questions, and I encourage you to reach out to me directly. As soon as we are able, we will organize a meeting with the Main Street communities to outline next steps and gather your input—but we ask for a bit of patience as we regroup.

Thank you for your continued partnership and understanding in this challenging moment.

Warmly,

Heidi Swank

Executive Director, Rethos

heidi@rethos.org | 651.293.9047

Monday, July 7, 2025

Rethos remains fully committed to the long-term success of the Main Street program. It's the cornerstone of our work, and our goal is to restructure it in a way that ensures stability and continued growth.

I also want to address the budget deficit clearly and directly.

This situation was not a surprise to Emily or Shannon—we've been discussing it for quite some time. The deficit didn't begin recently; it existed well before I joined Rethos. We had been covering it using revenue from our Historic Rehabilitation Loan program.

Here are the key financial facts:

- **Funding from MNHS:** Rethos has consistently received \$125,000 annually from MNHS for the Main Street program.
- **Actual Program Cost:** Running the program—including two salaries, technical assistance grants, travel for accreditation visits, and conference costs—has typically cost at least \$325,000 each year.
- Revenue Gap: We bridged this \$200,000 gap using income from our Historic Rehab Loans.

However, in 2019, the federal government under the Trump administration changed the payout schedule for Historic Tax Credits (HTC) from one year to five years. Because Minnesota's HTC is required to mirror the federal program, this change applied here as well.

This had a major impact on our revenue. Developers in Minnesota could no longer rely on quick repayments and instead had to carry high-interest bridge loans for much longer. Many began

working with other entities that offered immediate cash for their credits—even if at a discount. As a result, we lost a significant number of Minnesota projects and saw a steep decline in rehab loan revenue beginning around 2021.

At the time, it wasn't clear whether the revenue drop was due to the tax credit changes or to pandemic-related disruptions (like supply chain issues). It wasn't until 2023–24 that we could definitively attribute the decline to the five-year payout schedule.

Despite this, we made a strategic decision to continue funding the Main Street program through reserves while working toward a long-term solution: state funding. Over the past two legislative sessions, we've worked hard to build support for a state appropriation, and Emily and Shannon have been part of these efforts.

Unfortunately, recent developments derailed this work. The Feeding Our Future scandal created a climate of mistrust toward nonprofit funding at the legislature. In addition, several statewide funders have redirected their resources toward DEI-related initiatives in response to shifts at the federal level—further limiting available support for Main Street.

I realize this is a lot of detail, but I want to be transparent about how we got here. None of this came out of nowhere. We've long known that the MNHS funding alone was not enough, and we've been actively working to find more stable and sufficient revenue sources.

Again, I'd be happy to join an upcoming meeting to speak with the Main Street communities and help answer any questions. I've included Shannon on this email, so she can find the best meeting to schedule this conversation.

Best, Heidi

HEIDI SWANK, Ph.D.

Executive Director



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