



**Cloquet Economic Development Authority
MEETING AGENDA**

**Wednesday February 4, 2025
8:00AM
101 14th Street Cloquet, MN 55720**

ACTION TAKEN

- 1. **Call Meeting to Order** _____
- 2. **Oath of Office: Sue Ryan** _____
- 3. **Announcements, Adjustments, Correspondence, and Other Comments** _____
 - a. The Cloquet Area Chamber Board agreed to provide the additional funding gap for the Cloquet video marketing project set for completion at the end of February, thank you! (attached)
- 4. **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.
- 5. **Approval EDA meeting minutes** _____
 - a. January 7, 2026
- 6. **Monthly Financials** _____
 - a. December 2025
- 7. **Action Items:**
 - a. Revamped RFP – Port Site 14th Street _____
 - b. Review Cloquet EDA 2026 Work Plan _____
 - c. Intentional Messaging – Cloquet EDA Commissioners _____
- 8. **EDA Informational Updates** _____
- 9. **Adjourn** _____



OATH OF OFFICE

State of Minnesota

City of Cloquet

County of Carlton

*I, **Sue Ryan**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Minnesota, and that I will discharge faithfully the duties of the office of THE CLOQUET ECONOMIC DEVELOPMENT AUTHORITY (EDA) of the City of Cloquet in the County of Carlton, the State of Minnesota, to the best of my judgment and ability.*

Signature – Sue Ryan

Subscribed and sworn to before me this 7TH day of JANUARY 2026.

Signature – EDA President



January 7, 2026

Kelly Zink, President
 Cloquet Area Chamber of Commerce
 225 Sunnyside Drive
 Cloquet, MN 55720
 Phone: (218) 879-1551
kzink@cloquet.com

Dear Ms. Zink,

In August 2025 the Cloquet EDA, in partnership with the Cloquet Area Chamber of Commerce authorized a Cloquet Economic Development Video Campaign and hired Promoting Me, LLC and Bo Allen Productions to capture positive business and economic development stories and happenings in Cloquet for use in marketing messaging. At the December Cloquet EDA meeting, Shelly Peterson and Bo Allen unveiled draft footage of the video and sought feedback from the Cloquet EDA on content. EDA members found value and suggested that several videos be made into smaller feature segments and asked Ms. Peterson and Mr. Allen to revamp their proposal. This morning at the January Cloquet EDA meeting the scope was reviewed and discussed and tourism was requested it be added into the titles and content of the video features. Attached is a copy of the revamped proposal which would be completed by the end of February and would offering four videos covering the topics of:

1. **General Economic Development**
2. **Residential Growth**
3. **Business and Tourism Attraction**
4. **Workforce Development**

The increased 2026 cost for four videos and social media footage is **\$5,250**. Please review and consider our below request as we've run short on this additional work. Thank you.

Video Marketing Campaign	
2025 Proposal \$3,500	
2025 Cloquet EDA	\$3,000
2025 Chamber	\$500 (paid)
2026 Revised \$5,250	
2026 Cloquet EDA	\$3,000
Request 2026 Chamber Board / Visit Cloquet Tourism	\$2,250
Total Project	\$8,750
Total Cloquet EDA (68.5%)	\$6,000
Total Chamber/Tourism (31.4%)	\$2,750

Sincerely,

Holly Hansen, AICP Community Development Director
hhansen@cloquetmn.gov; (218) 879-2507 x4



Proposal: Cloquet Economic Development Video Campaign- Additional Videos

Prepared for:

Cloquet Economic Development Authority (EDA)
Holly Hansen

Prepared by:

Promoting Me LLC
Shelly Peterson

Date: December 18, 2025

Cloquet Economic Development Video Series

Project Purpose

Cloquet has a powerful story to tell. One of the community's strengths is its opportunities for growth, quality of life, and forward momentum. This Economic Development Video Series is designed to position Cloquet as a premier location for living, working, visiting, investing, building, and thriving.

By shifting from a single economic development video to a strategic series, the City of Cloquet and EDA will gain multiple tools to communicate with residents, businesses, workforce partners, site selectors, and potential investors.

Revised Scope, Deliverables & Investment

Project Overview

Initially scoped as a single 3-minute Economic Development highlight video, this project has evolved into a **comprehensive 4-part video storytelling series** designed to position Cloquet as a place to live, work, visit, invest, and thrive. Each video will be unique, strategically crafted, and professionally produced to showcase the strengths of Cloquet and support City and EDA economic development initiatives.



Video Deliverables

Four (4) Professionally Produced 3-Minute Videos

1 General Economic Development Story – Cloquet is Open for Opportunity

A high-level promotional piece sharing Cloquet's strengths, momentum, and economic vibrancy.

2 Residential Growth – Why People Choose Cloquet

Focus on neighborhoods, quality of life, amenities, community pride, schools, healthcare, recreation, and everyday livability.

3 Business and Tourism Attraction – Why Businesses and Visitors Choose Cloquet

Showcase Cloquet as a thriving place to invest, build, and experience. Highlight the supportive business climate while also emphasizing Cloquet's tourism appeal, vibrant amenities, regional draw, and the economic impact visitors bring to the community.

4 Workforce Development – Building the Future Workforce

Focus on Cloquet as a great place to work, with a strong emphasis on career opportunities, workforce partnerships, future pipeline development, and employer perspectives.

Production Enhancements Included

To ensure comprehensive storytelling and visual depth, the expanded project includes:

- Additional on-site filming & content capture feature locations including:
 - Fond du Lac & FDL Museum
 - Trail systems & outdoor recreation
 - Hwy 33 commercial corridor (incl. Walmart area)
 - Cloquet Airport
 - Fairchild
 - Expanded Downtown Merchants
- Professional editing for all four videos
- Professional voiceover talent



- Licensed music & sound design
- Branding alignment with City & EDA marketing
- Color grading & cinematic finishing

Storytelling Interviews & Social Media Assets

To maximize value and ongoing engagement beyond the primary videos:

- Up to **10 interview outtake clips** for social media use (20–30 seconds each)

Example:

Short feature with **Emily Connley** discussing why she chose Cloquet to purchase a business, business climate experience, and workforce support.

These micro-stories help sustain campaign momentum and keep Cloquet visible in a world of micro-attention.

Timeline

- Additional Filming: January
- Post-Production & Review: February EDA Meeting
- **Anticipated Completion:** February 28

Final Deliverables

Upon completion, the City of Cloquet / EDA will receive:

- Four (4) professionally produced 3-minute HD videos
- Web-optimized file versions
- Social media formatted versions (if requested)
- Ten (10) social media interview outtake clips



- Full rights for use across:
 - City website
 - Economic Development marketing
 - Social media
 - Presentations
 - Business attraction efforts
 - Workforce marketing initiatives

Total Additional Project Investment

\$5,250

This reflects:

- ✓ Expanded production time
- ✓ Script development & content strategy
- ✓ Professional filming, editing & sound design
- ✓ Additional location coverage
- ✓ Voiceover talent & licensing
- ✓ Ten social media assets included
- ✓ Complete project management and coordination

Note: This price reflects a \$4,900 discount over the market rate in the area. This discount is reflective of the content and how Promoting Me and Bo Allen Productions will use it as an example in future community impact projects. Additionally, by **bundling all four videos together, you save approximately \$900 per video compared to producing them separately at different times throughout the year or only when demand requires.**



**CLOQUET ECONOMIC DEVELOPMENT
AUTHORITY**

101 14th St., Cloquet, MN 55720

January 7, 2026

MINUTES OF THE CLOQUET EDA MEETING

EDA Commissioners Present: Dave Manderfeld, Lyz Jaakola, Jenny Blatchford, Lara Wilkinson, Mark Lanigan, (EDA Commissioners)

Ex-Officio Staff/Staff Members/Others Present: Ali Bilden-Camps, Northspan; Holly Hansen, Katie Bloom (City of Cloquet), Kelly Zink (Chamber), Ryan Pervananze, David Schafroth (County)

EDA Commissioners / Ex-Officio / Staff Absent:

Aaron Peterson, Sue Ryan, Mark Lanigan, (EDA Commissioners), Tim Peterson (City of Cloquet)

1. CALL TO ORDER

The meeting was conducted at the Cloquet Forestry Center and was called to order at 8:12 a.m. after completion of the Annual Cloquet EDA meeting.

2. ANNOUNCEMENTS, ADJUSTMENTS, CORRESPONDENCE AND OTHER

President Manderfeld asked members to review informational items shared in the packet and expressed frustrations that former Cloquet EDA rehabilitation home at 217 3rd Street is in distress in the neighborhood.

3. PUBLIC COMMENTS

None.

4. APPROVAL EDA MEETING MINUTES

President Manderfeld asked for any corrections, additions, or deletions to the December 3, 2025, Cloquet EDA Meeting Minutes. Hearing none, he asked for a motion.

Motion: Commissioner Blatchford moved, and Commissioner Jaakola seconded, that the EDA approve the December 3, 2025, Cloquet EDA Meeting Minutes. (Motion passed 5-0).

5. APPROVAL OF MONTHLY FINANCIALS: NOVEMBER 2025

Ms. Hansen reviewed the November financials with the board. President Manderfeld asked for motions to approve.

Motion: Commissioner Lanigan moved, and Commissioner Blatchford seconded, that the EDA approve the November Financials. (Motion passed 5-0).

6. ACTION ITEMS:

a. Reframed Approach – Distressed Properties

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 state litigation on county forfeitures). In March, the EDA authorized authority for staff to



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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. While the approach had merits, it expended effort and cost appraising first rather than asking the property owners first if they were interested in working with the city and then the city hiring the appraisal. After outreaching to three properties with appraisal offers in 2025 only one purchase was successful while the second property owner was not pleased that he wasn't asked first and found the city's process heavy handed having already hired an appraisal and decided to sell their property to someone else, while the third remains in litigation. With lessons learned, staff would not advise following this process again and instead requested the EDA move to approve Resolution No. 26-01 to allow the Cloquet EDA to work with property owners in the City to gauge interest in selling their blighted properties to the Cloquet EDA for redevelopment purposes and then based on the situation and willingness of the property owner hiring a property appraisal or provide an offer.

Commissioner Blatchford asked how the new approach will begin – phone calls, letters, city attorney letter? Ms. Hansen stated since we've never embarked upon this this did not know but is excited for the new journey and we will all find out together so stay tuned and be prepared to be a sounding board.

Motion: Commissioner Blatchford moved, and Commissioner Jaakola seconded, that the EDA move to approve Resolution No. 26-01 A RESOLUTION APPROVING DISCUSSIONS WITH PROPERTY OWNERS BASED ON COUNTY ASSESSED MARKET VALUE OR BY APPRAISAL (Motion passed 5-0).

b. Video Contract Adjustments

Last month after viewing draft video marketing footage the EDA asked for an updated proposal from Promoting Me, LLC in partnership with Bo Allen Productions, to broaden the scope of the original marketing initiative. Ms. Hansen reviewed the revamped proposal offering four videos covering the topics of:

- 1. General Economic Development**
- 2. Residential Growth**
- 3. Business Attraction**
- 4. Workforce Development**

The increased cost for four videos but social media footage options is **\$5,250**. Ms. Hansen suggested the same amount of annual support identified in 2025 at \$3,000 meaning the project is short \$2,250. Discussion was had with the County EDA staff inquiring if the county would like to get involved with the Cloquet focused marketing project as a funding partner? Mr.

Pervanenze stated that typically the county only gets involved in countywide initiatives. Ms. Hansen stated with this project 90% complete that would certainly change the scope and cost of the project but thanked him. Ms. Zink of the Cloquet Area Chamber of Commerce was asked to



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consider the angle of tourism with Visit Cloquet funding, she asked that the EDA send a request by email in advance of her board meeting tomorrow. Ms. Hansen said she would do so.

President Manderfeld expressed concern that in recent past the EDA marketing budget was \$10,000 and would like to see that restored for 2027 budgeting

c. EDA Commissioner Input Roundtable, Ali Bilden-Camps asked members to:

- i. Introduce yourself personally and professionally in Cloquet
- ii. What are you most proud of this year that you've been part of in the community (anything)?
- iii. Thinking about the past year, what has been working well for the Cloquet EDA?

- Katie Bloom: Finance Director for the City of Cloquet and Treasurer for the Cloquet EDA. It's been nice to see the spending of SAHA funds towards projects, the 106 7th Street project was a good project by the EDA.
- Lara Wilkinson: City Councilor, employed at MCCU, the EDA's work has been instrumental, there was significant development in the community in 2025 several projects of which were EDA led initiatives.
- Kelly Zink: Cloquet Area Chamber of Commerce, its nice to see the wide array of topical areas that EDA is able to affect change in and under staff leadership.
- Jenny Blatchford: works from home in her Cloquet residence, broad local work experience, past Chamber staff member. The EDA's work as evolved, there is chatter in the community and people are aware. The more sophisticated the more has become, the bigger the changes.
- Dave Manderfeld: USG, former City Councilor, long standing EDA member. Was part of CDIC so great to see the Cloquet Business Park finally growing, great staff.
- Mark Lanigan: President of Cloquet Frandsen Bank and Trust. Have seen steady progress in the community, businesses are savvy and the community is really stepping-up, proud to be a part of the EDA.
- Lyz Jaakola: Work at FDLTCC, have a small business MiigWitches Brew, parents have commented this year on the volume of new development in Cloquet, impressive.
- Ryan Pervanze: Cloquet has experienced impressive growth, interested in partnerships utilizing county lobbyist to further goals for projects.
- David Schafroth: interested in open honest dialogue as strength.



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- Holly Hansen: nice to see private-public partnerships such as Lundbergs, Carlson, Hotel Solem, Cloquet Business Park, time spent on all the tasks around the former Cloquet DNR site on South Hwy 33.

d. Year in Review 2025

Staff provided a powerpoint summarizing successes in 2025.

Ali Bilden-Camps asked members the following questions:

- i. Did you notice any themes emerging from the highlights of the year?
- ii. What was the most exciting thing to see?
- iii. Was anything missing that you thought you might see or hear?
- iv. Thinking about what we've discussed, what are the implications for our work going forward?
- v. How would you like to share your gifts and skills on the EDA? Where do you see alignment?

- Katie Bloom: the EDA commits time to projects for the long term.
- Lara Wilkinson: with limited resources, lean into Councilors and board members for help to keep up the momentum, focus and creativity, as one person can't do it all without support. Able to head out and meet with new businesses. Marketing videos will be part of Cloquet's story utilizing our own businesses forming community wide alignment.
- Kelly Zink: we've committed time to implement projects, business retention and succession has been good to see. May need to add business succession course into 2026 in community.
- Jenny Blatchford: many questions in the community about what the EDA does and why, would love to see ways to draw the community in, ask their feedback, tell them about our purpose, more marketing and social media. Invite Council into places to talk about projects – Lyz Jaakola and Lara Wilksinson. Adding value with marketing videos.
- Dave Manderfeld: large mission with business and community development, would like to see the EDA get involved in acquiring land for housing development which struggles to happen on its own anymore. USG has a new Plant Manager, we need to keep working on housing, childcare,
- Mark Lanigan: Impressive that EDA keeps vision on the future and needs to continue doing so – what is our future work 5, 10, 15 years out how are we spending time on our vision. Community members always wondering what's in it for them to get involved with the city, EDA, Chamber – its building relationships with new people and inviting them in – we all have time to contribute and a network of broad relationships. Once we have goals, may be good to put timeframes to them – short (5 years), mid (10 years), long-term (15 years) planning.



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- Lyz Jaakola: want to shine a light on collective team for community building accomplished. FDLTCC has programs on business and childcare, perhaps ways to collaborate further promote these program opportunities, provide internships on these shared issues.
- Ryan Pervanenze: County lacks access to funding as we receive no entitlements and distribution at the state and federal levels are not helping. We need to spend money to make a difference.
- David Schafroth: here to help with creativity.

Ali Bilden-Camps stated the **themes of EDA work** that she heard were:

- **Collaboration**
- **Progress**
- **Movement**
- **Momentum on all existing goals, monumental impact.**

e. 2026 Goal Setting

Ms. Hansen stated that broadband as a stand alone goal has had funding and project opportunities, perhaps now it is best combined into another goal area post covid.

Ali Bilden-Camps suggested as a starting point that the remainder 2025 goals be written on the board and voted on as a starting point. Then she requested that members cast their votes, three stickers were provided. General voting categories were as follows:

2026 Cloquet EDA Goals

1. Grow, Attract, and Retain Businesses

- a. Business Growth / Attraction
 - i. Increase opportunities for youth in the community such as pursuit of YMCA
- b. Business Retention
- c. Develop the Cloquet Business Park
- d. Downtown Revitalization / Business Support / Redevelopment Support

2. Housing

3. Maintain Family and Center Childcare Slots and Facilities

Adjourn

President Manderfeld adjourned the meeting at 10:00 a.m.

Respectfully submitted,

Holly Hansen, Community Development Director



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

To: City of Cloquet Economic Development Authority (EDA)
From: Holly Hansen, Community Development Director
Date: January 28, 2026

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

EDA Requested Action

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

Monthly Review

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

CASH BALANCES

The summary of December 2025 financials **which currently total \$902,224.27** are:

- **Fund 201 (LDO-Loan)/ Fund 201 (LDO-Project/Loan)** there is an increase in the fund balance due to loan repayments and a loan payoff by Boss Builders. The loan deferral is no longer in place for C&C Holdings and their first loan payment was made December 24, 2025).
- **Fund 202 (Fed CDBG)** there is a decrease in the fund balance due to project eligible legal and SCDP fees.
- **Fund 203 (ED)** there is a slight increase in fund balance due to loan repayments. FB&T offered a construction deferral to JBB Group (Collins Roofing), as a loan participation, payments will be dispersed by FB&T once construction is complete.
- **Fund 206 (Revolved Phase 3 SCDP loan repayments)** there no change in fund balance. Project funds are allocated to CCHS and Holy Smokes closed in December.
- **Fund 207 (Housing Trust Fund)** there is an increase in funds due to receipt of statewide affordable housing aide (SAHA) from the state. The EDA will note a substantial drop in SAHA funding for 2026.

LOAN STATUS

The total outstanding loan balance for City funds is \$1,394,971.63 (5 business loans) with monthly repayments of \$9,001.85 with one loan deferrals (Collins Roofing). The building



Community Development Department
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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 December 2025 EDA financial statements.

Supporting Documentation

- December 2025 Cash Balances; December 2025 Loan Balances

**City of Cloquet
Cash Balances
December 2025**

		<u>Current Month</u>	<u>Previous Month</u>
201	LDO Loan (EDA) - Loan	\$248,313.57 1	\$86,393.44
201	LDO Loan (EDA) - Project/Loan	\$2,000.00	\$2,000.00
202	Federal CDBG Loan (EDA)	\$313,606.27 2	\$314,351.90
203	Economic Development Loan (City)	\$211,676.43 1	\$211,077.94
206	Revolving SCDP (EDA)	\$23,485.00	\$23,485.00
207	Housing Trust Fund (City)	\$103,143.00 3	\$88,906.50
		<u>\$902,224.27</u>	<u>\$726,214.78</u>

206 Commercial Grant Awards:

- 3 - \$10,000 plus project escrow held for Historical Society (416 Cloquet Ave)
\$7,365.59 for Holy Smokes (1101 - 1103 Avenue B)

Monthly change explanations:

- 1 - Loan repayments & Loan Pay-off for 333 - 20th ST
- 2 - Legal fees & mortgage registration tax
- 3 - State affordable housing aid

**Community Development
Loan Balances
December 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	\$ -	Paid off 12/8/25
C&C Holdings LLC	7/24/2024	2.00%	\$ 924,500.00	\$ 6,250.00	7/24/2044	\$ 928,339.97	**
Lagom Restoration LLC	12/21/2023	4.00%	\$ 56,000.00	\$ 186.67	6/25/2025	\$ -	Paid off 2/3/25
Fund 201				\$ 6,953.34		\$ 928,339.97	
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	\$ 232,084.99	**
GCL Development Group LLC	6/12/2020	2.25%	\$ 75,000.00	\$ 388.36	7/1/2040	\$ 57,960.84	
North Country Dental LLC	8/3/2020	2.00%	\$ 20,000.00	\$ 390.79	7/1/2025	\$ -	Paid off 7/30/25
WebMed, LLC	12/11/2020	2.00%	\$ 20,000.00	\$ 391.56	12/15/2025	\$ -	Paid off 12/29/25
Hieb Properties LLC	8/19/2024	4.00%	\$ 20,434.00	\$ 279.31	8/19/2031	\$ 16,897.45	
Fund 202 into 201				\$ 1,450.02		\$ 306,943.28	
Fund 203 (City)							
CMW Retail Properties	7/1/2012	1.00%	\$ 100,000.00	\$ 598.49	8/1/2027	\$ 10,688.38	*****
JBB Group LLC	4/25/2025	4.00%	\$ 149,000.00	TBD	4/25/2045	\$ 149,000.00	****
Fund 203				\$ 598.49		\$ 159,688.38	
Fund 206 (EDA SCDP Fund no current funds from 208 City SCDP)							
Fund 208				\$ -		\$ -	
Total Community Development Loans Outstanding				\$ 9,001.85		\$ 1,394,971.63	

Notes:

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

** 16-month loan deferral through Nov 2025

****Interest only payments for 12 months through April 2026

*****Building sold but loan repayments will continue under terms with the developer through 2027

REVAMPED FEBRUARY 2026

Request for Proposals to Develop a 2.88-acre Site into Ownership Housing or Rental Housing in Cloquet, MN

West of 14th Street and North of Stanley Avenue in Cloquet, MN



Released for proposals: February 5, 2025
Proposals **due**: by 10 a.m. March 27, 2026

REQUEST FOR PROPOSALS TO DEVELOP A 2.88-ACRE SITE INTO OWNERSHIP OR RENTAL HOUSING IN CLOQUET, MN

In collaboration with site property owners, the Cloquet Economic Development Authority (EDA) has issued a request for proposals (RFP) for the development of a 2.88-acre site located west of 14th Street and north of Stanley Avenue. A copy of this proposal document may be obtained from the Cloquet EDA website at www.cloqueteda.com, or at the City of Cloquet - City Hall - 101 14th Street Cloquet, MN 55720, or by contacting Holly Hansen, Community Development Director at (218) 879-2507 x4 or hhansen@cloquetmn.gov. The Cloquet EDA reserves the right to reject any or all proposals or waive any informality in the proposals, this RFP is subject to EDA approval and review by legal counsel.

I. INTRODUCTION

Site Overview

The development site is located west of 14th Street and north of Stanley Avenue in Cloquet, MN and is currently vacant land. The property consists of one unplatted parcel of land (PIN: 06-510-5838) which totals 2.88- acres in size and roughly measures 198' wide by 634' long. The parcel is not currently served by utilities, however municipal utilities are located within 82 feet of the parcel and require connection to develop the site. The property is surrounded by single-family to the north, south, and east, and commercial uses to the west. The vegetation in the rear of the property suggests a wetland delineation be completed. As with all development sites that disturb over an acre of land, onsite treatment of stormwater is required.

City Vision for the Property

The city and EDA seek to develop housing opportunities and further understand that ownership housing has been the most difficult form of housing to create in the region, state, and country. Ownership housing allows people to build wealth via ownership and manage their housing costs in a non-rental controlled format. The city and EDA feel it is imperative to proactively guide limited development sites in the city for alignment in land use vision. The city recently initiated the Cloquet-Scanlon Housing Study which was completed in October 2024 and describes various housing needs and demands and is viewable here:

<https://www.cloqueteda.com/home/showpublisheddocument/6549/638733117792400000>

The City is seeking proposals from qualified developers for the development of the 2.88-acre site in Cloquet. The types of development must be consistent with City zoning and could include use for ownership or rental housing. In proactively seeking out the highest and best use for the site.

This RFP will overview development concepts for this site and eligible economic development incentives to assist construction costs.

II. DEVELOPMENT OPTIONS

Below, the city will outline four different potential development approaches suggested for this site.

OPTION 1: THREE TWIN HOMES (6 UNITS FOR HOMEOWNERSHIP GOAL, NON-RENTAL)

No new public or private roadway infrastructure would be required other than utility extension from across the street and onsite grading work to support the development.

- Current Zoning R-1: The site is currently zoned R-1 Single-Family Residence. This zoning district allows for single-family housing and requires a Conditional Use Permit (CUP) for two-family, duplex, or twin home housing uses.
- Rezoning to R-2: If the property were rezoned to R-2 it would allow for narrower development lots – three 66' wide lots with an HOA outlot in the rear for shared yard as a concept. If the property were rezoned to R-2 One and Two Family Residence, two family is permitted for twin homes.



City / Cloquet EDA project on 20th Street.

OPTION 2: THREE SINGLE-FAMILY HOMES (HOMEOWNERSHIP GOAL, NON-RENTAL)

No new public or private roadway infrastructure would be required other than utility extension from across the street and onsite grading work to support the development.

- Current Zoning R-1: The site is currently zoned R-1 Single-Family Residence.
- Rezoning to R-2: If the property were rezoned to R-2 it would allow for narrower development lots – three 66' wide lots with long private lots or an HOA outlot in the rear for shared yard as a concept.



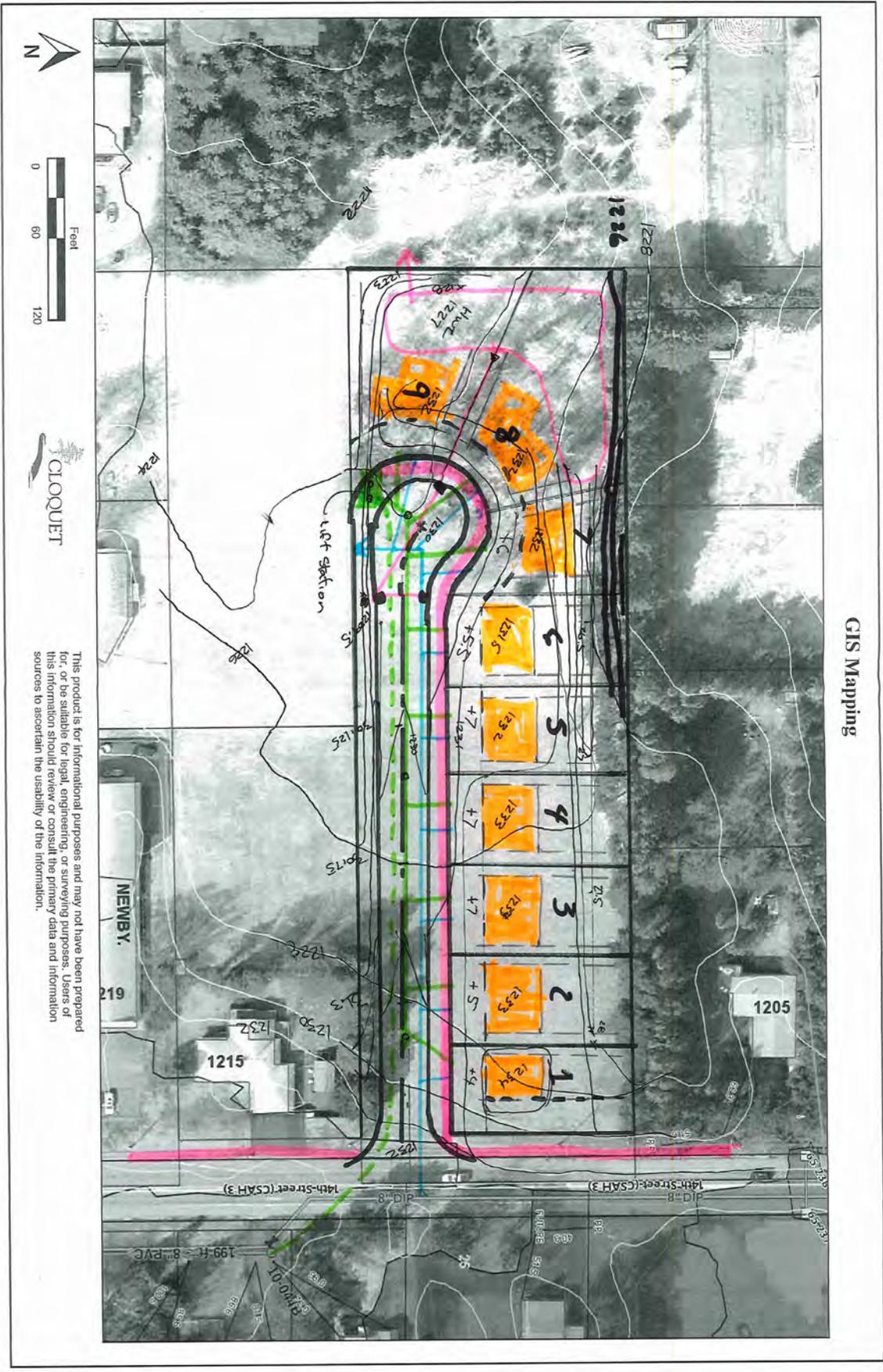
City / Cloquet EDA project on Avenue E featuring single-family homes.

OPTION 3: SINGLE-FAMILY SUBDIVISION (9 HOMES OWNERSHIP GOAL, NON-RENTAL)

- Current Zoning R-1: The site is currently zoned R-1 Single-Family Residence.
- Rezoning to R-2: Rezoning to R-2 would allow narrower lot sizes to maximize units as shown on this concept drawing. The standards in this zone allow for 65' wide minimum lots and 8400 SF lot area.
- Concept Plan: City Engineering has prepared a concept plan for this site laying out its alignment with public street utilities assuming a 66 ft wide public ROW, the cul-de-sac is 100 ROW diameter, and the length of the cul-de-sac is 500 ft per City Code. This layout assumes public infrastructure (Street, Sanitary Sewer, Watermain, Storm Sewer, Pond).
 - **Sanitary Sewer** – the site is not served by gravity sewer currently and no gravity sewer is available, therefore a lift station is needed. Concept map shows a lift Station at the cul-de-sac that pumps to the sewer on the east side of 14th Street. PVC services would be extended to each lot to serve each house.
 - **Watermain** - Watermain is in 14th Street in front of the development and would require street excavation in 14th Street to connect a hot tap to the existing watermain

and extend 8" DIP to the end of the cul-de-sac where a hydrant is placed. Copper Services would be extended to each lot to serve each house.

- **Stormwater** – Stormwater would be collected in the street with three inlets near the cul-de-sac and routed to a pond at the west end of the site. This pond has no outlet other than overland to the wetland further west. This will require the site be raised 6 to 7 feet in order to allow adequate ponding, out and protection from flooding.
- **Roadway** – The road section assumed in this design is 33 feet wide, B618 concrete curb and gutter on both sides and 5 foot wide sidewalk on the north side. The section is 8 inches of CL5 Aggregate base and 3 ½ inches of bituminous paving. The site grading will fill the roadway with imported fill suitable for road construction and compacted to 95% std proctor 3 feet below finished grade and 100% proctor within 3 feet of finished grade.
- **Site Work** – the site will require extensive site grading to provide adequate drainage. It is anticipated that 5 to 6 feet of imported fill will need to be placed on a large portion of the site. Erosion control measures will need to be maintained throughout the course of site development and home building. No wetland delineation is available, and this would need to be completed to identify any areas that need to be protected and preserved in the development process.
- **Permits required** - A MPCA Construction stormwater permit and city grading permit will be needed to grade the site. A MPCA Sanitary Sewer extension permit will be required to extend Sanitary Sewer. MnDOH watermain Permit is needed to extend watermain. Any Wetland preservation would need to be permitted through the City of Cloquet as the LGU. Carlton County will require permits for road connection and watermain connection work within Co. Rd. 3 (14th Street). Building permits from the City of Cloquet are required for home construction. Water and Sewer connection permits are required for each building.
- **Plans and Specifications** – Plans and specifications prepared by a licensed Professional Engineer are required for construction of public infrastructure.
- **Cost of Public infrastructure and site development construction** - estimated at \$1.4 million (does not include engineering) **city engineers cost estimate attached.**



GIS Mapping

CITY OF CLOQUET, MINNESOTA
ENGINEERS ESTIMATE

Port Development - 14th Street

STATEMENT OF ESTIMATED QUANTITIES

ITEM NO.	Section	Order	SPEC NO.	CONTRACT ITEMS	UNIT	UNIT PRICE		
							QTY	AMOUNT
1	Site	1	2021.501	MOBILIZATION	LUMP SUM	\$10,000.00	1.0	\$ 10,000.00
2	Site	1	2101.502	CLEARING	ACRE	\$5,000.00	0.5	\$ 2,500.00
3	Site	1	2101.502	GRUBBING	ACRE	\$5,000.00	0.5	\$ 2,500.00
4	Site	1	2106.507	SALVAGE TOPSOIL	CU. YD.	\$3.00	9500.0	\$ 28,500.00
5	Site	1	2106.507	EMBANKMENT - COMMON BORROW	CU. YD.	\$30.00	20000.0	\$ 600,000.00
6	Site	1	2106.507	EXCAVATION - POND	CU. YD.	\$15.00	3500.0	\$ 52,500.00
7	Site	1	2106.507	SPREAD TOPSOIL SALVAGE	CU. YD.	\$3.00	9500.0	\$ 28,500.00
8	Site	1	2573.501	STABILIZED CONSTRUCTION EXIT	LUMP SUM	\$4,000.00	1.0	\$ 4,000.00
9	Site	1	2573.502	STORM DRAIN INLET PROTECTION	EACH	\$200.00	4.0	\$ 800.00
10	Site	1	2573.503	SILT FENCE	LIN. FT.	\$5.00	1600.0	\$ 8,000.00
11	Site	1	2575.504	SEEDING	ACRE	\$2.50	3000.0	\$ 7,500.00
12	Sanitary	2	2503.503	6" PVC PIPE SEWER, D3034, SDR 35	LIN. FT.	\$65.00	360.0	\$ 23,400.00
13	Sanitary	2	2503.503	4" HDPE PIPE SEWER TRENCH	LIN. FT.	\$65.00	480.0	\$ 31,200.00
14	Sanitary	2	2503.503	4" HDPE PIPE SEWER DIRECTIONAL BORE	LIN. FT.	\$120.00	120.0	\$ 14,400.00
15	Sanitary	2	2503.503	8" PVC PIPE SEWER, D3034, SDR 35	LIN. FT.	\$80.00	410.0	\$ 32,800.00
16	Sanitary	2	2503.601	MISC SEWER FITTINGS	LUMP SUM	\$5,000.00	1.0	\$ 5,000.00
17	Sanitary	2	2503.602	8"X6" PVC WYE, D3034, SDR 35	EACH	\$681.00	9.0	\$ 6,129.00
18	Sanitary	2	2503.602	CONNECT TO EXISTING SANITARY SEWER	EACH	\$2,000.00	1.0	\$ 2,000.00
19	Sanitary	2	2506.503	CONST DRAINAGE STRUCTURE DESIGN 4007	LIN. FT.	\$700.00	30.0	\$ 21,000.00
20	Sanitary	2	2503.602	SANITARY LIFT STATION (PUMPS, WETWELL, CONTROLS)	EACH	\$175,000.00	1.0	\$ 175,000.00
21	Sanitary	2	2503.602	SANITARY FORCE MAIN VALVE MANHOLE	EACH	\$20,000.00	1.0	\$ 20,000.00
22	Water	3	2104.503	REMOVE CURB & GUTTER	LIN. FT.	\$10.00	100.0	\$ 1,000.00
23	Water	3	2104.504	REMOVE BITUMINOUS PAVEMENT	SQ. YD.	\$10.00	30.0	\$ 300.00
24	Water	3	2104.518	REMOVE SIDEWALK	SQ. FT.	\$1.00	100.0	\$ 100.00
25	Water	3	2504.602	0.75" CORPORATION STOP	EACH	\$400.00	9.0	\$ 3,600.00
26	Water	3	2504.602	0.75" CURB STOP & BOX	EACH	\$600.00	9.0	\$ 5,400.00
27	Water	3	2504.602	6" GATE VALVE AND BOX	EACH	\$5,000.00	1.0	\$ 5,000.00
28	Water	3	2504.602	8" GATE VALVE AND BOX -HOT TAP	EACH	\$8,000.00	1.0	\$ 8,000.00
29	Water	3	2504.602	ADJUST VALVE BOX	EACH	\$1,000.00	2.0	\$ 2,000.00
30	Water	3	2504.602	CONNECT TO EXISTING WATER MAIN	EACH	\$1,000.00	1.0	\$ 1,000.00
31	Water	3	2504.602	HYDRANT	EACH	\$10,000.00	1.0	\$ 10,000.00
32	Water	3	2504.603	3/4" TYPE K COPPER PIPE	LIN. FT.	\$60.00	200.0	\$ 12,000.00
33	Water	3	2504.603	6" WATERMAIN DUCTILE IRON CL 52	LIN. FT.	\$100.00	30.0	\$ 3,000.00
34	Water	3	2504.603	8" WATERMAIN DUCTILE IRON CL 52	LIN. FT.	\$115.00	520.0	\$ 59,800.00
35	Water	3	2504.608	WATERMAIN FITTINGS	POUND	\$15.00	500.0	\$ 7,500.00
36	Water	3	2563.601	TRAFFIC CONTROL	LUMP SUM	\$5,000.00	1.0	\$ 5,000.00
37	Storm	4	2503.503	12" RC PIPE SEWER DES 3006 CL IV	LIN. FT.	\$90.00	30.0	\$ 2,700.00
38	Storm	4	2503.503	15" RC PIPE SEWER DES 3006 CL IV	LIN. FT.	\$100.00	120.0	\$ 12,000.00
39	Storm	4	2503.503	18" RC PIPE SEWER DES 3006 CL IV	LIN. FT.	\$110.00	200.0	\$ 22,000.00
40	Storm	4	2506.503	CONST DRAINAGE STRUCTURE SPECIAL	LIN. FT.	\$1,000.00	8.0	\$ 8,000.00
41	Storm	4	2506.503	CONST DRAINAGE STRUCTURE DES 48-4020	LIN. FT.	\$1,500.00	5.0	\$ 7,500.00
42	Road	5	2211.507	AGGREGATE BASE (CV), CLASS 5	CU. YD.	\$50.00	1200.0	\$ 60,000.00
43	Road	5	2357.506	BITUMINOUS MATERIAL FOR TACK COAT	GALLON	\$5.00	100.0	\$ 500.00
44	Road	5	2360.509	TYPE SP 12.5 WEARING COURSE MIX (3.C)	TON	\$100.00	250.0	\$ 25,000.00
45	Road	5	2506.502	CASTING ASSEMBLY	EACH	\$1,200.00	6.0	\$ 7,200.00
46	Road	5	2506.602	ADJUST FRAME & RING CASTING	EACH	\$1,800.00	6.0	\$ 10,800.00
47	Road	5	2521.518	6" CONCRETE WALK	SQ. FT.	\$25.00	360.0	\$ 9,000.00
48	Road	5	2531.503	CONCRETE CURB & GUTTER DESIGN B618	LIN. FT.	\$25.00	1200.0	\$ 30,000.00
49	Road	5	2531.618	TRUNCATED DOMES	SQ. FT.	\$60.00	24.0	\$ 1,440.00
50	Road	5	2564.618	SIGN TYPE C	SQ. FT.	\$100.00	10.0	\$ 1,000.00
51	Road	5	2564.618	SIGN TYPE SPECIAL	SQ. FT.	\$110.00	2.0	\$ 220.00
								\$ -

\$ 1,396,789.00

OPTION 4: GENTLE DENSITY TOWNHOMES (13 UNITS, HOMEOWNERSHIP GOAL, NON-RENTAL)

Attached is a city engineering prepared concept plan for a gentle density townhome project which would require a Planned Unit Development under a Common Interest Community (CIC) plat with a homeowners association along a private drive.

- **Current Zoning R-1:** The site is currently zoned R-1 Single-Family Residence.
- **Rezoning to R-2:** If the property were rezoned to R-2 One and Two Family Residence, A Conditional Use Permit (CUP) is required for triplex and four unit ownership not to exceed 8-units maximum per structure at 10 units an acre density. The maximum building height is 45 feet height.



Townhome development for ownership opportunity, Harpers Landing in Blaine, MN built by D R Horton. The same product could also be rental. The city's preference is homeownership (photo creds Google Maps).

III. LAND USE INFORMATION

A. Land Assembly

The site consists of one unplatted parcel of land (PIN: 06-510-5838) which totals 2.88-acres in size and roughly measures 198' wide by 634' long. A plat will be required to develop the parcel.

B. Parking

Parking requirements are determined based on the proposed land use/s for the project and are outlined in Chapter 17 of City Code, the Cloquet Zoning Ordinance <https://www.cloquetmn.gov/our-city/city-code> or by consulting City Planner/Zoning Administrator John Kelley at 218-879-2507 x3 jkelly@cloquetmn.gov

C. Access into the Site

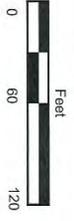
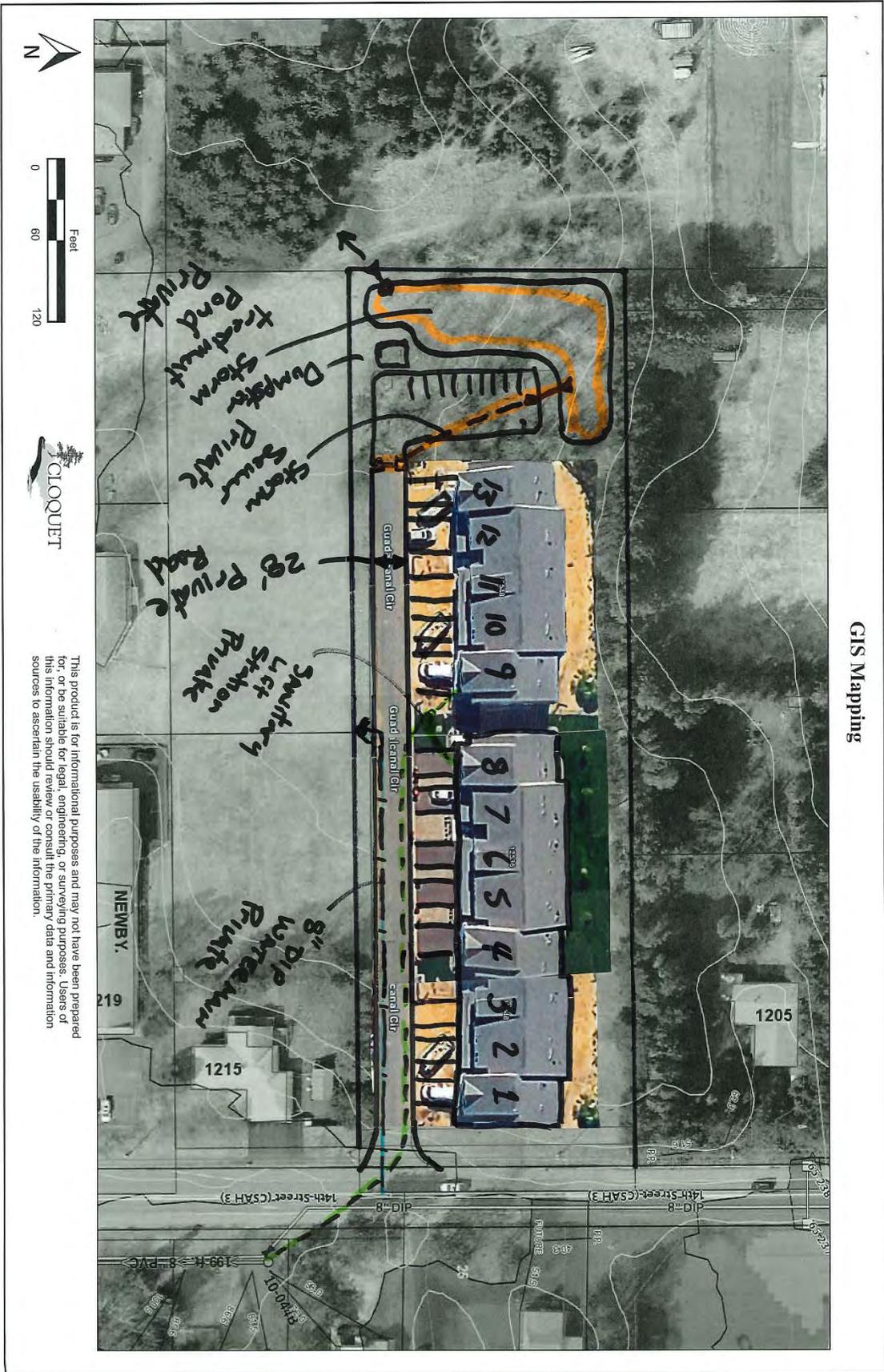
County State Aid Highway 3 is called 14th Street within the city limits of Cloquet and is designated as a minor arterial requiring access be permitted from Carlton County Engineering.

D. Infrastructure

Given the narrow width of this lot, we assume this site would be served by a private drive or situated along 14th Street (a public street).

- **Internal site public roadway:** the city's Subdivision Ordinance requires that the design format and length of a street designed for public roadway be no longer than 500-feet with a culdesac (*ROW 66' required with sidewalks on at least one side*).
- A **private access roadway** can be designed into the site and be privately maintained.

GIS Mapping



This product is for informational purposes and may not have been prepared for, or be suitable for, legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

E. Environmental

Vegetation present at the rear of the property would suggest that a wetland delineation must be completed in relation to planning the development of the lot.

F. Stormwater

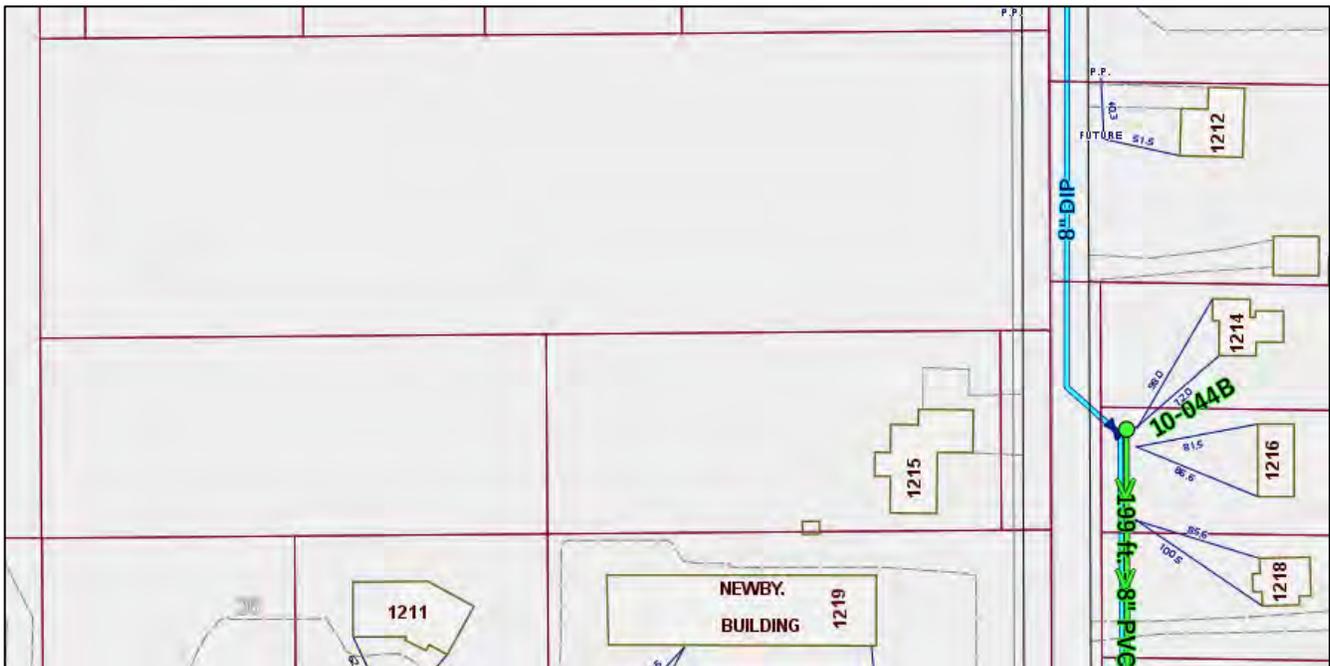
If the project will disturb more than one acre of land, stormwater must have onsite treatment designed into the project. Please contact the Assistant City Engineer with any questions.

G. Utility Information

To develop this parcel, connection to water and sewer is required given their proximity to municipal utilities.

- **WATER:** Municipal water is located across the street from this parcel and the water line is 8" DIP.
- **SEWER:** Sewer utilities are located 82 feet to the southeast along 14th Street. The sewer connection point would be manhole 10-044B and the sewer line 8" PVC. Contour elevations indicate that a lift station is likely required for effective sewer connection.

SITE UTILITY MAP



Water and sewer utilities are located across the street to the southeast along 14th Street. Connection points include sewer manhole 10-044B (sewer line 8" PVC) and water line is 8" DIP.

H. Price

The land is for sale by the property owner for **\$100,000 for 2.88-acres of land** in affiliation with developer commitment to construct a housing project here in procedural collaboration with the city.

PRICE, DEVELOPER QUALIFICATIONS & CITY ASSISTANCE:

A. Developer Qualifications

The approach by the City is to seek a team that has:

- 1) Expertise and experience with ownership or rental housing projects; and
- 2) Are skilled project managers working seamlessly with contractor teams, are versed in dwelling sales or management of.

Developers are encouraged to consult, or meet with, the City Community Development Department staff to ensure project success. Developers must provide a portfolio of completed operational and successful examples of other past projects, noting housing development financing tools used to accomplish the project and how these facilities are managed.

B. City Assistance Programs

Development assistance is provided when public benefit is ensured from a project as eligible under state law and as guided by City of Cloquet policies. In the case of housing, affordable home ownership or affordable rental housing is a requirement for eligibility for utilizing tax increment financing as affordability is the public benefit to provide developers assistance.

- Tax Increment Financing (TIF) – Housing District
 - **Ownership Housing** for persons/families at 115% or less than statewide median income (SMI) which for 2025 is \$134,435 – see attached table.
 - **Multifamily Rental Housing** 20% of units which must be occupied by individuals / families at 50% of median income or 40% of the units at 60% of the Area Median Income (AMI) – see attached table.
- State of MN Housing Programs – as eligible and available, developers will work collaboratively with the city to pursue State Workforce Housing or other programs as available

C. Development process

As undeveloped land, this site will follow all standard development processes of the city including by not limited to these permits:

ZONING / SUBDIVISION PERMITS <https://www.cloquetmn.gov/our-city/permits-licenses/commercial-residential-public-works-utility-zoning>

JOHN KELLEY, ZONING ADMINISTRATOR 218-879-2507 X3; JKELLEY@CLOQUETMN.GOV

- Platting process application fee \$300 plus developer plat preparation costs
- Wetland Permit the aerial photo vegetation suggests a wetland delineation be completed for the property (paid for by the developer/owner to be conducted by a certified wetland delineator, and any project impacts must be filed for in a permit to the City. For more info visit: <https://bwsr.state.mn.us/wetlands-regulation-minnesota>.
 - *Cloquet Wetland Certificate of Compliance \$100.00*
 - *Cloquet Wetland Certificate of Exemption \$100.00*

- *Cloquet Wetland Certificate of No Loss \$100.00*
- *Cloquet Wetland Mitigation Permit \$ 350.00 plus \$5.00 per acre*
- Site Plan submission for review by the Planning Commission / approval by City Council \$350; and
- Conditional Use Permit (CUP) for housing in the RC Zoning District \$400; and
- Rezone from R-1 (Single-Family Residence) to R-2 (One and Two-Family Residence) \$400
- Variance for minimum land size of 10 acres for a Planned Unit Development (PUD) \$350

ENGINEERING PERMITS <https://www.cloquetmn.gov/our-city/permits-licenses/commercial-residential-public-works-utility-zoning>

JOHN ANDERSON, ASSISTANT CITY ENGINEER 218-879-6758

JANDERSON@CLOQUETMN.GOV

- Grading Permit/Stormwater Permit if disturbing an acre or more of land/erosion control requirements
- Access Permit there is currently no access from this parcel onto 14th Street which is a county roadway, please contact Carlton County Engineering for more information.
- Right of Way Occupation Permit (to access utilities presumably via directional boring) Carlton County Engineering
- Sewer Connection Permit – City of Cloquet Engineering
 - A Capacity Availability Fee (CAF) will be determined by the Western Lake Superior Sanitary District at the point of connection based on plumbing plans for the proposed development.
- Water Connection Permit – City of Cloquet Engineering
- Water meters are available for purchase from the City of Cloquet.

ECONOMIC DEVELOPMENT APPLICATIONS <https://www.cloqueteda.com/business-incentives/local>

- Tax Increment Financing application and Development Agreement \$15,000
- Loan Funds the Cloquet EDA has a limited amount of loan funding consult city staff with questions on project and fund balance, loan application \$800 plus closing costs.

BUILDING PERMIT <https://www.cloquetmn.gov/our-city/permits-licenses/commercial-residential-public-works-utility-zoning>

- Building Permit/s consult Building Official Matt Munter mmunter@cloquetmn.gov 218-879-2507 x2

IV. PROPOSAL

The proposal should consist of a cover page and a concise narrative responding to the questions below, and attachments. The proposal cover and narrative should not exceed 10 pages. However, additional pages will be allowed for the submittal of one-page resumes for

each of the development team members, past project example summaries and other required attachments.

Proposal Cover Page (one page):

- ◆ Include Applicant Information – developer name, address, key contact name/title, telephone number, and email address. Include the Federal ID number and Minnesota tax ID number as applicable.

1. Proposal Summary

- ◆ The developer should fully outline the proposed project.
- ◆ Background and experience of Proposal Team with similar project development, key staff who will be assigned to the project and information on project partners, if any.
- ◆ Description of construction type and materials.
- ◆ Outline of Sources and Uses of funding for development and construction.
- ◆ Start-up and Operating budgets including how residential sales, rental or office lease payment assumptions are calculated in relationship to the Cloquet market.
- ◆ Predevelopment activities and funding sources, if any.
- ◆ Anticipated approach related to energy and environmental conservation including possible innovations or unique opportunities.
- ◆ Demonstration of financial ability to carry out the project successfully.
- ◆ Description of property management firm and related experience, and description of how property will be maintained long-term.
- ◆ Outline of timeframe for development, including approvals from lenders, City, and other entities.
- ◆ Other factors you wish to elaborate on.

V. Timeframe

- Request for Proposals issued: February 5, 2026
- Due date for proposals: 10am March 27, 2026

VI. SUBMISSION REQUIREMENTS

General Requirements:

1. Proposals must be submitted with Applicant's Warranties as:
 - Hard copy (one full copy) or
 - Electronic submission - compressed pdf via email to hhansen@cloquetmn.gov or a USB flash-drive
2. Proposal Contact:
Holly Hansen
City of Cloquet Community Development Department
101 14th ST
Cloquet, MN 55720
3. Proposals must be received by 4:00 p.m. on December 15, 2025. Extensions of the closing date will not be granted, unless notice of such extension is provided to all prospective responders.
4. Neither the City nor any other entity is responsible for the expenses that Applicants may incur in preparing and submitting proposals.
5. Copies of all proposals submitted will be considered the property of the City and will be retained by the City and will not be returned to the Applicants.
6. The EDA reserves the right to unilaterally cancel this RFP or to reject in whole or in part, any and all proposals received in response to this RFP. The City further reserves the right to waive any minor informality in any proposals received. The decision as to who shall receive a contract award, or whether or not an award shall be made as a result of this RFP, shall be at the sole discretion of the City.

VII. EVALUATION PROCEDURES

A. Selection Committee:

Development teams representing the top-ranking proposals may be invited to interview with the developer selection team comprised of representatives of the EDA ensuring there are no conflicts of interest between the selection team and development team.

B. Review of Proposals:

The review committee members will complete an independent review of each proposal. After a composite evaluation for each proposal is completed and ranked, the committee may conduct interviews or seek written or verbal clarification to supplement materials submitted in response to the RFP. The committee will recommend the proposal that offers the best response in relation to the evaluation criteria along with the best ability to successfully develop and implement the project.

C. Evaluation Criteria:

Firms meeting the established criteria will have their proposals evaluated and ranked for selection. The following represent the principal selection criteria which will be considered during the evaluation process:

- ◆ The proposal adheres to the instructions in this request for proposals on preparing and submitting the proposal.
- ◆ Expertise and Experience:
 - ✓ Past experience and performance on completed development projects and management of facilities.
 - ✓ The quality of the development team’s professional personnel to be assigned to the development project.
- ◆ Relationship of proposed project to neighborhood.
- ◆ Proposed quality of construction.
- ◆ Financial viability of the development.
- ◆ Long-term capacity for proper maintenance and management (e.g. ownership housing via a CIC Plat with homeowners association, or rental/office management).

D. Oral Presentations:

During the evaluation process, the review committee may, at its discretion, request one or more firms to make oral presentations. Such presentations from the team. Not all firms may be asked to make such oral presentations.

VIII. FURTHER INFORMATION

For further information, please contact:

Holly Hansen, Community Development Director
 City of Cloquet
 101 14th ST Cloquet, MN 55720
 (218) 879-2507 x4 or hhansen@cloquetmn.gov

ATTACHMENTS:

- 1) **2025 Income Limits for Housing Ownership and Rental Projects**
- 2) Attached is a **2008 property survey** that has since been further divided. The property is generally 198’ wide x 634’ long.

**CITY OF CLOQUET
APPLICANT'S WARRANTIES**

- A. Applicant warrants that it is willing and able to comply with State of Minnesota laws with respect to foreign (non-state of Minnesota) corporation.
- B. Applicant warrants that it is willing and able to obtain Errors and Omissions Insurance, providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees, or agents thereof.
- C. Applicant warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Cloquet.
- D. Applicant warrants that in all work conducted under this contract, it shall be unlawful to discriminate or harass in any manner on the grounds of race, creed, religion, color, sex, sexual orientation, national origin, ancestry, age, disability, marital status, citizenship status, or status with regard to public assistance. (This includes sexual harassment. Sexual harassment is any repeated and/or unwanted sexual attention that a recipient finds objectionable or offensive, regardless of sexual or affectional orientation.) Any charge of harassment or discrimination against the contractor, contractor's employees, subcontractor or subcontractor's employees will result in a thorough investigation and possible termination of this contract. City of Cloquet action is not intended to replace legal recourse for any behavior which violates criminal statutes.
- E. Applicant warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name: _____

Title: _____

Firm: _____

Date: _____

SURVEY FOR: HOWARD PORT
 1215 14TH STREET
 CLOQUET MN 55720

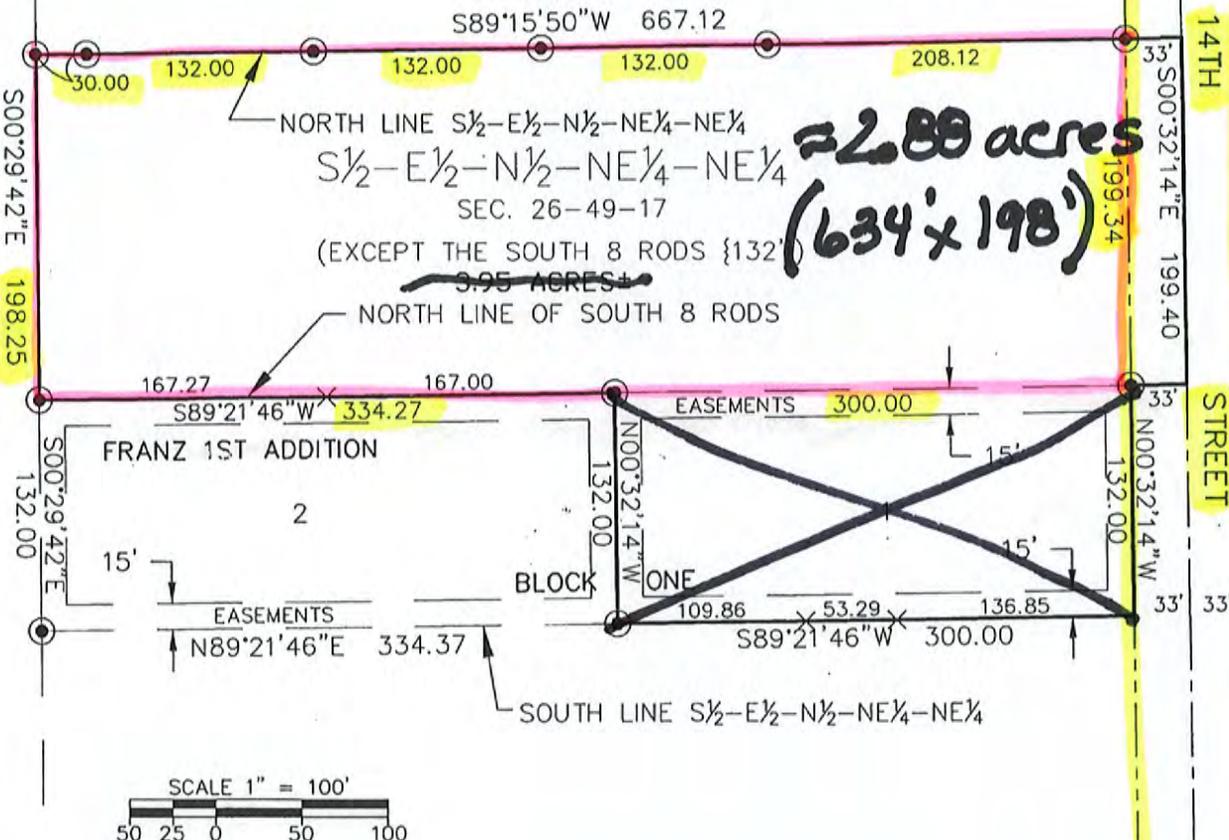
BILL HAYDEN LAND SURVEYING, INC.

P.O. Box 510, 500 Folz Blvd
 Moose Lake, MN 55767

Telephone: (218)-485-4811
 Fax: (218)-485-4811

SURVEY OF: ~~THE S $\frac{1}{2}$ OF THE E $\frac{1}{2}$ OF THE N $\frac{1}{2}$
 OF THE NE $\frac{1}{4}$ OF THE NE $\frac{1}{4}$ ALL
 LOCATED IN SEC. 26, TWP. 49
 RGE. 17, EXCEPT THE SOUTH
 8 RODS (132 FEET) AND LOT 1
 BLOCK 1, "FRANZ 1ST ADD."~~

N $\frac{1}{2}$ -E $\frac{1}{2}$ -N $\frac{1}{2}$ -NE $\frac{1}{4}$ -NE $\frac{1}{4}$



- ⊙ DENOTES FOUND IRON MONUMENT
- DENOTES $\frac{3}{8}$ " IRON REBAR MONUMENTS SET AND CAPPED "HAYDEN 17517"
- × DENOTES 60d SPIKE SET
- △ DENOTES "MAG" NAIL

I hereby certify that this survey, plan, plat, preliminary plat or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

William J. Hayden 17517 04-28-2008 2008-057 T-49"F"pg.52
 License No. Date Job No. Book No.

2025 MHFA/HUD Income Limits and Maximum Rents

City: Cloquet
 County: Carlton

Median Income 100,600 Statewide 116,900
 115% of County 115,690 115% of State 134,435

RENT RESTRICTIONS (IF APPLIES)		
Number of Bedrooms	50% of Median Income	60% of Median Income
1-Bedroom	943	1,132
2-Bedroom	1,132	1,359
3-Bedroom	1,308	1,569

INCOME RESTRICTIONS		
Number of Persons	50% of Median Income	60% of Median Income
1-Person	35,250	42,300
2-Persons	40,250	48,300
3-Persons	45,300	54,360
4-Persons	50,300	60,360

Owner Occupied	
100%	116,900
115%	134,435



Todd Hagen, CIPMA
 Municipal Advisor
 651-697-8508
 1-800-552-1171

The two income limit options for rental housing are 20% of the units at 50% of median income or 40% of the units at 60% of median income. There are no rent restrictions for a housing district. For owner-occupied, it is generally no more than 115% of the medium income for 3 or more persons and 100% of that median income for 1 and 2 person households. The median family income is the higher of (1) the area median gross income for the area in which the housing is located (County) and (2) the statewide median gross income (Minnesota).

The income limits for rental apply for the life of the district and the income limits for owner-occupied apply to the first homeowner.



Cloquet Economic Development Authority Work Plan 2026

Goal #1 – GROW, ATTRACT, AND RETAIN BUSINESSES

Ensure business needs are supported.

Implementation Strategies:

A) **SUBGOAL: BUSINESS GROWTH / ATTRACTION**

1. Market Cloquet to positively promote the community.
2. Market City / EDA business programs.
3. Assist with real estate inquiries on buildings and maintain Cloquet sale and rental listings for office, commercial, and industrial on Northland Connection.
4. Facilitate and support events and efforts for the business community such as Small Business Saturday, Sidewalk Sales, and more.
5. Continue focused efforts on revitalization to improve the vibrancy of the city.
6. Increase opportunities for youth in the community such as pursuit of YMCA facility in Cloquet leveraging partner engagement from groups such as Cloquet Community Education Foundation on unique opportunities.

B) **SUBGOAL: BUSINESS RETENTION**

1. Market businesses in Cloquet.
2. Maintain strong communication with major employers and have strong business relationships across the city and have awareness of their needs.
3. Conduct Business Retention and Expansion (BRE) visits to ensure City is aware of business issues and questions of government.
4. Participate in economic development network locally, regionally, and at the state/federal levels maintaining relationships. Bolster collaboration with staff and boards of the Fond Du Lac Reservation and Carlton County.
5. Collaborate with, refer, and participate in creative Workforce Development efforts.
 - a. Be aware of state and regional programs and training opportunities to upskill / reskill and connect with Cloquet businesses.
 - b. Connect Talent and Business on local needs referring to local agencies including Cloquet CareerForce and NEMOJT.
 - c. Connect Talent and Business on local needs referring to partner regional agencies including APEX, Northspan/Northforce.



Cloquet Economic Development Authority Work Plan 2026

- d. Network with the college, FDLTCC, to leverage unique programs, faculty expertise, and student populations to strengthen business community needs.
- e. Continue participation with ISD 94 FabLab on trades programs and connectivity to Cloquet businesses and regional manufacturing student tours

C) SUBGOAL: DEVELOP THE CLOQUET BUSINESS PARK

Increase business and employment opportunities within the Cloquet Business Park and broaden the commercial/industrial sector and tax base.

1. Respond to inquiries and leads interested in the business park.
2. Support existing businesses interested in expanding in the business park (as guided in the Zoning Code).
3. Market the business park using video and photos, along with City programs that can be utilized to market development opportunities via social media.
4. Conduct Business Retention and Expansion Visits to ensure City is aware of business real estate and workforce talent needs. Share information on City/EDA business programs, and other regional/state/federal programs. Share information on Cloquet EDA programs and sites such as the Business Park.
5. Continue to build strong local and regional business relationships.
6. Engage in business lead generation activity work with regional economic development partners such as DEED, APEX, MnPower, Carlton County etc.

D) SUBGOAL: DOWNTOWN REVITALIZATION / REDEVELOPMENT SUPPORT

Increase the variety of restaurants, retail, office, commercial, mixed-use housing and add attractions such as breweries/cideries/distilleries, to maintain Downtown as a vibrant destination and place of commerce. Ensure difficult sites that require redevelopment are supported with economic development tools as warranted.

1. Continue to improve downtown district aesthetics and connectivity to natural/recreational/historic/cultural/diversity amenities. Leverage and build upon completed Parks and Riverfront aesthetic and streetscaping investments bringing traffic past the West End and continue riverfront trail planning. Work to implement the 2017 Downtown Cloquet Revitalization Strategy with detailed recommendations for the Cloquet Avenue and Historic West End Districts.



Cloquet Economic Development Authority Work Plan 2026

2. Hold downtown events and activities. With pending new Minnesota Mainstreet requirements, consider involvement status and willingness to add required Downtown Mainstreet Business Committee (business members).
3. Assist distressed properties with program opportunities and engage potential developers. Consider future Small Cities Development Program application to DEED for rehabilitation funding for commercial and residential properties identifying an administrative partner such as Lakes and Pine.
4. Ensure difficult sites that require redevelopment are supported with economic development tools as warranted. Be a resource on redevelopment in the city, actively leveraging state and federal brownfield resources as available to provide potential grant funding and programs for contaminated sites with redevelopment opportunities in the City.

Goal #2 - HOUSING

Facilitate the development of ownership and rental housing projects. Market development site opportunities. Promote programs that help maintain existing ownership and rental housing stock.

Implementation Strategies:

1. The EDA will continue housing efforts playing a crucial role in housing development and redevelopment in Cloquet, maintaining clear economic development housing incentives for market and affordable housing projects in Cloquet (e.g. Housing TIF/Abatement Policy), facilitating creative partnerships, and assistance in securing program funding and grant funding to assist with key community priorities/projects.
2. Support new single-family ownership projects and housing subdivision projects for all age spectrums, especially those that will connect with public utilities. Work on unique opportunities to create downtown upper story loft apartments and downtown redevelopment projects. Continue support for affordable rental housing projects.
3. Collaborate with property owners on projects. Outreach proactively to contractors and developers offering community tours of sites.
4. Implement recommendations of the 2024 Cloquet/Scanlon Housing Study to ensure that the city's housing stock supports the needs of local employers and employees.



Cloquet Economic Development Authority Work Plan 2026

5. Consult the Cloquet Housing and Redevelopment Authority (HRA) to have a strong awareness of their needs and opportunities to collaborate. Consult the Fond du Lac Band to have a strong awareness of their needs and opportunities to collaborate.
6. Be aware of state, federal, regional, and other agencies on funding opportunities for Cloquet that could be leveraged for housing.

Goal #3 – MAINTAIN CHILDCARE SLOTS

Ensure local families and businesses are supported by and have access to quality childcare in Cloquet by maintaining childcare slots.

Implementation Strategies:

1. Collaborate with businesses and government to leverage local opportunities to use regional and state programs, loans, and grant opportunities to maintain childcare spaces in Cloquet including pursuit of state support or unique local initiatives such as local option sales tax.
2. Bring awareness to local need to support childcare operations.
3. Connect home-based family childcare and childcare centers (private and non-profit) to regional and statewide resources to retain / expand childcare slots e.g. Northland Foundation, First Children's Finance, Business of Childcare etc.
4. Connect childcare center inquiries for daycare center facilities to buildings and sites for sale within Cloquet.



AGENDA INFORMATIONAL UPDATES 1-30-26

COUNTY

- **Edward Jones has requested gap financing from the Carlton County EDA**, and the city has provided a letter of support for a new office construction project in the Cloquet Business Park.
- If you haven't done so, be sure to complete the **Carlton County Comprehensive Plan survey**:
<https://carlton-county-comprehensive-land-use-plan-hlplanning.hub.arcgis.com/>

CHAMBER

- **Vegas Night is Friday February 6th** - we still have availability for one sponsor and we're on the search for raffle prizes.
- **Chamber Chat is 11:30am February 12th at Perkins**
- **March 13-14 – Home, Business & Sport Show.** We're expanding our crafters into utilizing the new Nemadji Hall + the hallway between the two event centers. We're still taking applications for Businesses + Crafters to be in the show.
- **April 23 – Annual Meeting & Banquet.** Save the date!

CITY

- Staff and USG submitted project progress reports to the state (DEED) on the \$38.5 million dryer replacement project which received a **Minnesota Investment Fund (MIF) grant award of \$300,000.**
- Staff are in the **second round** of submissions to pursue funding to update the city's Cloquet Comprehensive Plan, Zoning Ordinance, and Subdivision Ordinance. If successful, funds would initiate consultant updates this fall working closely with the Zoning Administrator and Cloquet Planning Commission.
- City staff continue to meet with local residents and businesses on **development inquiries** explaining development standards and applications with them.
- Attached please review **Sappi's joint venture announcement with UPM.**





AGENDA INFORMATIONAL UPDATES 1-30-26

- In early January, MnDOT announced a grant award to the **Cloquet Terminal Railroad** of \$1.9 million for intermodal and railroad improvements to better accommodate stacking and cargo at the Sappi paper mill. The funds come from the Minnesota Highway Freight Program.
- The private-public partnership site along **Stanley Avenue** is pulling together a project proforma and staff has documented onsite conditions during a recent inspection.
- **Collins Roofing** is nearing substantial project completion. Staff has expressed interest in a warmer weather onsite EDA meeting in the new facility and tour.
- Child care: Tour of Cloquet's Lil' Lumberjacks with lawmakers and day care maintenance distress in Duluth's Lakeside neighborhood.
- **Professional engagement**, staff:
 - Attended the Economic Development Association of Minnesota (**EDAM**) **Conference** in St. Louis Park January 22nd
 - There was an interesting presentation on childcare by the City of Luverne (attached), a community that banded together to launch the facility of Kids Rock <https://www.kidsrockchildcare.org/>
 - Toured the Northeast District of the Minnesota Chapter of the American Planning Association (**MnAPA**) through Solem Lofts with the developers and lead construction project superintendents January 28th
 - Will present on Cloquet's strategic decisions and lessons learned tackling the Solem Lofts project at the **Ehlers Public Finance Conference** in Edina on February 6th in a session called *Rapid Fire! City Development Snapshots from Across Minnesota* which will also feature speakers from the cities of Bloomington, Anoka, and Champlin.
 - Staff requested the development team for Solem Lofts identify a **separate specific tour** for the City Council, Cloquet EDA, etc., stay tuned as they navigate construction deadlines and schedules.



CITY OF CLOQUET
COMMUNITY DEVELOPMENT DEPARTMENT
 101 14th Street • Cloquet MN 55720
 Phone: 218-879-2507 • Fax: 218-879-6555

January 26, 2026

Ryan Pervenanze, Economic Development Director
 Carlton County Economic Development Department
 317 Chestnut Ave. PO Box 160, Carlton, MN 55718
 218-900-7997-Cell; 218-384-9597-Office
Ryan.Pervenanze@carltoncountymn.gov



Dear Carlton County EDA Commissioners and Mr. Pervenanze,

The City of Cloquet and Cloquet EDA were thrilled to facilitate the sale of Lot 9, Block 5 in the Cloquet Business Park in 2025 for the planned Class A Edward Jones office building. We understand that due to the amount of funding needed to facilitate the gap financing needs of this project, LFD HOLDINGS LLC is seeking loan funding from the Carlton County EDA.

Construction Budget:	\$1,765,000
+ Incidentals:	85,000
Total:	\$1,850,000

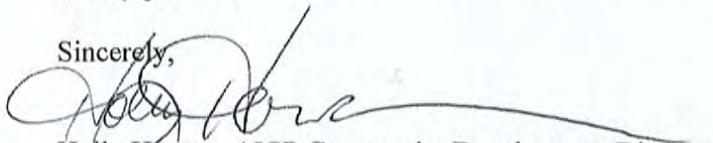
PROJECT PRO FORMA:

Bank Loan:	\$350,000	
Owners' Equity:	350,000	
Edward Jones:	150,000	(for signage, glass, etc)
Carlton County:	250,000	
Funding secured	\$1,100,000	
Remaining Funding Gap:	750,000	
Total:	\$1,850,000	

We understand that Edward Jones is currently **requesting \$1,000,000 total from the Carlton County EDA** to support the project, specifically this is an increase of \$750,000 from the original request due to the value gap between the cost of construction to build (**\$1,850,000**) and the appraised value for the building at completion (**\$1,000,000**) for which very few comparable Class A properties exist in this county. Lending institutions can only commit 80% loan to value (**\$800,000**).

The Cloquet EDA and City of Cloquet are excited for this project and would like to extend our support for their request to the Carlton County EDA. While the Cloquet EDA does not have this amount of gap financing available in our loan funding program at this time, we are grateful that opportunities exist for the Edward Jones team to pursue other local funding options with our county partners.

Sincerely,



Holly Hansen, AICP Community Development Director
hhansen@cloquetmn.gov; (218) 879-2507 x4

COPY: Cloquet Carlton County Commissioners: Tom Proulx and Sarah Buhs; Edward Jones Project Team: Andy French, Kory Deadrick, and Brett Loeb; David Schafroth, Carlton County



August 26, 2025

MnDOT

Robert Clarksen, MN Highway Freight Program Manager

395 John Ireland Blvd.

St. Paul, MN 55155-1800

RE: Support for Sappi North America Cloquet Mill's High Cube Modernization Project in pursuit of Minnesota Highway Freight Program Funding

Dear Mr. Clarksen,

Sappi Fine Paper North America is critical to the City of Cloquet's economy, as well as the regional, state, and international economy. The Cloquet Mill has been operating in the city since 1898 when it began as Northwest Paper Company with the iconic vintage "Mountie" branding materials (the red-coated horse riders). In 1964 the Cloquet Mill became Potlach and Sappi in 2002. The Cloquet mill is part of the fabric of the community and its identity. Employment at the mill spans generations, as does pride in the mill's culture of hard work and a "can-do attitude." Sappi's vision is focused on People, Prosperity, and Planet, and they dynamically adapt to transportation logistics, consumer markets, and the workforce.

Sappi is headquartered in South Africa, and Sappi North America has the facilities of Matane Mill (Quebec, Canada), Somerset Mill (Skowhegan, Maine), Westbrook Mill, and Technology Center (Westbrook, Maine). Sappi is highly awarded, cutting edge, and is committed to collaboration in: Barrier and coating applications, Biochemicals, Biocomposites, Bio-energy, Digital printing solutions, Eco-effectiveness, Fabric recycling, Lignin, Packaging and specialties, and Xylose.

The city's relationship with the mill is vital and the retention of their current 700+ employment positions and broad supply chain economic impacts are a key part of the Cloquet economy. This spring, Mike Schultz the Vice President of Manufacturing Sappi North America attended the Cloquet Economic Development Authority meeting to share updates and directions of the Sappi Cloquet Mill. The city is always supportive of projects that will retain and expand the operations of the Sappi Cloquet Mill.

In terms of freight movement, the Sappi Cloquet Mill is served by regional logging trucks, rail, and nearby shipments through the Duluth Seaway Port Authority. Cloquet is located along Interstate 35, and is served by the interchanges of Highway 33 (our commercial corridor) and Highway 45 (an industrial corridor). The Highway 45 interchange is heavily used by freight and is arguably undersized and deficient in its current configuration for the volumes of freight that use it. Critical to saving roadway pavement and stress to bridge loading impacts is shifting freight to rail which is perfectly suited to support HCAADT movements.



We understand that rail box car sizes will begin to transition in configuration and the Cloquet Mill and its facilities are configured around the existing rail box car sizes. As this new equipment rolls out for utilization by the Sappi Cloquet Mill, the existing facility cannot effectively facilitate their use as the manufacturing complex is sized to existing rail box cars as is the rail network and overhead infrastructure lines. As such the Sappi Cloquet Mill has proactively engaged their consultant engineering firm LHB to design necessary modifications to the last mile profiles into the Cloquet facility to drop the rail profile by roughly three feet overall. In so doing, this will allow for the retention of current rail freight with the ability to expand rail freight. Imperative to accomplish this goal is securing funding to support this project from the Minnesota Highway Freight Program. These funds will improve roadway safety, will increase the use of the rail system, and will increase shipping opportunities regionally that may present themselves. Shifting freight to rail will also reduce emissions, save pavement and will reduce impacts on nearby undersized interchanges on the MnDOT Interstate and Highway systems.

Without funding from Minnesota Highway Freight Program to modify infrastructure into the Sappi Cloquet Mill, the facility may be faced with job layoffs and shifting more freight to trucking on maxed out interchanges and roadway facilities further posing safety risks. As a state, Minnesota is also aware of the unique funding needs in Greater Minnesota.

As the largest paper mill in the state of Minnesota with a net annual economic impact of \$6 billion, the Sappi Cloquet Mill needs financial support from MnDOT to implement these improvements. Please consider my support for this application. In the future if any formal resolutions of support are needed, I am happy to schedule this project on a future Cloquet Economic Development Authority agenda, a board which I facilitate, or City Council agenda in consultation with the City Administrator and Cloquet Mayor. Thank you.

Sincerely,

Holly Hansen, AICP Community Development Director
hhansen@cloquetmn.gov; (218) 879-2507 x4

Why a new Sappi/UPM joint venture signals a brighter future for our customers

PUBLISHED ON

11 December 2025

The signing of a non-binding letter of intent to create a new 50/50 joint venture is set to start an exciting new chapter

Sappi has long stood for creating value for the print and publishing industry – by ensuring reliable quality, helping keep print competitive and partnering closely with customers to strengthen the entire value chain.

This commitment is exactly why the announcement of a non-binding letter of intent between Sappi and UPM to form a 50/50 joint venture focused on graphic papers marks an exciting step forward for our industry – as well as for our customers.

Increased value for customers



Printers, publishers and brands today need more than just paper. They need security of supply, cost-competitive solutions, ongoing innovation and the confidence that their communication medium is sustainably future-proofed. The potential joint venture is designed to deliver precisely these advantages.

A stronger, more resilient European graphic paper partner

The new entity would help construct a more robust European graphic paper business with the size and scale to better support long-term local industry and intimate connections to our customers – while competing more effectively with non-European producers.

Better availability, more efficient supply and dependable service

By combining resources, the joint venture would help ensure better and more efficient availability, using a larger manufacturing and supply chain footprint to deliver timely and consistent service. This is essential to support print as a viable choice for end users, especially in an increasingly competitive communication environment.

Industry-leading sustainability to strengthen the image of print

Both companies share strong environmental commitments, and sustainability continues to be one of print's strongest value drivers. The intention is to ensure that the joint venture accelerates progress toward best-in-class sustainability standards, allowing the publishing and printing community to confidently promote and market print for all communication and advertising needs.

The ability to adapt and innovate in products and services – to the benefit of cost competitiveness

The proposed joint venture would enable deeper investment in innovation, focused on cost competitiveness, product development and service improvement – allowing print to better compete with digital alternatives and supporting new value creation opportunities across the value chain.

A new chapter that reinforces what Sappi has always stood for

We believe in partnering with you to keep print strong, competitive and relevant. The proposed new joint venture strengthens our Sappi Value Development Process by deepening our local, customer-focused collaboration with printers, merchants and distributors. That we may ensure that we understand your requirements and remain

closely aligned with the needs of the print media value chain to drive efficiency, revenue opportunities and long-term relevance

As Sappi Europe Flavio Froehli, VP Sales & Marketing says, "For our customers, this proposed joint venture is a natural evolution of Sappi's commitment to creating lasting value for the print and publishing industry. In a world where digital media dominates, print must continue to prove its relevance and strength. By combining our capabilities, we reinforce the reliability, efficiency, and innovation that keep print competitive—delivering greater long-term value and helping ensure this vital industry remains vibrant, future-ready, and a powerful complement to digital."

No immediate changes

Sappi and UPM intend signing definitive agreements during the first half of 2026 and expect to close the proposed transaction by the end of 2026.

The transaction itself – which will be subject to the fulfilment of a number of regulatory and other conditions, including shareholder approval – will be structured with Sappi and UPM as founding shareholders and each holding 50% of the issued shares.

For the moment, of course, it remains business as usual for our Sappi operations across Europe, with no changes to current agreements and arrangements while the two companies move through the full process of regulatory approval.

So, please feel free to contact your local Sappi sales representative with any questions.



[HTTPS://WWW.PINEJOURNAL.COM/BUSINESS/LAWMAKERS-VISIT-NORTHLAND-CHILD-CARE-CENTERS-TO-DISCUSS-FEDERAL-CUTS](https://www.pinejournal.com/business/lawmakers-visit-northland-child-care-centers-to-discuss-federal-cuts)

BUSINESS

Lawmakers visit Northland child care centers to discuss federal cuts

Senators Erin Murphy and Grant Hauschild toured Li'l Lumberjacks in Cloquet, where providers shared the potential impact of lost CCAP funds on an already struggling industry.

Danae Pederson, left, co-lead infant teacher, tends to a child as Minnesota Senate Majority Leader Erin Murphy, DFL-St. Paul, center, plays with him while Sen. Grant Hauschild, DFL-Hermantown, observes Tuesday, Jan. 20, at Li'l Lumberjacks Learning Center in Cloquet. Murphy and Hauschild visited the facility to learn about the effects of a federal child care funding freeze in the state.

Clint Austin / Duluth Media Group



By **Brielle Bredsten**

January 22, 2026 at 4:35 PM

CLOQUET — The freeze on federal funding due to [accusations of fraud](#) in child care and other social service programs in Minnesota has lawmakers and providers reflecting on potential economic impacts to communities in northeast Minnesota.

Over 20,000 Minnesota children access child care through the [Child Care Assistance Program](#) at over 4,000 child care programs across the state. The program helps make child care more affordable for low-income families while they work, look for a job, go to school or participate in activities within an employment plan.

“What we should not do is base federal funding and state funding on things that are not verified,” said Sen. Grant Hauschild. “We need to go after the fraud, not the programs that provide the critical services.”

Last year, legislation to establish statewide grant verification processes passed, along with increased funding for the Minnesota Attorney General's Office to hire investigators and prosecutors to pursue fraud, Hauschild noted.

The Senate also passed the creation of an independent Office of Inspector General to investigate and prosecute fraud. However, the bill died in the House.

“This next year, the biggest priority that we have as a state Senate is to push for the independent Office of Inspector General, get that office in place,” Hauschild said, “so we can make sure we're properly going after fraud.”

The Child Care Assistance Program process is overseen by the Minnesota Department of Human Services, and the new independent office would add another layer of accountability, Hauschild said.

In December, YouTuber Nick Shirley's viral video claimed to expose millions of dollars associated with day care fraud in Minnesota.

“That van coming to the door with the camera saying, ‘I want to see the kids,’ created an environment where suddenly, little kids in child care centers were on lockdown,” Senate Majority Leader Erin Murphy said. “Police were being included and stationed outside of child care centers, and some child care centers shut down so parents couldn't go to work.”

Murphy met with child care providers in the Duluth area Jan. 20 to talk about the impacts of the federal funding freeze. Her stops included Little Willow Child Care Center in Willow River, Li'l Lumberjacks Learning Center in Cloquet and Heather's Happy Days Daycare in Duluth.

Minnesota Senate Majority Leader Erin Murphy, DFL-St. Paul, listens during a Jan. 20 stop at Li'l Lumberjacks Learning Center in Cloquet.
Clint Austin / Duluth Media Group



“I have been to child care centers all over the state of Minnesota. They are doing incredible work, but under really, really difficult circumstances, currently being made more difficult by the person in the White House,” Murphy said during the afternoon visit to Li'l Lumberjacks. **“If we care for our kids, we have to care about child care. It's a fundamental part of their upbringing, and we need to invest in it.”**

Hauschild joined Murphy in Cloquet. The policymakers had an opportunity to hear from providers and a parent.

Carli Mendoza of Carlton works for Wells Fargo and relies on CCAP assistance to afford day care for her two children.

“As a single parent, it is very important for us to have this so I can provide for myself and the kids, be able to work full time and give back to the community,” Mendoza said.

Recipients such as Mendoza file an application with the county and provide their pay stubs, as well as their work and day care schedules. The center must also be approved in order to accept the funding.

As the care is provided, the center completes vouchers and sends them to the county. Reimbursements to the center for the care covered under CCAP have about a two-month turnaround, according to Darla Pappas, director of Li'l Lumberjacks and Li'l Thunders learning centers, which are both programs of Cloquet Community Education for infants through toddlers.

“We don't have a ton of families on CCAP here. Currently, I have more that are on Parent Aware Scholarship, another state-funded program,” Pappas said.

Darla Pappas, right, director of Li'l Lumberjacks, speaks with Minnesota Senate Majority Leader Erin Murphy. Clint Austin / Duluth Media Group



In 2025, Li'l Lumberjacks and Li'l Thunders received a combined total of \$16,000 in CCAP reimbursements, according to Cloquet Community Education Director Erin Bates. The before/after-school and summer care programs collected around \$30,000 last year in CCAP funds, Bates added.

“If that got pulled, a lot of our child care providers would be in danger of closing,” said Hauschild. “They're barely able to pay their providers the wages that they deserve, let alone stay open.”

Last year, **three child care centers in Duluth closed** — a loss of nearly 200 slots. Home-based child care providers are also in decline due to closures, which Pappas attributes to costly regulations.

“I talk every day with providers who take up third mortgages on their house just to keep their private businesses open,” Pappas said. “What is the next thing to actually make a change and not just keep slapping on that single Band-Aid with sand and won't stick anymore?”

Darla Pappas, right, program director, gestures while speaking to Minnesota Senate Majority Leader Erin Murphy, DFL-St. Paul, left, and Sen. Grant Hauschild, DFL-Hermantown, at Li'l Lumberjacks Learning Center. Clint Austin / Duluth Media Group



Hauschild said lawmakers need to better consider the perspective of the people in the field when passing well-intended regulations surrounding safety that could result in an adverse impact on the economy.

“We're working really hard to make it so that child care providers are included in the conversation and that they're feeling like the burdens are not as strenuous as they have been in the past,” he said. “Hopefully, we can continue making those reforms.”

Rachel Plinski is the assistant director of Li'l Lumberjacks, and her mother operates as a home child care provider. The two models differ: A center offers care in a dedicated facility with age-grouped classrooms, more staff, and structured programs, whereas a family provider offers care in their home, typically with smaller groups of mixed ages.

“I have a foot in both doors,” Plinski said. “Five to six years ago, you used to be able to print off a four-page list of all the family child care. Now, we're down, because the rules and regulations are getting to be too much for family child care, where they have to renovate their house, and a lot of them are retiring.”

Enforcement of state licensing requirements also appears to vary depending on the site, Plinski said. The inconsistency often makes it difficult for some home day care providers to predict the outcome of an inspection.

“I know one provider that got written up for having too many sticks in their yard,” Plinski said. “Then another one who does nature-based — they have sticks galore, and they're building houses with them. It's the same licensure that's doing the same inspection.”

The funding cut to CCAP would serve as an additional blow to the child care industry, Pappas said.

Availability and affordability of child care services are instrumental to a successful economy — not only to support the existing workforce, but to draw new industries to an area, Hauschild said.

“A lot of people take for granted the economy of child care,” Hauschild said. “The state is involved in trying to make sure that this is available for families. If we could get a social media tax in Minnesota, raise some revenue and apply it to the places where we think it's most valuable, child care would certainly be one.”

Darla Pappas, center, program director, gestures while speaking to Minnesota Senate Majority Leader Erin Murphy, DFL-St. Paul, right, and Sen. Grant Hauschild, DFL-Hermantown. Clint Austin / Duluth Media Group



The “Affordability Bill,” focusing on the Great Start Affordability Scholarship program, is currently going through legislation, which would cap child care expenses at 7% of a family’s income, Hauschild explained.

“In northern Minnesota, we have child care availability problems, not just affordability,” said Hauschild. “How do we convince young families to move up here? How do we get a business to open a 200-job industry if they don't feel like they're going to have child care for their families? When people talk about economic development and growth, child care is not often brought up, but it's a critical component to it.”

<https://www.duluthnewstribune.com/news/local/broken-water-pipe-leaves-duluth-day-care-families-out-in-cold>

Broken water pipe leaves Duluth day care, families out in cold

Lakeside Early Learning Center turns to community members for support as it struggles to reopen after a burst pipe flooded the facility over the weekend.



Fans dry out a rug in a preschool room at Lakeside Early Learning Center in Duluth on Monday, after a burst pipe flooded the building over the weekend. The center at 4628 Pitt St. is expected to remain closed for the rest of this week. The facility has 88 children enrolled, including infants and preschoolers up to 5 years of age.

Jed Carlson / Duluth Media Group

By [Peter Passi](#)

January 26, 2026 at 6:06 PM

DULUTH — A broken pipe fitting left Lakeside Early Learning inundated with standing water Sunday afternoon, forcing the center to close for the rest of this week — and leaving dozens of families in the lurch, at least for now.

A sudden drop in water pressure brought the plumbing issue to light at about 3:20 p.m. Sunday. The break occurred on the third floor of the building, but it left water standing on all the levels below, according to Kayley Spencer, the center's executive director.

The extent of the damage has yet to be determined. And while the learning center is insured, its policy comes with a \$25,000 deductible.

Ice from a weekend flood still clings to the outside of Lakeside Early Learning Center in Duluth on Monday.

Jed Carlson / Duluth Media Group

Deprived of revenue at present, Spencer said it will be a challenge simply to meet the facility's \$20,000 payroll next week, not to

mention the cost of remodeling, as well as replacing the water-damaged learning materials and toys.

Nevertheless, she and her team are scrambling to reopen the center by next week, likely shifting operations to unused parts of the oversized former public school building it occupies at 4628 Pitt St. At present, the facility cares for 88 children, including infants on up to kindergartners.

The center is asking for community support and has launched a \$50,000 fundraising campaign at gofundme.com/f/lakesideearlylearning.



A fan dries books that were once in the library at Lakeside Early Learning Center.

Jed Carlson / Duluth Media Group

Matt Strub has two children enrolled at Lakeside Early Learning — a daughter and son, ages 4 and 1, respectively. He noted that working families like his own rely on the center for quality child care.



“If we lost that, it’s likely I would be forced out of the workforce,” Strub said.

The bottom shelves in the library are empty as ripped-up carpet is rolled up in the corner of the library.

Jed Carlson / Duluth Media Group

Strub, who also serves as board treasurer for the nonprofit center, said his family is far from unique in its dependence upon the care it provides, noting that many other local day cares already have lengthy waiting lists.

“We’re here to support families trying to do their jobs,” Spencer said. “We’re the workforce behind our local workforce.”

In the interim, Spencer said some staff members have offered babysitting services, and some parents have been forced to take unexpected time away from work.

“Our No. 1 goal is getting families back to normal,” Spencer said.

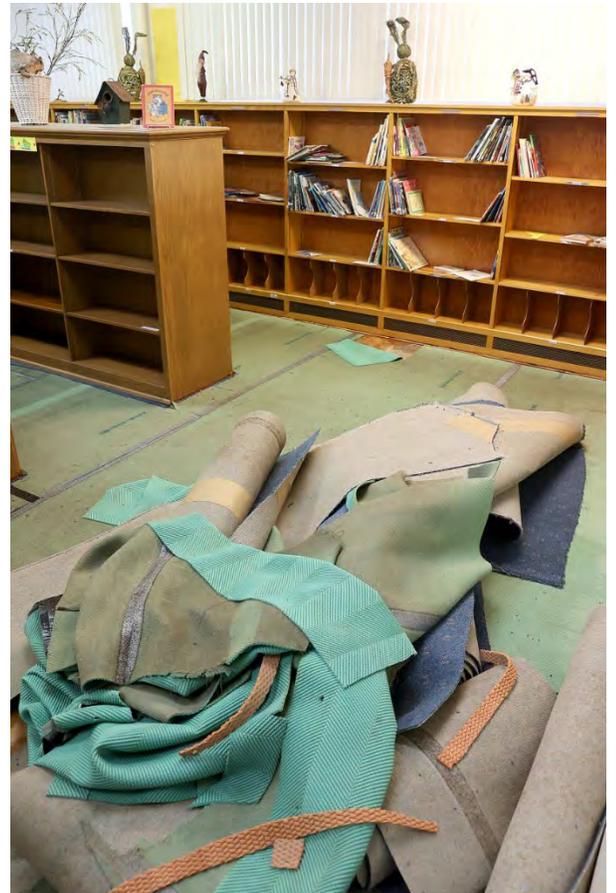
She has reached out to a network of fellow child care providers but noted that most everyone in the field is operating on a shoestring these days.

“We’re often shuffled into old buildings that need work, and we do not have the funds to deal with emergencies when they pop up,” Spencer said.

St. Louis County Commissioner Ashley Grimm said the situation at Lakeside Early Learning illustrates the need for local and state government officials to offer greater support for child care providers, recognizing the vital social and economic role they play.

“The current business model for child care is broken, and we need to be planning ahead for these kinds of things,” Grimm said.

City Councilor Wendy Durrwachter, who represents Duluth’s Lakeside neighborhood, agreed, saying, “We are in dire need of more child care. So, to have this one be currently out of service is devastating to the community.”



Kayley Spencer walks past rolled-up rugs in a staircase at Lakeside Early Learning Center.

Jed Carlson / Duluth Media Group

Durrwachter and Grimm say they are both exploring whether any city or county funds can provide emergency assistance to help restart the Lakeside center while they develop longer-term strategies.

“We’re doing everything we can to connect them to the right resources,” Durrwachter said.





Water stains are visible across the ceiling after a flood at Lakeside Early Learning Center.

Jed Carlson / Duluth Media Group

The broken pipe that caused a flood at Lakeside Early Learning Center sits on a table.

Jed Carlson / Duluth Media Group



Lakeside Early Learning Center is hoping to move their preschool classes to the third floor of the old Lakeside School after part of the school was flooded over the weekend.

Jed Carlson / Duluth Media Group





Lakeside Early Learning Center in Duluth flooded over the weekend. The center, at 4628 Pitt St., is expected to remain closed for the rest of this week, following a water line break Sunday afternoon.

Jed Carlson / Duluth Media Group

BUILDING INFRASTRUCTURE AROUND COMMUNITY NEEDS

KiDS ROCK!
child care center

EDAM WINTER CONFERENCE | JANUARY 22, 2026

INTRODUCTIONS



Tanya M. Pierce

*Business Unit Leader,
Government + Cultural*



Holly Sammons

*Economic
Development Director*



Chad McClure

*Building +
Zoning Official*



Trisha Lien

*Business
Development Manager*



SESSION THEMES

1

Challenges +
Opportunities For
Small Communities

2

Fulfilling Critical Community
Needs Through Infrastructure
That Drives Economic Growth



KiDS ROCK!

child care center

OBJECTIVE

Fill a critical role in the social infrastructure of a healthy community, allowing children, families, businesses, and communities to thrive.



THE SOLUTION

The City proposed constructing a new child care facility.

HOWEVER...

Local leaders did not understand the child care shortage and how it would impact economic development.



**The Private Sector
Alone Cannot Resolve
The Child care Shortage**

THE PIVOT: OUR PROCESS



THE NEED

Child Care Shortage In Luverne + Rock County

550-570

Rock County
children age 5
and under

360-370

children under
age 5 with
working parents

240

licensed
child care capacity
in Rock County

130

spots needed
for children
age 5 and under

Rock County child care providers declined from **47** to **31** in 2024. The state average is **7,071**.



COMMUNITY ENGAGEMENT



Elected Officials



Residents + Parents



Employers



Current Providers

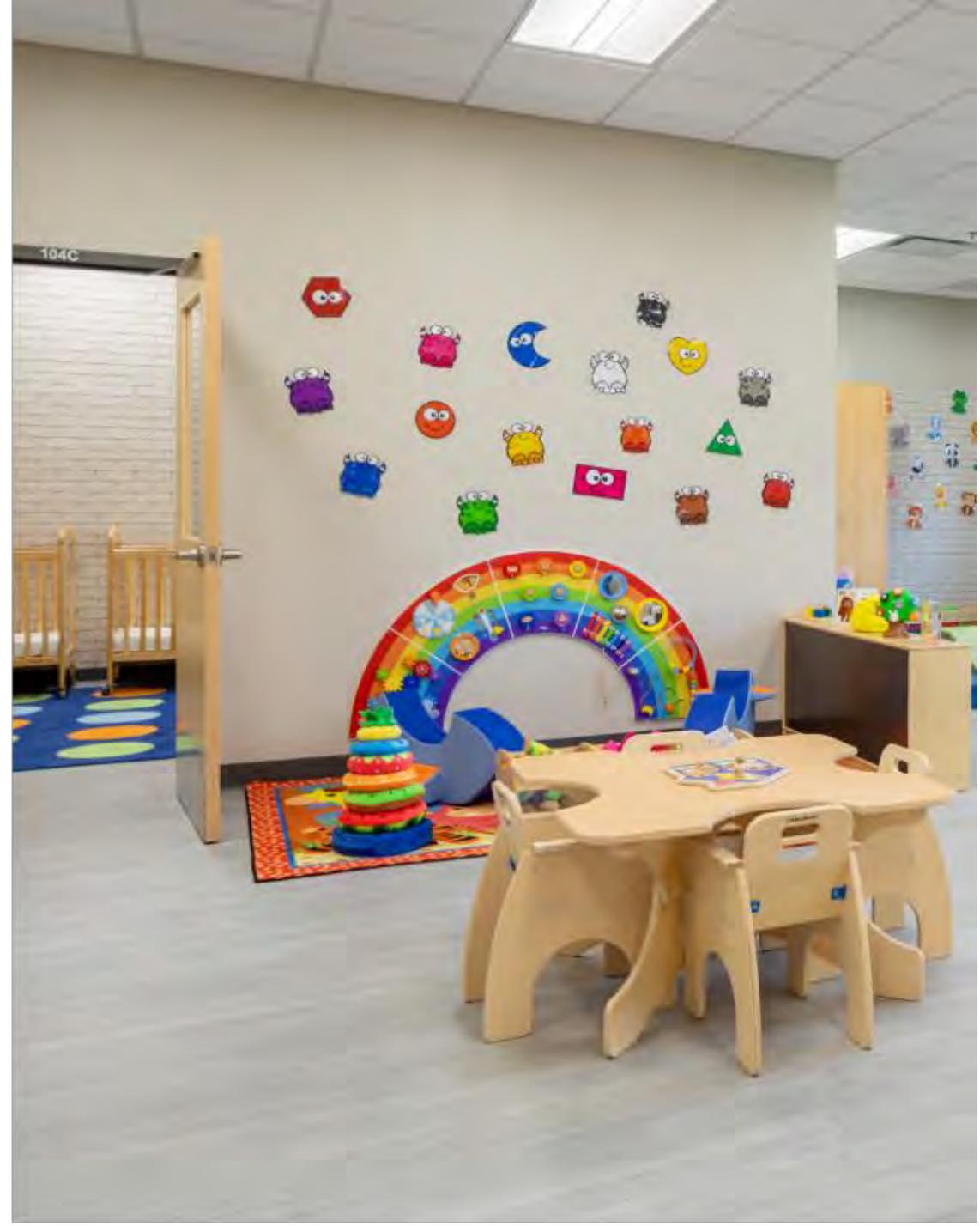
REFRAMING THE ISSUE

1

Child care is essential for a healthy community and workforce.

2

Invest now or pay the cost of recruiting talent from outside the region.



THE TURNING POINT

2015
Met with
entrepreneurs

2017
Engaged First
Children's Finance
and community

2020
Public support
launched non-profit

2022
City purchased
30,000-square-
foot building

2023
Secured \$2.6 million
federal grant
and kickstarted
\$1 million community
fundraiser

2025
Kids Rock!
opened its doors



2016
City proposed
new construction

2017
Evaluated
properties and
business models

2020
City and
private partners
joined forces

2022
Planning with
ISG began

2024
Remodel and
construction

THE FUNDING

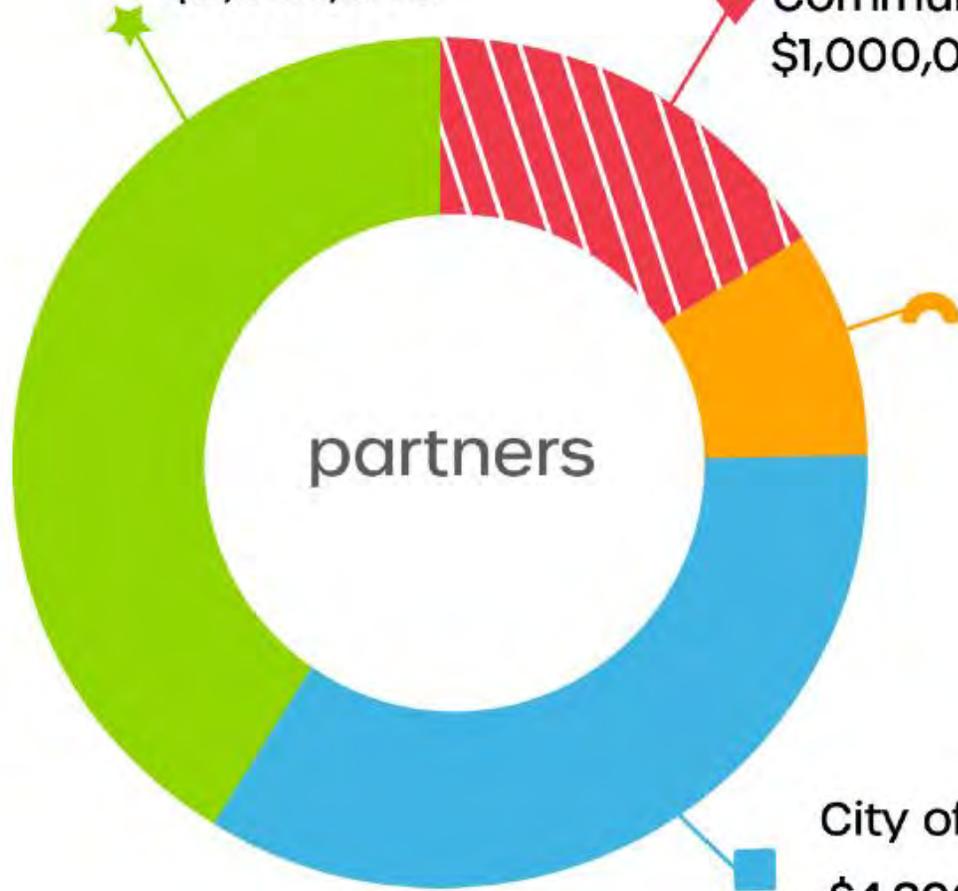
Federal USDA Grant
\$2,600,000

Community
\$1,000,000

Rock County
\$ 550,000

City of Luverne
\$4,200,000

partners



FUNDRAISING METHODS



**Social Media
Campaign**



**Every Door
Direct Mailers**



**Donor
Wall**



**Public-Private
Partnership**

PUBLIC-PRIVATE PARTNERSHIP

Partnership + Governance

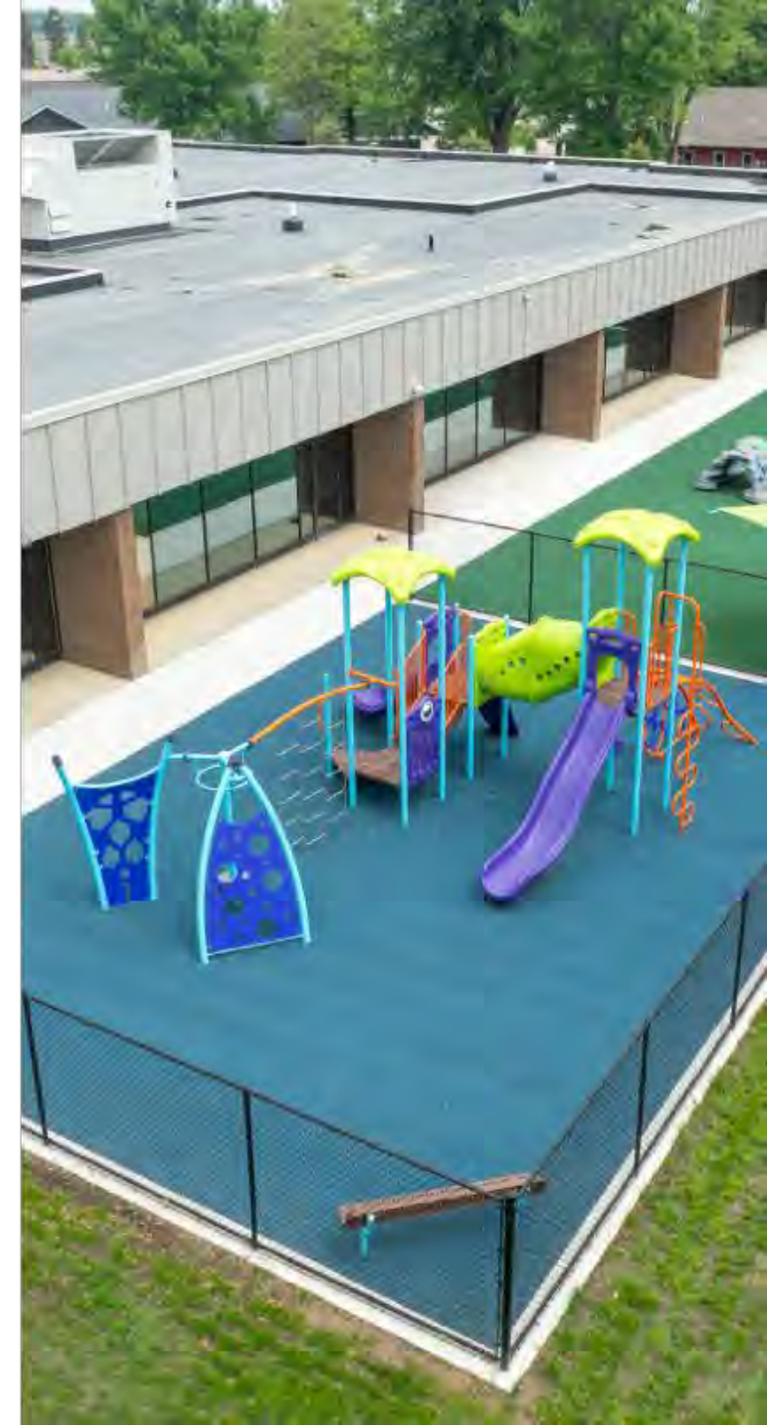
- City and Kids Rock! signed a lease and management agreement
- City leases building to non-profit for \$1 per year
- Council member appointed to Kids Rock! Board

Operations

- Kids Rock! obtains DHS license
- Kids Rock! hires and pays employees

City Support

- Funds renovation and capital improvements, including debt service on the \$4.2 million bond
- Provides ongoing financial support, including a \$75,000 management fee, and \$200,000 annual operating subsidy
- Covers facility-related expenses such as utilities, insurance, internet, lawn care, and snow removal



Q + A

THANK YOU!



Architecture
Engineering
Environmental
Planning
ISGInc.com

State housing shortage continues

Jan 30, 2026

A state housing report released this month shows that Minnesota's housing shortage continues to strain renters, workers, and first-time homebuyers, with the greatest impacts falling on households with the lowest incomes and on communities of color.

Key findings in the Minnesota Housing Partnership's 2026 "State Housing Profile" highlighted several trends:

Nearly half of Minnesota renter households are cost-burdened, leaving families less money for food, health care and other basic needs. The strain is even greater for older adults, with 63 percent of senior renters cost-burdened.

Minnesota's housing shortfall has the greatest impact on renters with the lowest incomes. For extremely low-income renters alone, there is a shortage of more than 101,000 affordable and available homes.

-The median age of a first-time homebuyer in Minnesota has risen to a historic high of 40, reflecting growing barriers to entering the housing market.

Home values are rising faster than homeowners' incomes. None of Minnesota's top five in-demand jobs pay enough for workers to afford homeownership, and of the five, only registered nurses earn enough to afford quality rental housing.

Minnesota ranks 45th in the nation, one of the worst homeownership gaps between white households and households of color in the nation. Homeownership rates declined in the past year for black, Native American, Hispanic, and Asian households. Report: <https://mhponline.org/>