

Carlton County
Board of Commissioners
ADJOURNED SESSION

Monday, August 26, 2019

4:00 p.m.

Carlton County Transportation Building

A. Administrative

1. Roll Call
2. Pledge of Allegiance to the Flag
3. Approve Agenda
4. Approve Minutes of the August 13, 2019, Regular Session
5. Visitors:
 - a.
 - b.
 - c.

B. Human Services

1. Financial
2. Personnel
3. Administrative
4. Social Services
5. Health Services
6. Income Maintenance
7. Child Support & Collections
8. Commissioner's Comments

B. Human Services (continued)

9. Human Services Advisory Committee Comments
10. Case Action & Licensing of Foster and Day Care Homes

C. Zoning and Environmental Services

D. Land and Building

1. Rescind August 13, 2019 Soo Line Easement resolution

E. Transportation

F. Public Safety

1. Approve replacement of two positions due to retirements

G. Tax Matters

1. Set closed session to discuss pending litigation

H. Administrative - Other

1. Approve restructuring of County Recorder's Office
2. Consider Acceptance of IRRR Taconite Tax Allocation for FY 2020
3. Approve Property Assessed Clean Energy (PACE) special assessment on 14th Street Apartments, LLC
4. Approve posting of Chief Deputy Auditor/Treasurer position

I. Unorganized Township Matters

J. Commissioners Comments and Meetings Attended

K. Correspondence

Carlton County Board of Commissioners
Item for Consideration / Agenda Item Cover Sheet

D-1
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Aug 26, 2019

Date: Via: Kathryn Kortuem, Acting County Auditor/Treasurer

From: _____

Title of Item for Consideration: Rescind Aug 13 2019 Soo Line Easement

Presenter: _____

Type of Action Requested (check all that apply)

- Info only, no action requested at this time
- Award contract or bid
- Approve by resolution
- _____

Fiscal Impact (check all that apply)

- Item included under current budget Yes No NA
- Budget adjustment required Yes No NA
- Reviewed by Finance Committee Yes No NA

Staffing Impact

- Duties of a County employee(s) may be materially affected Yes No NA
- Applicable job description(s) may require revision Yes No NA
- Item may change the department's authorized staffing level Yes No NA
- Reviewed by Human Resources Yes No NA

Other

- Reviewed by other Committee, Board or Commission Yes No NA
- If yes, what was their recommendation _____

Summary

Supporting Attachments

- _____
- _____

Motion By _____ Seconded By _____

TO: _____

Action on Motion: _____ AYE _____ NO _____ ABSTAIN

Motion: Carried Defeated

Summary:

The Carlton County Board was asked to modify an easement across the Soo Line Trail in Moose Lake Township on August 13, 2019, and resolution was granted. Upon further examination, an original easement was never created, the crossing was by Revocable Letter of Permit, issued every 5 years. Pursuant to MN 398A.02 which defines a local Rail Authority:

398A.02 PURPOSE.

The purpose of the Regional Railroad Authorities Act is to provide a means whereby one or more municipalities, with state and federal aids as may be available, may provide for the preservation and improvement of local rail service for agriculture, industry, or passenger traffic and provide for the preservation of abandoned rail right-of-way for future transportation uses, when determined to be practicable and necessary for the public welfare, particularly in the case of abandonment of local rail lines.

Granting an easement would place an encumbrance on the property which is in conflict with the intent of providing for the preservation of the corridor.

This permit made this **1st day of July, 2014**, between Carlton County as permittor and **Julie Nordstrom Oswald, PO Box 631, Moose Lake, MN 55767**, as permittee (PIN 63-022-2540).

THAT WHEREAS, the abandoned Genola to Superior Soo Line Railroad Right of Way is County Fee land and was purchased by Carlton County on February 21, 1992, Carlton County Recorder's Office Document #281274, and

WHEREAS, Carlton County Ordinance #14 dated May 23rd 1988, and amended April 14, 1992, governing the use of this right of way allows for special permits to be issued allowing certain specific uses on this right of way provided in the ordinance, and

WHEREAS, **Julie Nordstrom Oswald** wishes to use said right of way for the following purpose: **Access to field for agricultural and extractive purposes.**

WHEREAS, Carlton County may require a deposit fee for the use of this right of way,

Permittee is hereby authorized to use for the term of: **July 1, 2014, until June 30, 2019**, for the deposit/use fee of: **None.**

To be used by him for the following purposes, to wit: **Access to field for agricultural and extractive purposes.**

Area covered by permit is described as follows, to wit: **Crossing at MP 244.34 located in SE1/4-NW1/4, Section 23, T46N, R19W**

Said Permittee in consideration of said permit covenants with said Permittor, its successor and assigns, as follows:

- X That he/she will pay said fees at the time, in the manner and in the amounts above specified.
- X That he/she will not assign this permit without the consent of said Permittor.
- X That he/she will keep said land and the improvements thereon in as good condition or repairs as the same now are, reasonable wear and tear by the elements alone excepted.
- X That he/she will neither commit waste of any kind on said land nor permit it to be done by others.
- X That he/she will care for and protect to the best of his ability all timber and growing trees on said land and will neither cut nor remove the same nor permit it to be done by others.
- X That he/she will pay any tax on said property on or before the date which said tax becomes payable.
- X That he/she will keep and observe all laws, ordinances and regulations applicable to said land and premises and the use thereof.
- X That if conditions on permit or ordinance are not complied with by the Permittee, this permit may be revoked by the County.
- X That if damage is caused to the right of way by the Permittee or the Permittee's use of right of way, the Permittor shall repair said damage and take the cost of such repair's from the deposit fee. If the deposit fee is insufficient to cover the costs of the repairs, the Permittee shall then pay the amount of the costs of the repairs to the County.
- X **Other Conditions and terms:**
 - Permit authorizes only a crossing directly across Soo Line Trail at designated point.
 - Permittee will yield right-of-way to Trail users.

UNAUTHORIZED-USES:

Under no circumstances should the right of way governed by this ordinance be used in the following manner:

- A. As a permanent public transportation route for normal highway traffic.
- B. As a permanent driveway or access to non-county administered lands.
- C. As a log landing or storage area.
- D. As a gravel, peat, or mineral storage or processing are.
- E. As a dumping area for garbage, refuse, debris, equipment, slash, spoil, or other refuse of any kind at any time.
- F. No two-wheel motorized vehicles.
- G. Except as specifically authorized herein, no automobiles, trucks, dune buggies or other motorized vehicles with engine displacement of 800 cubic centimeters or more and total dry weight of 600 pounds or more.

INDEMNITY

The Permittee does hereby agree that he/she will indemnify, hold harmless and defend Carlton County, its commissioners, officers, agents and employees against any and all claims, losses, expenses, damages, or lawsuits for damages which such parties or individuals may hereinafter sustain, incur or be required to pay by reason of the Permittee causing personal injury, death or property loss or damage to another while engaging in the acts authorized by this permit.

ASSUMPTION OF RISK

Permittee knows and understands that there are risks associated with the work described herein and assumes all risks of damages to himself/herself or property while engaging in the acts authorized by this permit.

IN TESTIMONY WHEREOF, said Permittor has caused this permit to be executed in its behalf by the County Land Commissioner of said County and said Permittee has hereunto set his hand this _____ day of _____, 2014.

THE COUNTY OF CARLTON AS PERMITTOR

By: _____
Carlton County Land Commissioner

In the presence of:

Permittee: _____

PERMITTEE WILL KEEP A COPY OF THIS PERMIT IN HIS POSSESSION WHEN ENGAGED IN THE PERMITTED USE AS DESCRIBED ABOVE, AND WILL DISPLAY SAID PERMIT UPON REQUEST OF THE CARLTON COUNTY LAND COMMISSIONER, ANY OF HIS AGENTS, OR ANY LAW ENFORCEMENT OFFICER OF HIS AGENT.

Carlton County Board of Commissioners
Item for Consideration / Agenda Item Cover Sheet

H-1
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting August 26, 2019
Date: Via: Kathryn Kortuem, Acting County Auditor/Treasurer
From: Kristine Basilici

Title of Item for Consideration: Approve restructuring of County Recorder's Office
Presenter:

Type of Action Requested (check all that apply)

- Info only, no action requested at this time
 Award contract or bid
 Approve by resolution

Fiscal Impact (check all that apply)

- Item included under current budget Yes No NA
Budget adjustment required Yes No NA
Reviewed by Finance Committee Yes No NA

Staffing Impact

- Duties of a County employee(s) may be materially affected Yes No NA
Applicable job description(s) may require revision Yes No NA
Item may change the department's authorized staffing level Yes No NA
Reviewed by Human Resources Yes No NA

Other

- Reviewed by other Committee, Board or Commission Yes No NA
If yes, what was their recommendation Approved at Committee of the Whole

Summary

After reviewing current job positions it has become apparent that a restructuring of the department is in order. The media specialist position will be eliminated. Job descriptions were redone to realign the duties of positions. With the realignment a position will need to be created with the title of "Sr. Deputy Recorder." The job description for the Sr. Deputy Recorder and Deputy Recorder were submitted to Human Resources for review and classification. The Deputy Recorder remained at Grade 120 while the Sr. Deputy Recorder was graded as a 130. All changes to the description have been approved by the Teamsters Union. The Sr. Deputy Recorder will take lead as to the assignment and completion of the daily work for the department.

Supporting Attachments

- Office structure flow chart previous and new

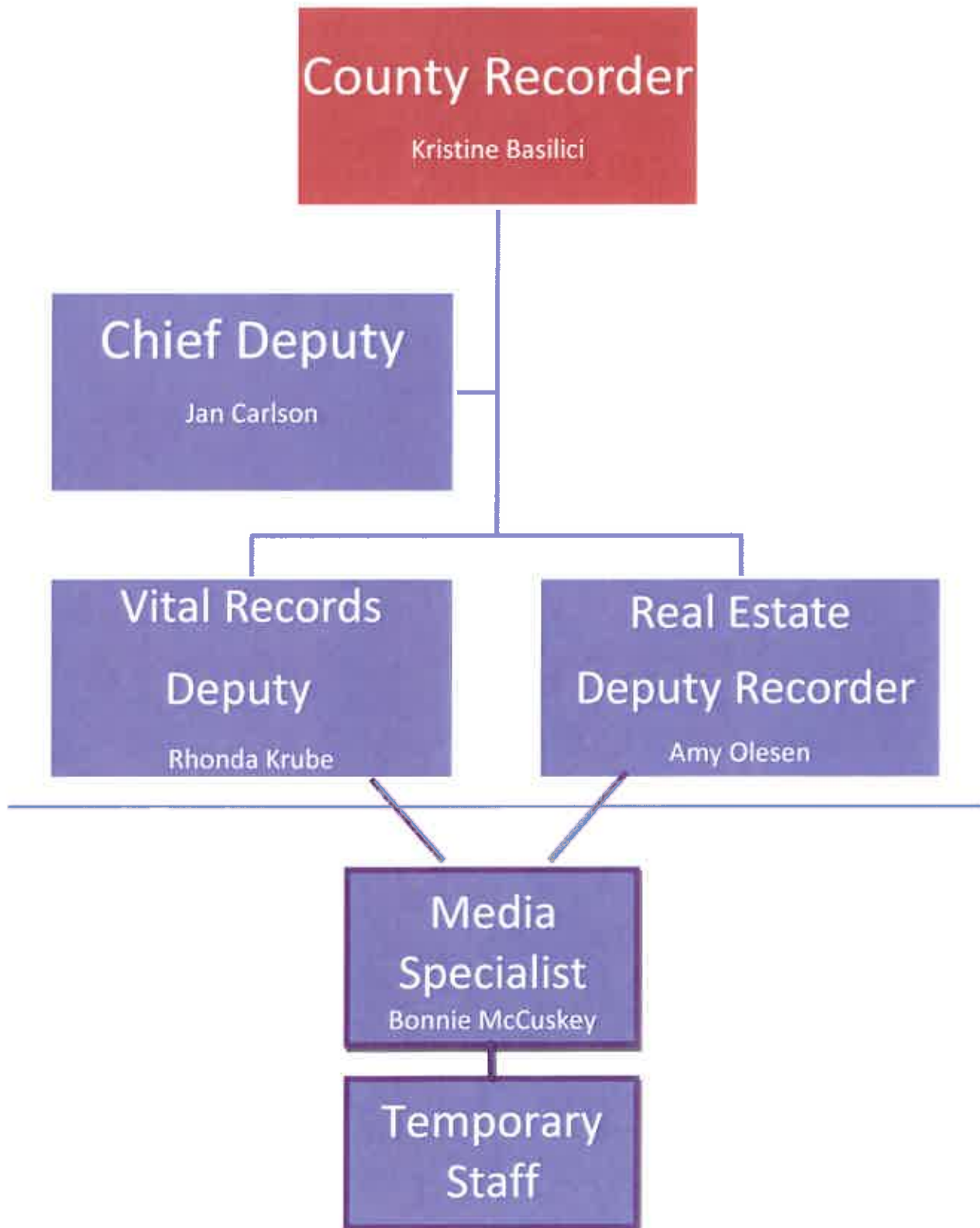
Motion By _____ Seconded By _____

TO: _____

Action on Motion: _____ AYE _____ NO _____ ABSTAIN

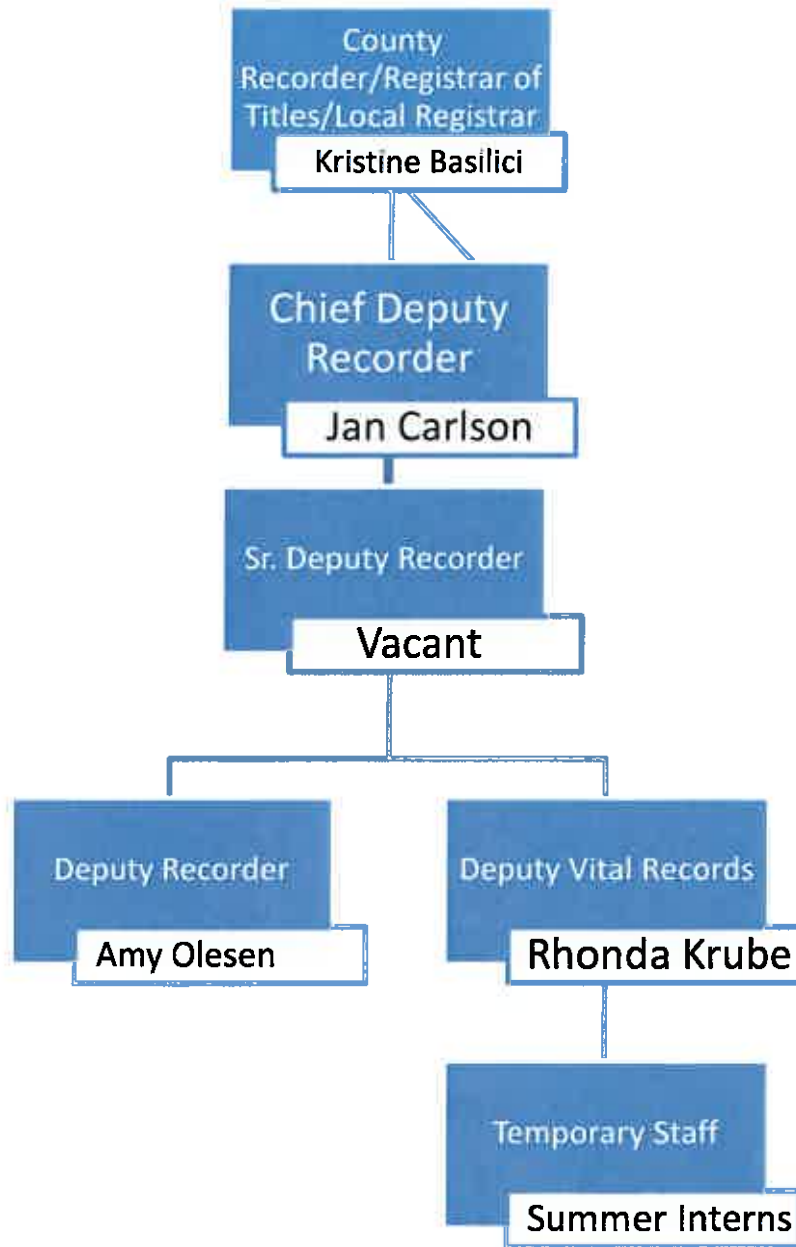
Motion: Carried Defeated

Carlton County Recorder's Office
Organizational Structure
January 5, 2016



CARLTON COUNTY RECORDER'S OFFICE
ORGANIZATIONAL STRUCTURE

AUGUST 19, 2019



Carlton County Board of Commissioners
Item for Consideration / Agenda Item Cover Sheet

F-1
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting August 26, 2019
Date: Via: Kathryn Kortuem, Acting County Auditor/Treasurer
From: Sheriff Kelly Lake
Title of Item for Consideration: Approval to replace two positions due to retirements
Presenter: Sheriff Kelly Lake

Type of Action Requested (check all that apply)

- Info only, no action requested at this time
- Award contract or bid
- Approve by resolution
-

Fiscal Impact (check all that apply)

- Item included under current budget Yes No NA
- Budget adjustment required Yes No NA
- Reviewed by Finance Committee Yes No NA

Staffing Impact

- Duties of a County employee(s) may be materially affected Yes No NA
- Applicable job description(s) may require revision Yes No NA
- Item may change the department's authorized staffing level Yes No NA
- Reviewed by Human Resources Yes No NA

Other

- Reviewed by other Committee, Board or Commission Yes No NA
- If yes, what was their recommendation _____

Summary

Request approval to fill two positions due to retirements.
1) Office/Systems Administrator retiring effective September 20, 2019
2) Patrol Sergeant retiring effective October 11, 2019 (the hire would actually be an entry level deputy sheriff with internal promotion for sergeant)

Supporting Attachments

-
-

Motion By _____ Seconded By _____

TO: _____

Action on Motion: _____ AYE _____ NO _____ ABSTAIN

Motion: Carried Defeated

Summary:

Request approval to replace two positions in the Sheriff's Office. I received official notification from Office/Systems Administrator that she is retiring effective September 20, 2019. This position is a Division Head within my office and critical to my administrative team. I am requesting to fill this ASAP and prior to the vacancy September 20, 2019. This will allow the current Office/Systems Administrator to begin training and transfer of knowledge to the new hire. I also received official notification from a patrol sergeant he is retiring effective October 11, 2019. I will hold an internal promotional process to fill the sergeant position, but will then need to back fill with an entry level deputy sheriff. I am requesting to fill this position ASAP. We are currently short staffed in the patrol division due to two deputies on administrative and medical leave that recently occurred. We will be filling another deputy position this week that was vacated due to a retirement and had been recently approved by Commissioners to fill. This will allow us to get training started sooner and have the deputy being able to fill shifts that much sooner, in hopes of utilizing less overtime funds and simply not having enough staff to fill required shifts, causing staff to be forced to work, leading to burnout and higher stress levels.

Carlton County Board of Commissioners
Item for Consideration / Agenda Item Cover Sheet

H-2
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: 8/26/19
Via: Paul Gassert, County Auditor/Treasurer
From: Mary Finnegan
Title of Item for Consideration: Consider Acceptance of IRRR Taconite Tax Allocation for FY 2020
Presenter: Mary Finnegan

Type of Action Requested (check all that apply)

- Info only, no action requested at this time
- Award contract or bid
- Approve by resolution (attached)
-

Fiscal Impact (check all that apply)

- Item included under current budget Yes No NA
- Budget adjustment required Yes No NA
- Reviewed by Finance Committee Yes No NA

Staffing Impact

- Duties of a County employee(s) may be materially affected Yes No NA
- Applicable job description(s) may require revision Yes No NA
- Item may change the department's authorized staffing level Yes No NA
- Reviewed by Human Resources Yes No NA

Other

- Reviewed by other Committee, Board or Commission Yes No NA
- If yes, what was their recommendation _____

Supporting Attachments

- Summary provided on page 2
- Summary has been attached
- Copy of contract and applicable bid comparison
- Draft resolution
- Meeting minutes related to this issue
-
-
-

Motion By _____ Seconded By _____

TO: _____

Action on Motion: _____ AYE _____ NO _____ ABSTAIN

Motion: Carried Defeated

Summary:

DRAFT RESOLUTION:

BE IT RESOLVED to authorize the County Auditor/Treasurer and the Board Chairperson to sign a grant contract for the transfer of Taconite Tax Funds from the Department of Iron Range Resources and Rehabilitation to Carlton County for economic development.

Carlton County Board of Commissioners
Item for Consideration / Agenda Item Cover Sheet

H-3
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting _____
Date: Via: Kathryn Kortuem, Acting County Auditor/Treasurer
From: Mary Finnegan, Director of Economic Development
Title of Item for Consideration: Property Assessed Clean Energy (PACE) special assessment on 14th III, LLC
Presenter: Mary Finnegan

Type of Action Requested (check all that apply)

- Info only, no action requested at this time
 Award contract or bid
 Approve by resolution
 Direct assessor to place \$300,000, 20 year assessment on property to repay energy efficiency measures. The current parcel (06-510-8210) will be replatted and have a new PID in place by 1/1/2020 to place the assessment on.

Fiscal Impact (check all that apply)

- Item included under current budget Yes No NA
Budget adjustment required Yes No NA
Reviewed by Finance Committee Yes No NA

Staffing Impact

- Duties of a County employee(s) may be materially affected Yes No NA
Applicable job description(s) may require revision Yes No NA
Item may change the department's authorized staffing level Yes No NA
Reviewed by Human Resources Yes No NA

Other

- Reviewed by other Committee, Board or Commission Yes No NA
If yes, what was their recommendation _____

Summary

The PACE Program is administered by the St. Paul Port Authority. All required documentation and applications were reviewed and it is their recommendation that this project be funded over a 20 year period through a special tax assessment on the parcel. It is anticipated that the loan will be \$300K.

Supporting Attachments

- Assessment Request MinnPACE Application Copy of Warranty Deed Amortization Schedule

Motion By _____ Seconded By _____

TO: _____

Action on Motion: _____ AYE _____ NO _____ ABSTAIN

Motion: Carried Defeated

Adopted December 8, 2015
Revised November 28, 2016

Address: 2030 14th Street Cloquet, MN 55720
Current PID: 06-510-8210
14th Street Apartments Phase III- Cloquet

Assessment 300,000 **Annual Payment** \$28,870.45
Rate 7.250% **Smei Annual** \$14,435.23
I/O Interest Rate (Actual / 360) 7.351% **Estimated Close Date** 8/26/2019
Periods 40 **End I/O Period** 12/31/2019

Period	Date	Payment	Interest	Principal	Balance
0	8/26/2019	\$7,672.92	7,672.92	-	300,000
1	2020	\$28,870.45	21,750.00	7,120.45	292,879.55
2	2021	\$28,870.45	21,233.77	7,636.68	285,242.86
3	2022	\$28,870.45	20,680.11	8,190.34	277,052.52
4	2023	\$28,870.45	20,086.31	8,784.14	268,268.37
5	2024	\$28,870.45	19,449.46	9,420.99	258,847.38
6	2025	\$28,870.45	18,766.43	10,104.02	248,743.36
7	2026	\$28,870.45	18,033.89	10,836.56	237,906.80
8	2027	\$28,870.45	17,248.24	11,622.21	226,284.60
9	2028	\$28,870.45	16,405.63	12,464.82	213,819.78
10	2029	\$28,870.45	15,501.93	13,368.52	200,451.26
11	2030	\$28,870.45	14,532.72	14,337.74	186,113.52
12	2031	\$28,870.45	13,493.23	15,377.22	170,736.30
13	2032	\$28,870.45	12,378.38	16,492.07	154,244.23
14	2033	\$28,870.45	11,182.71	17,687.75	136,556.48
15	2034	\$28,870.45	9,900.35	18,970.11	117,586.38
16	2035	\$28,870.45	8,525.01	20,345.44	97,240.94
17	2036	\$28,870.45	7,049.97	21,820.48	75,420.45
18	2037	\$28,870.45	5,467.98	23,402.47	52,017.98
19	2038	\$28,870.45	3,771.30	25,099.15	26,918.84
20	2039	\$28,870.45	1,951.62	26,918.84	(0.00)

Special Assessments Application and Petition Agreement

The Property Assessed Clean Energy Program (MinnPACE), administered by the Saint Paul Port Authority, provides a finance mechanism for the installation of energy efficiency, renewable and conservation Improvements that are permanently fixed to the eligible properties and petition for special assessments in accordance with Minnesota Statutes Sections 216C.435 and 2016C.436 and Chapter 42, and the MinnPACE program. *For further information on eligibility requirements, see the Administrative Guidelines and Financing Summary found at minnpace.com or contact the Saint Paul Port Authority at 651-204-6236.* This MinnPACE Agreement contains an Application section, a Petition for Special Assessment, and designated attachments, all of which must be reviewed and completed, and constitute a full and complete agreement.

APPLICATION

Eligibility Requirements

- Applicant(s) is/are legal owner(s) of the Property described in the Application (the "Property.")
- Property is developed and located within the City of Cloquet and County of Carlton.
(Revise as needed if special assessments are to be levied by a county or town.)
- Property Owner is current on all mortgage(s). All lenders have signed the Lender Acknowledgement Form for MinnPACE Financing.
- Property Owner is not in bankruptcy and the Property is not an asset in a bankruptcy proceeding.
- There are no federal or state income tax liens, judgment liens or similar involuntary liens on the Property.
- Applicant(s) can be verified as being in "Good Standing" with the Minnesota Office of the Secretary of State or are able to provide a Member Agreement or Operating Agreement certified to be true or correct.
- Improvement costs are reasonable for the scope of the proposed Improvements and in relation to Property value.
- Requested Financing Amount does not exceed the lesser of 20 percent of the Property Market Value or the actual cost of installing the Improvements, including the cost of necessary equipment, materials and labor, the cost of energy audit or renewable energy feasibility study and the cost or verification of installation, less the value of expected rebates.
- Term of financing requested does not exceed the weighted average of the useful life of the Improvements.
- Applicant(s) has/have obtained an energy audit or renewable energy feasibility study on the Property. Attach when submitting application.

Below, please list and identify all real estate upon which the improvement will be constructed or will be directly benefited.
Property Owner(s) Legal Name(s) (as they appear on Property tax records)

Applicant #1: 14th III LLC

List all parcel #s Owned by Applicant #1: 06-510-8210

Applicant #2: _____

List all parcel #s Owned by Applicant #2: _____

Applicant #3: _____

List all parcel #s Owned by Applicant #3: _____

Applicant #4: _____

List all parcel #s Owned by Applicant #4: _____

Property Owner(s) Type(s) – *check all that apply*

- Individual(s)/Joint Tenants/Common Property (not in trust)
- Corporation
- Limited Liability Company
- Trust/Trustees/Living Trust
- Partnership
- Other (Specify):

Property Owner Contact Information

Name: Dave Chmielewski Email: dave@blackhoof.com
Phone (Day): _____ Cell Phone: _____

Physical Property Address

Street Address: 2030 14th Street City, State Zip: Cloquet, MN

Property Type: Commercial/Industrial Apartment (more than four units)

Square Footage of Building (if applicable): 26,931

Finance Amount Requested: \$ currently estimated to be \$300,000

Finance Term: 10 Years Other: 20 years

Current Mortgage Financing – *attach a copy of Mortgage Statement*

Name of Mortgage Lender: Not Applicable

Mortgage Lender Address: _____

Outstanding Principal Balance: _____

Do you confirm that there is only one mortgage lender tied to this property? _____

Utility Company: _____

Improvement Description—attach all relevant documentation, including bids and estimates

The PACE loan will be used to finance eligible energy efficiency measures during the development of a 36 unit apartment complex in Cloquet, Minnesota. The development is the final phase of a three phase apartment development completed by the same sponsor.

The current parcel will be replatted and the development will be given its own tax ID upon completion.

Petition for Special Assessment

We hereby acknowledge that we will be obligated to pay the assessments when due. The assessment and the interest and any penalties thereon will constitute a lien against the Property until they are paid, even if I/we sell the Property to another person. I/we understand that assessment installments together with the interest on the assessment will be collected on my/our Property tax bill in the same manner and at the same time as Property taxes and will be collected on my/our Property tax bill in subject to the same penalties, remedies and lien priorities as for Property taxes in the event of delinquency, including foreclosure. I/we waive any and all procedural and substantive objections to the installation of the Improvements and the special assessments, including but not limited to any public or other hearings or hearing requirements and any claim that the assessment exceeds the benefit to the Property. I/we waive any appeal rights otherwise available pursuant to M.S.A. §429.081.

The City or County will assess the cost of the Improvements as a special assessment against the Property in accordance with the City's or County's charter, code, or ordinances regulating assessments. The Assessment will carry a term of up to 20 years and will be certified by the City or County annually to County for collection with Owner's Property taxes. Owner may choose to prepay all or a portion of the assessment directly to the City or County at any time during the term of the Assessment. All principal amounts certified annually will carry interest amounts calculated on a fixed interest rate as established by the Saint Paul Port Authority prior to ratification of the Assessment by the City or County.

Declarations

By signing this Application, the undersigned hereby declares under penalty or perjury under the laws of the State of Minnesota all of the following:

1. I am/we are the current owner of record of the Property described herein (the "Property.")
2. The Property is not currently involved in a bankruptcy proceeding.
3. I/we are current on any mortgage(s) or other loan(s) secured by the Property.
4. I/we and the Property meet the Eligibility Requirements listed on page one.
5. I/we waive any and all procedural and substantive objections to the installation of the Improvements and the special assessments, including but not limited to any public or other hearings or hearing requirements and any claim that the assessment exceeds the benefit to the Property. I/we waive any appeal rights otherwise available pursuant the M.S.A. § 429.801.
6. That (i) the information provided in, or in connection with, this Application is true and correct as of the date set forth opposite my/our signature(s) on this Application and (ii) that I/we understand that any intentional or negligent misrepresentation(s) of the information contained in this Application, or provided in connection with the Application, may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both and liability for monetary damages to the Saint Paul Port Authority, any lender providing financing for Improvements described herein, their agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation(s) which I/we have made in this application.
7. I/we agree that the selection of any product(s), equipment and measures referenced in this Application (the "Improvements,") and the decisions regarding the purchase, installation and ownership/maintenance of the Improvements is/are my/our sole responsibility and that I/we have not relied upon any representations or recommendations of MinnPACE/Saint Paul Port Authority, its agents, representatives, assignees, or employees in making such selection or decision, and that my manufacturer, dealer, supplier, contractor or installer of the Improvements is not an agent, employee, assignee or representative of MinnPACE/Saint Paul Port Authority.
8. Owner agrees that any review and approval of the Improvements by a City, County, State or governmental department is granted only in its capacity of administering and enforcing existing relevant codes. Any such approval is only as to compliance with the codes and does not create a special duty to the Owner nor establish a warranty of quality of materials and workmanship.
9. I/we understand the MinnPACE/Saint Paul Port Authority makes no warranty, whether expressed or implied, with respect to the choice, use or application of the Improvements, including without limitation, the implied warranties of merchantability and fitness for any particular purpose, or the use or application of the Improvements.
10. I/we agree that MinnPACE/Saint Paul Port Authority has no liability whatsoever concerning (i) the quality or safety of any Improvements, including their fitness for any purpose, (ii) the estimated energy savings produced by or performance of the Improvements, (iii) the workmanship of any third parties, (iv) the installation or use of the improvement including, but not limited to, any effect on indoor pollutants; or (v) any other matter with respect to MinnPACE/Saint Paul Port Authority.

Initials
(all signers)



All applications MUST INCLUDE the information listed below. Incomplete applications WILL NOT be processed or considered for MinnPACE financing.

Owner Occupied Property Checklist

- Evidence of an Energy Audit or Renewable Energy System Feasibility (including cost savings, rebates, etc.)
- Construction contracts and bids
- Mortgage statement
- Current tax statement for the property receiving improvements
- Lender Acknowledgement Form
- Tax returns for the past three years for the Borrowing Entity
- Financial statements for the current year for the Borrowing Entity
- Tax returns for the past three years for the Operating Entity
- Debt schedule of subject property—all debt—mortgage and subordinated debt
- Debt schedule of operating entity—all debt of the operating entity
- Entity documents from borrower—articles, operating agreement, etc.
- Copy of a driver's license or state ID for each signer

N/A

Non-Owner Occupied Property Checklist

- Evidence of an Energy Audit or Renewable Energy System Feasibility (including cost savings, rebates, etc.) - TBD
- Construction contracts and bids
- Mortgage statement - N/A
- Current tax statement for the property receiving improvements - N/A City owned
- Lender Acknowledgement Form
- Tax returns for the past three years for the Borrowing Entity - N/A
- Financial statements for the current year from the Borrowing Entity - N/A
- Rent Roll of Subject Property - N/A
- Debt schedule of operating entity—all debt of the operating entity - N/A
- Entity documents from borrower—articles, operating agreement, etc.
- Copy of a driver's license or state ID for each signer

Signatures of all Property Owners and Notary

Date: 7-1-19

Property Owner Signature *David M. Chmielewski* Printed Name DAVID M. CHMIELEWSKI

Property Owner Signature _____ Printed Name _____

Property Owner Signature _____ Printed Name _____

Property Owner Signature _____ Printed Name _____

For an acknowledgment in an individual capacity:

State of Minnesota

County of _____

This instrument was acknowledged before me on _____ (date) by _____ (name(s) of person(s)). _____ (Seal, if any)



Lender Acknowledgement Form

Client Name: 14TH III LLC

Property Address: 2030 14TH STREET, CLOQUET, MN 55720

City, State, Zip:

Is this the only mortgage associated with this property? YES

The undersigned, on behalf of the Lender, which is the holder of a mortgage lien on the Property described in this Application and Petition for Special Assessments in accordance with MinnPACE, administered by the Saint Paul Port Authority, acknowledges that it has reviewed the Applicant's completed MinnPACE Program Special Assessments Application and Petition Agreement, and confirms that the Applicant's receipt of MinnPACE financing and petition for assessment in connection therewith, and the imposition of, and any assignment of, MinnPACE will not constitute a default under Lender's mortgage.

Lender/Institution Name: Midwest Bank

By: [Signature] (Signature)

Name (print): Nate Hunter

Title: UP/loan officer

Date: 7/24/19

Notary

For an acknowledgment in an individual capacity:

State of Minnesota

County of MN

This instrument was acknowledged before me on July 24th 2019 (date) by Nate Hunter (name(s) of person(s)). (Seal, if any)

Signature of notarial officer Karen E Wettels

Title (and Rank) My commission expires: 01-31-2023





Saint Paul
PORT AUTHORITY

August 21, 2019

**Mary Finnegan
Carlton County
301 Walnut Avenue, Room 106
PO Box 607
Carlton, MN 55718**

Dear Mary:

The Saint Paul Port Authority is requesting Carlton County to place a Property Assessed Clean Energy (PACE) special assessment on the following parcel as requested by the property owner:

<u>Property Owner</u>	<u>Parcel Number</u>	<u>Assessment Amount</u>
14 th III, LLC	06-510-8210 (current) 06-552-0060 (replatted)	\$300,000.00

As the administrator of PACE for Carlton County, the Port Authority has reviewed this assessment and it has determined that this project conforms with the Minnesota PACE statutes. Interest will start to accrue on January 1, 2020. The assessment will amortize over the 20-year term, beginning in 2020. The amortization schedule, showing annual payments of \$28,870.45, for this assessment is attached hereto. The interest rate is 7.25%. Additionally, for your reference, the PACE application submitted to the Port Authority is included in this submission package. Finally, I have attached the warranty deed for the sale of the property from the City to 14th III, LLC.

Thank you for your assistance. Please call me at 651-204-6211 with any questions you might have.

Sincerely,

**Peter Klein
Vice President of Finance**

PMK:djk



A000487123

OFFICE OF THE COUNTY RECORDER
CARLTON COUNTY, MINNESOTA

CERTIFIED, FILED, AND/OR
RECORDED ON

8/5/2019 10:39 AM

REC FEES: 46.00

PAGES: 4

KRISTINE BASILICI
CARLTON COUNTY RECORDER

Wall Cert Rec'd _____ Not Rec'd
ISTS Rec'd _____ Not Rec'd _____

BY JMC Dep

No Delinquent Taxes &

Transferred Entered

CRV # 991316

Filed N/A

Zoning Ordinance #28

Approved - Permit # _____

Not Required

C/T Approved Cloquet

August 5th, 2019

Kathy Fortman Carlton County Auditor

Karen Jans Deputy

06-510-8210 (split) WARRANTY DEED

THIS INDENTURE, between the City of Cloquet, Minnesota, a statutory city organized and existing under the laws of the state of Minnesota (the "Grantor"), and 14th III, LLC, a Minnesota limited liability company (the "Grantee").

WITNESSETH, that Grantor, in consideration of the sum of Fifty-Four Thousand Dollars (\$54,000) and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby convey and warrant to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Carlton and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the "Property"):

LEGAL DESCRIPTION

Unit 3, Third Amendment To Common Interest Community Number 5 14th Street Apartments Planned Community.

That part of the Northwest Quarter of the Northwest Quarter of Section 36, Township 49 North, Range 17 west of the Fourth Principal Meridian, described as follows:

Commencing at the northwest corner of said Section 36; thence on an assumed bearing of South 00 degrees 01 minutes 27 seconds West, along the west line of said Section 36, a distance of 615.00 feet; thence South 89 degrees 58 minutes 33 seconds East a distance of 321.00 feet to the actual point of beginning of the tract of land herein described; thence North 57 degrees 57 minutes 02 seconds East a distance of 243.74 feet to the southerly line of the right-of-way easement recorded in Document No. A-000419942; thence southeasterly a distance of 39.18 feet, along last said southerly line and along a non-tangential curve concave to the southwest, having a radius of 200.00 feet, a central angle of 11 degrees 13 minutes 25 seconds and a chord bearing of South 19 degrees 17 minutes 31 seconds East; thence South 13 degrees 40 minutes 49 seconds East, along last said southerly line and non-tangent to last described curve, a distance of 58.89 feet; thence southeasterly a distance of 48.99 feet, along last said southerly line and along a tangential curve concave to the west, having a radius of 200.00 feet and a central angle of 14 degrees 02 minutes 08 seconds; thence South 00 degrees 21 minutes 20 seconds West a distance of 143.82 feet to the north line of the recorded plat of PINE GROVE TERRACE; thence North 89 degrees 36 minutes 50 seconds West, along last said north line, a distance of 238.30 feet to the intersection with a line bearing South 00 degrees 01 minutes 27 seconds West from the point of beginning; thence North 00 degrees 01 minutes 27 seconds East a distance of 155.55 feet to the point of beginning.

Subject to and together with any pertinent easements contained in Document Number A-000419942.

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging in any way appertaining, to the said Grantee, its successors and assigns, forever, subject to the following exceptions:

Provided:

SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of that certain Purchase and Development Agreement entered into between the Grantor and Grantee on the 25 day of July, 2019, as may be amended or modified in writing from time to time by Grantor and Grantee, (hereafter referred to as the "Agreement").

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the redevelopment of the Property through the construction of the improvements thereon, as provided in the Agreement.

Promptly after completion of the improvements in accordance with the provisions of the Agreement and upon request by the Grantee, the Grantor will furnish the Grantee with an appropriate instrument ("Certificate of Completion") so certifying.

Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the improvements, or any part thereof.

SECTION 2.

In the event the Grantee herein shall, prior to the completion of the construction of the improvements required to be constructed pursuant to the Agreement as evidenced by the above referenced certificate, the Grantee shall fail to comply with any of its covenants under the Agreement and fail to cure any such noncompliance within the time for cure set forth in Section 5.2 of the Agreement, then the Grantor shall have the right to repurchase title to and possession of the Property for the same price that the Grantee paid to acquire the Property from Grantor and the Grantee shall be obligated to sell the Property to the Grantor for such price free and clear of all defects, encumbrances and other title matters other than those existing at the time of Grantor's conveyance of the Property to Grantee. Grantor's right to repurchase the Property under this Section shall be superior to any liens or encumbrances allowed to be placed on the Property by

Grantee. Grantor's right to repurchase the Property shall terminate upon Grantor's delivery to Grantee of the certification referenced in Section 1 of this Deed.

SECTION 3.

The Grantee agrees for itself and its successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such successors and assigns shall comply with all covenants contained in the Agreement.

SECTION 4.

This Deed is also given subject to:

- (a) Provision of the ordinances, building and zoning laws of the City of Cloquet, state and federal laws and regulations in so far as they affect this real estate.
- (b) Taxes payable subsequent to the date of this conveyance.

SECTION 5.

Grantor certifies that it does not know of any wells on the subject property.

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its Mayor, Roger Maki and City Administrator, Aaron Reeves this 25 day of July, 2019.

This document drafted by:
Briggs & Morgan (MLI)
Professional Association
2200 IDS Center, 80 South 8th St.
CITY OF CLOQUET Minneapolis, MN 55402

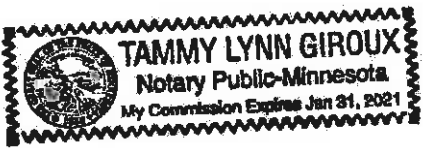


By
Its Mayor

By Aaron S. Reeves
Its City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF CARLTON)

The foregoing instrument was acknowledged before me on this 25 day of July, 2019, by Aaron Reeves, and Roger Maki, the City Administrator and Mayor of the City of Cloquet, a statutory city under the laws of the State of Minnesota.



Notary Public

Carlton County Board of Commissioners
Item for Consideration / Agenda Item Cover Sheet

H-4
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting 8-26-19
Date: Via: Kathryn Kortuem, Acting County Auditor/Treasurer
From: Kathy Kortuem
Title of Item for Consideration: Request approval to post Chief Deputy Auditor/Treasurer position
Presenter: Kathy Kortuem

Type of Action Requested (check all that apply)

- Info only, no action requested at this time
- Award contract or bid
- Approve by resolution
-

Fiscal Impact (check all that apply)

- Item included under current budget Yes No NA
- Budget adjustment required Yes No NA
- Reviewed by Finance Committee Yes No NA

Staffing Impact

- Duties of a County employee(s) may be materially affected Yes No NA
- Applicable job description(s) may require revision Yes No NA
- Item may change the department's authorized staffing level Yes No NA
- Reviewed by Human Resources Yes No NA

Other

- Reviewed by other Committee, Board or Commission Yes No NA
- If yes, what was their recommendation _____

Summary

Request approval to post Chief Deputy Auditor/Treasurer position, to begin the hiring process. Start date will be after 9/13/19.

Supporting Attachments

- _____
- _____

Motion By _____ Seconded By _____

TO: _____

Action on Motion: _____ AYE _____ NO _____ ABSTAIN

Motion: Carried Defeated