

CONTRACTOR REQUEST FOR PROPOSALS:

**106 7th STREET REDEVELOPMENT INTO A NEW CONSTRUCTION SINGLE-FAMILY FOR
OWNERSHIP SALE AND OCCUPANCY ONLY**

POSTED: October 2, 2025

DUE DATE: October 29, 2025 at Noon



*A copy of this proposal document may be obtained at Cloquet City Hall, on our website:
www.cloqueteda.com or by contacting Holly Hansen at (218) 879-2507 x4 or
hhansen@cloquetmn.gov.*

*The City of Cloquet's EDA reserves the right to reject any or all proposals, or waive any
informalities in the proposals.*

Background

In light of Minnesota litigation cases related to county tax forfeitures, the Cloquet Economic Development Authority (EDA) proactively acquired this blighted property in an effort to redevelop it into quality infill housing that helps serve workforce needs for the Cloquet area. This redevelopment project is structured to provide home ownership opportunity, rather than rental stock growth, and will help resolve the “Missing Middle housing stock” in the City meaning the product will not be an executive home. Secondly, the project will allow the EDA and City to utilize statewide affordable housing aide to proactively cure the property of its deficiencies to structure it for redevelopment into a home serving today’s layout needs to facilitate and ensure quality housing construction to meet current and future workforce housing needs in light of significant public investments into this project.

Why this lot?

This property is located in central Cloquet and was platted in 1891. It was selected due to its physical presentation and financial distress factors, vacancy, and lack of utility use. After significant investment and deliberation between home renovation or new construction, the EDA/City after considering the 1919 partial home foundation and cumulative home distressed due to lack of heat and maintenance, trashed out the home and yard, demolished the garage and hauled away its contents, and then demolished the home. Contractors have removed the 1919 water and sewer infrastructure lines and have replaced them with new infrastructure. The EDA/City hired a property survey and has hired tree trimming to occur late this year.

Site Redevelopment Goals

The Cloquet Economic Development Authority (EDA) is seeking licensed area contractor proposals for the redevelopment of 106 7th Street into:

1. **A quality stick-built (non-modular preferred) single-family home for ownership purchase only and the first-time buyer is required to be income restricted to total family income less than \$134,435 (which is 115% of statewide median income for 2025).**
 - **LOCATION:** 106 7th Street Cloquet, MN 55720 (PIN 06-245-0040).
 - **SURVEY, BUILDING PAD, AND INFRASTRUCTURE:** Attached is a Fall 2025 property survey and city prepared setbacks/building pad map. Home demolition is underway and the city will provide location information for the new water/sewer stubs into the lot.
 - **Lot Size and dimensions:** +/- 5,200 square feet.
 - **Legal Description** Lot 2 and Part of Lot 3, Block 1, of the recorded plat of “Lynd’s Subdivision of Outlot No. 37 to the Village of Cloquet” Carlton County, MN (see legal description below from the county, survey - attached).

Lot Two (2), Block One (1), of Lynd's Subdivision of Outlot Number Thirty-seven (37), to the Village, now City of Cloquet, according to the plat thereof on file and the record in in the office of the Register of Deeds, in and for Carlton County, Minnesota and That part of Lot Three (3), Block One (1), "Lynd's Subdivision" of Outlot Thirty-seven (37), to the Village, now City, of Cloquet, Minnesota, described as follows: Beginning at the Northwest corner of said Lot 3; thence going Southerly along the West line of Lot 3 distance 6.5 feet; thence going Easterly and paallel with the North line of Lot 3 a distance of 46.0 feet; thence going Northeasterly distance 24.5 feet more or less to a point on the North line of said Lot 3, said point being a distance of 69.0 feet East of the Northwest corner of Lot 3, ~~thence going Westerly a distance of 69.0 feet East of the Northwest corner of Lot 3, thence going Westery a distance of 69.0 feet to the point of beginning.~~

- **HOME:** The home should provide 3 bedrooms, 2 bathrooms, and could take the form of slab on grade story and a half, two story, or one story otherwise structural fill will need to be removed for basement.
- **REAR LOT GARAGE AND DRIVEWAY:** Whether attached or detached to the home, the garage should be located to the rear of the property to match the existing neighborhood's built form with preferred size of 24' x 24'. Driveway pavement should be asphalt or concrete, if necessary given the mature trees the driveway can be left gravel but should be discussed with the city.
- **MATURE TREES ONSITE:** Developers are asked to make all efforts to design around to preserve the two onsite mature trees as advised by the city's tree consultant. The city has hired late fall/early winter tree trimming by our tree consultant.
- **INCOME RESTRICTED HOME OWNERSHIP SALE (HOMESTEADED) AND OCCUPANCY:** The EDA / City have invested significant public funds into this property the majority of which were derived from statewide affordable housing aide. As required by law per the use of these funds which must be reported to the state, the city must ensure that the first buyer of this home is income restricted to 115% of Statewide Minnesota Median Income which for 2025 is \$134,435 total/maximum family income. Copies of current tax returns must be provided to and verified by the city as part of this sale for single-family home ownership and occupancy (non-rental).
 - Quality materials and procedures should be used at all times. Consideration by contractors should be used regarding basicness, finish levels, and construction budget which affect the proposed sales price given that the first-time buyer / family will be income restricted \$134,435 total/maximum family income. Note that it is not uncommon in other nearby communities to attract previous home owners, newly divorced parents, single parents, and working middle class who may have who

may have some resources for downpayment. Note that Cloquet is part of the Minnesota Cities Participation Program allocating increased funding within the city for first time homebuyer loans, downpayment and closing cost assistance loans, and start-up/step-up loans. Note that Cloquet is also located in a federally designated rural county eligible for USDA housing loan programs.

- Affordable housing is a public benefit and providing the home sale to income restricted buyers which serves workforce housing buyers and by allowing them to make an offer rather than be knocked out of opportunity under standard market rate offer conditions.
- There will be no straw buyers or subsequent land transfers as part of this sale. Income limits are updated annually and will be used to determine eligibility at the point of sale based on funds used for this project which must be reported to the state. Contact the City with any questions.
- **PROJECT TIMEFRAME:** we assume construction will begin in spring 2026 with completion by May of 2027.
- **COMPLETION:**
 - The contractor will be responsible for ensuring all utilities to the home are correctly connected which include water, sewer, gas, and electricity.
 - The contractor is expected to complete final grade, topsoil, and turf or seed establishment, have installed the exterior house number and mail receptacles as directed by the Cloquet Post Office before receiving the Certificate of Occupancy from the Building Official.
- **PLAN REVIEW / SETBACKS.** Provide building plans for review by the Building Official along with a Site Plan for property line setbacks review by the City Planner.

2. Project Incentives

- **LOW PURCHASE PRICE.** The purchase price for the property, is \$1,000? plus closing costs. (A Council Resolution/Development Agreement will document the terms of the deal by the City to ensure the selected contractor completes the project per requirements.
- **WAIVED BUILDING PERMIT FEE.** The City will waive the building permit fee but cannot waive the state surcharge. The contractor will be required to ensure all

building code inspections are completed by the City's Building Official and a certificate of occupancy issued for the home.

- **CITY INSTALLED NEW UTILITIES.** The city has paid for the removal of old and installation of new water and sewer lines.
- **WAIVED CITY UTILITY CONNECTIONS.** Both the water and sewer connections currently exist therefore there are no new connection fees.

3. Contractors are asked to introduce your team, demonstrate experience on past single-family home projects, describe the proposed quality of construction and neighborhood compatibility, and describe capabilities in delivering and financing projects.

- **EXPERIENCE.** The Cloquet EDA is seeking proposals from qualified contractors with a quality portfolio of work experience demonstrating that they have the skill, capacity, and financing to complete the construction of a new single-family home.
- **PROJECT EXAMPLES.** Developers must have a portfolio of stick-built home examples for single-family homes.
- **PROPOSED SALES PRICE.** Contractors/developers should include information on proposed sale price for the home in this neighborhood.

4. Questions / Resources

- **BUILDING CODES AND PERMITS.** MN Residential IRC for Single-Family Construction: Matt Munter, City Building Official (218) 879-2507 x2 mmunter@cloquetmn.gov
- **ZONING.** See attached building pad map and property survey: John Kelley, City Planner (218) 879-2507 x3 jkelly@cloquetmn.gov
- **CITY UTILITY ACCESS AND METER PURCHASES:** Caleb Peterson, City Engineer (218) 879-6758 cpeterson@cloquetmn.gov

5. Proposal Submissions

- **DEADLINE.** Noon October 29, 2025 to Holly Hansen, Community Development Director (218) 879-2507 x4 hhansen@cloquetmn.gov
- **REVIEW.** Developers may be interviewed by members of the Cloquet EDA.



City of Cloquet
Community Development Department
101 14th Street
Cloquet, MN 55720

**CITY OF CLOQUET
ECONOMIC DEVELOPMENT AUTHORITY**

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 Economic Development Authority.
- 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. The City of Cloquet Economic Development Authority (EDA) 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: _____