

**MOUNTAIN IRON CITY COUNCIL MEETING  
COMMUNITY CENTER  
MOUNTAIN IRON ROOM  
MONDAY, MARCH 21, 2016 - 6:30 P.M.  
A G E N D A**

- I. Roll Call
- II. Consent Agenda
  - A. Minutes of the March 7, 2016, Regular Meeting (#1-18)
  - B. Receipts
  - C. Bills and Payroll
  - D. Communications (#50-54)
- III. Public Forum
  - A. Public Hearing – Tax Increment District (#19)
- IV. Committee and Staff Reports
  - A. Mayor’s Report
  - B. Public Works Director’s Report
  - C. Library Director/Special Events Coordinator’s Report
  - D. Sheriff’s Department Report
  - E. City Engineer’s Report
  - F. City Attorney’s Report
  - G. Library Board
    - 1. Surplus Equipment (#20)
  - H. Liaison Reports
- V. Unfinished Business
- VI. New Business
  - A. Resolution Number 18-16 Approving TIF District (#21-44)
  - B. Resolution Number 19-16 Supporting Twin Metals (#45-47)
  - C. Consulting Agreement (#48-49)
- VII. Communications (#50-54)
- VIII. Announcements
- IX. Adjourn

# Page Number in Packet

MINUTES  
MOUNTAIN IRON CITY COUNCIL  
March 7, 2016

Mayor Skalko called the City Council meeting to order at 6:27 p.m. with the following members present: Joe Prebeg, Jr., Susan Tuomela, Alan Stanaway, Tony Zupancich and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Amanda Inmon, Municipal Services Secretary; Michael Downs, Director of Public Works; Sally Yuccas, Librarian Director/Special Events Director; John Backman Sheriff's Department and Rod Flannigan, City Engineer. Absent: Bryan Lindsay, City Attorney.

It was moved by Skalko and seconded by Tuomela that the consent agenda be approved as follows:

1. Approve the minutes of the February 16, 2016, special meeting as submitted.
2. Approve the minutes of the February 16, 2016, regular meeting as submitted.
3. That the communications be accepted and placed on file and those requiring further action by the City Council be acted upon during their proper sequence on the agenda.
4. To acknowledge the receipts for the period February 16-29, 2016 totaling \$158,905.10 (a list is attached and made a part of these minutes).
5. To authorize the payments of the bills and payroll for the period February 16-29, 2016, totaling \$457,161.53 (a list is attached and made a part of these minutes).

The motion carried on a roll call vote with all members present.

#### Public Forum

- Mike Grahek spoke on the Garden Drive Assessment, presented a cost per foot analysis, looking at most equitable allocation for residents on Garden Drive. Skalko mentioned the public hearing on proposed assessment February 16<sup>th</sup>. Zupancich mentioned that the residents would be capped out at \$5000, regardless of square footage. Prebeg stated that assessments are preliminary, currently waiting on bids, hoping on lower and better rates per square footage, however the city is as always looking for new and fresh ideas.
- Chuck Vanter presented and spoke on behalf of creating resolution for new Mountain Iron-Buhl High school, if May 3<sup>rd</sup> voting goes in positive direction. The Vote "YES" committee, meeting continuously with the overall objective to get voters within the School District to vote yes, thus possibly having the IRRRB give roughly 85% of the \$29 million of projected cost, making the residents pay the remaining 15%. This new school would be very beneficial for the current Merritt Elementary students, Chuck stated that it would give them roughly 45 more minutes for teacher-student interaction/contact time, due to later pick-up time. Other option Chuck Vanter mentioned was that the old Mountain Iron-Buhl High School would be maintained at about \$19 million over a 20 year period or another option would be to allow for the student numbers to go down, thus allocating them and the tax payer money to other School Districts within St. Louis County.
  - Prebeg mentioned that even with the added tax, the Mountain Iron-Buhl School District would still be the lowest in regards to school taxes when compared to surrounding districts. However if the District did dissolve, the City of Mountain Iron would pay other School District rates, if combined with St. Louis County, thus burdening the city with their school taxes.

- Chuck Vanter stated that they are looking at cooperation not consolation with St. Louis County, however the surrounding Districts pulled out, they are looking for more of a variety of classes for students, thus being a win-win for tax payers and the School District. School board is responsible for bringing up class size, working with Northwest Service Cooperative and County schools to offer more classes with diversity.
- Zupancich questioned what the School District's plan was for the old High school once the new High school was built? Chuck Vanter stated that the building or even part of it could be used by local business/people, has not been completely discussed as of currently, due to the fact that part the building is roughly over 50 years old.
- Stanaway stated for the desire that there were more open-lined communication/ open door policy amidst the School Board and City Council, especially since residents ask the City Council questions, both should be on board together.
- Mayor stated that the key is not the building, but the teachers and curriculum, however to consolidate you have to have a partner, but Eveleth-Gilbert and Virginia not on board, should be for the residents to vote on this referendum for new school.

It was moved by Prebeg and supported by Zupancich to support Resolution #17-16 based on facts currently present; with the City of Mountain Iron whole heartedly supporting ISD 712 in their efforts to pass a bond referendum for a new high school and encourages our residents to vote YES on May 3rd, 2016. Opposed by Tuomela, motion carried with 4:1 vote, supporting referendum (a copy is attached and made a part of these minutes) .

#### Mayor's Report:

- Labor Management Meeting scheduling
- Condolences to the family of Marie Charivollotti's family.
- Condolences to the family of Og Krueger's family.
- Congratulations to Council member Joe Prebeg's son, Nick Prebeg on making Command Master Chief and becoming Command Master Chief of USS Chafee; United States Naval Destroyer.
- Congratulations to Mountain Iron-Buhl Boys' Basketball team, who beat Northwood, both teams had a great year.
- Congratulations to Mountain Iron-Buhl Girls' Basketball team, if win Wednesday, March 9<sup>th</sup> game, it will be seven consecutive trips to State.
- Big thank you to committee for hosting the "Table Top Emergency Workshop," held February 29th at the Mountain Iron Community Center. Attendance from those throughout the region.

It was moved by Skalko and seconded by Prebeg to schedule to Labor Management Meeting on Tuesday, March 15<sup>th</sup> at 2:00 p.m., at the Mountain Iron Community Center. Motion carried unanimously.

#### The City Administrator reported the following:

- Building new house ore structure, housing lots available in South Forest Grove as well as Unity Addition, anyone interested should contact the City of Mountain Iron via phone, email or visit the City website
- Non-Audit Services Letter-stating that the City Council appoints City Administrator

It was moved by Zupancich and seconded by Tuomela to designate Craig Wainio, City Administrator, to oversee/monitor and except responsibility and evaluate all non-audited services, which include preparation of financial statements and notes to the financial statements which are to be included in audit. Motion carried unanimously.

The Director of Public Works reported on the following:

- Residents can call City Hall to be placed on list for culverts which are backed up to be cleaned and steamed once snow and ice have thawed

Library Director/Special Events Coordinator report.

- Thank you, to those who helped with Mish Mash Mush on March 5<sup>th</sup>
- March 26<sup>th</sup> at 12:00 pm, Merritt Elementary 31<sup>st</sup> Annual Easter Egg Hunt

Sheriff's department:

- No formal or informal report at this time

City Engineer:

- Nothing to report, however will answer questions about any resolutions and projects

Public Health and Safety Board reported on the following:

- Stanaway stated that the Fire Department Officers wanted some sort of Fire Fighter Competency exam, two exams which were determined to be acceptable, submitted to City Council for final approval.
- Public Health and Safety Board compared and researched firefighter tests prior to hire, Greg Chad, Fire Chief; would like to make sure that newly hired fire fighters can comprehend competency test.
- Zupancich stated that the competency exam would be a condition to employment, done prior to interviews, thus if this test cannot be comprehended the individual would not be interviewed or recommended to go further in the hiring process.

It was moved by Stanaway and seconded by Tuomela to authorize the Fire Department to implement a basic competency test as part of their hiring procedure as presented (a copy is attached and made a part of these minutes). The motion carried unanimously. Skalko said competency test should be re-evaluated roughly six months to a year to ensure it is working and not eliminating every candidate.

It was moved by Skalko and seconded by Tuomela to approve the authorization for the City of Mountain Iron to contact the Minnesota Department of Transportation concerning Highway 169/County Road 109 intersection. Specifically to inquire of signalization of this particular intersection could be included in their 2017 project to upgrade the corridor (a copy is attached and made a part of these minutes). The motion carried unanimously.

It was moved by Skalko and seconded by Prebeg to approve the Improvement Guide which adopts the following amendment to the City of Mountain Iron's Improvement Guide; being that any residential property within the City that has two or more streets adjacent of adjoining that property and the streets are improved within a ten year period, the total assessment to the property owner for all the projects shall not exceed \$5000 (a copy is attached and made a part of these minutes). The motion carried unanimously.

It was moved by Zupancich and seconded by Tuomela to adopt Resolution Number 05-16; authorizing The City of Mountain Iron to obtain two lots on the corner of Mesabi Avenue and Locomotive Street and one lot located on the east side of Mineral Avenue on behalf of Habitat for Humanity. Structures/buildings on two of the lots, St. Louis County land department would remove and be responsible for part of the cost of removal of buildings along with IRRRB, no residents or individuals have shown interest in any of the parcels (a copy is attached and made a part of these minutes). The motion carried unanimously.

It was moved by Zupancich and seconded by Tuomela to adopt Resolution Number 13-16; authorizing the transfer of MNDot parcel # 175-0071-01168 from the City of Mountain Iron to the HRA, placing the entire parcel in the name of the HRA on one title. Later at future meeting requesting a short HRA meeting to transfer the entire parcel from the HRA to the rightful owner (a copy is attached and made a part of these minutes). The motion carried unanimously.

It was moved by Stanaway and seconded by Tuomela to adopt Resolution Number 14-16; authorizing The City of Mountain Iron to request from Habitat for Humanity the Quartz Street lot for public use. Staff is requesting that the City request the lot from St. Louis County for no charge so as to protect the City's infrastructure due to being a sewer main location (a copy is attached and made a part of these minutes). The motion carried unanimously.

It was moved by Zupancich and seconded by Prebeg to adopt Resolution Number 15-16; authorizing The City of Mountain Iron to approve the Plans and Specifications made by the City Engineer and to advertise for bids for Project #MI16-02, Garden Drive South Street project for 2016 (a copy is attached and made a part of these minutes). The motion carried unanimously.

It was moved by Prebeg and seconded by Stanaway to adopt Resolution Number 16-16; authorizing The City of Mountain Iron to approve the Plans and Specifications made by City Engineer and to advertise for bids for Project #MI14-10, Bicycle and Pedestrian Recreational Trail (a copy is attached and made a part of these minutes). The motion carried unanimously.

It was moved by Zupancich and seconded by Tuomela to approve temporary Liquor License for Soroptimist of Virginia, for their Movie Night for Women-Fundraiser at Cinema-6, on April 13, 2016, at the City of Mountain Iron's Community Center. The motion carried unanimously.

It was moved by Zupancich and seconded by Tuomela to set 2016 Local Board of Appeal & Equalization or Open Book meeting, tentatively scheduled by St. Louis County for April 21, 2016 from 6p.m- 7p.m. at The City of Mountain Iron's Community Center. The motion carried unanimously.

The Council reviewed the list of communications.

Summer Work Outreach Project (SWOP), requests sponsorship to their 20<sup>th</sup> Anniversary Program. It was moved by Zupancich and seconded by Tuomela to make a donation of \$1,000 to the Summer Work Outreach Project, out of the Charitable Gambling Fund. The motion carried unanimously on a roll call vote.

At 7:36 p.m., it was moved by Skalko and seconded by Prebeg that the meeting be adjourned. Motion carried with all members present.

Submitted by:



Amanda Inmon  
Municipal Services Secretary

[www.mtniron.com](http://www.mtniron.com)

## COMMUNICATIONS

1. Thank you, from Judy Seurer for the retirement Coffee'n cake, as well as for plaque and generous gift.
2. Mediacom is in the process of transforming its TV channel line-up to all-digital, moving channels 2-17 through 95 to a permanent digital home.

## Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	151,390.57
PERMITS	BUILDING	207.50
MISCELLANEOUS	REIMBURSEMENTS	362.73
MISCELLANEOUS	ASSESSMENT SEARCHES	10.00
CHARGE FOR SERVICES	SEWER-CHARGE FOR SERVICES	95.05
MISCELLANEOUS	REIMB PHONE EXPENSE-ELEC	36.21
METER DEPOSITS	ELECTRIC	1,050.00
MISCELLANEOUS	FILING FEES	75.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	300.00
MISCELLANEOUS	MISC. - GENERAL	640.00
LICENSES	ANIMAL	10.00
COPIES	COPIES	59.25
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	1,944.93
SPECIAL ASSESSMENTS	SPECIAL ASSESS.-BOND MONEY	2,148.86
BUILDING RENTALS	COMMUNITY CENTER	300.00
BUILDING RENTALS	NICHOLS HALL	275.00
Summary Totals:		<u>158,905.10</u>

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
03/16	03/02/2016	148190		Alignment Check	101-20200	.00 V
03/16	03/02/2016	148191		Alignment Check	101-20200	.00 V
03/16	03/02/2016	148192		Alignment Check	101-20200	.00 V
03/16	03/02/2016	148194	130017	AMERICAN BANK	101-20200	100.00
03/16	03/09/2016	148195	10078	ALLIED GENERATORS (DBA)	602-20200	1,670.00
03/16	03/09/2016	148196	10075	AMERIPRIDE SERVICES	101-20200	45.07
03/16	03/09/2016	148197	10006	ANDERSON AUTO CENTER (DBA)	101-20200	43.67
03/16	03/09/2016	148198	10021	ARROWHEAD LIBRARY SYSTEM	101-20200	57.37
03/16	03/09/2016	148199	5007	ASSURANT EMPLOYEE BENEFITS	101-20200	862.23
03/16	03/09/2016	148200	10042	AUTO VALUE VIRGINIA	604-20200	3.99
03/16	03/09/2016	148201	20043	BOBCAT OF DULUTH, INC.	101-20200	377.81
03/16	03/09/2016	148202	20014	BORDER STATES ELECTRIC SUPPLY	604-20200	5,115.70
03/16	03/09/2016	148203	30035	C & B WAREHOUSE DISTR INC	101-20200	16.78
03/16	03/09/2016	148204	30017	CARQUEST (MOUNTAIN IRON)	101-20200	1,160.18
03/16	03/09/2016	148205	30068	CHAD, GREG	101-20200	100.00
03/16	03/09/2016	148206	30083	CITY OF VIRGINIA	101-20200	65.08
03/16	03/09/2016	148207	30072	COMPUTER WORLD	101-20200	1,501.50
03/16	03/09/2016	148208	40060	DELTA DENTAL OF MINNESOTA	101-20200	1,648.25
03/16	03/09/2016	148209	50015	EAST RANGE FIRE DEPT COALITION	101-20200	50.00
03/16	03/09/2016	148210	50039	EMERGENCY MEDICAL PRODUCTS INC	101-20200	3,177.30
03/16	03/09/2016	148211	50048	ENERGY INSIGHT INC	604-20200	1,052.95
03/16	03/09/2016	148212	60015	FERRELLGAS	602-20200	220.94
03/16	03/09/2016	148213	70016	GOPHER STATE ONE CALL INC	604-20200	26.10
03/16	03/09/2016	148214	70028	GREATER MINNESOTA AGENCY INC	101-20200	204.00
03/16	03/09/2016	148215	70029	GUARDIAN PEST CONTROL INC	101-20200	88.60
03/16	03/09/2016	148216	80022	HAWKINS INC	602-20200	242.50
03/16	03/09/2016	148217	80045	HEALTHLINE MEDICAL SUPPLY (DBA)	101-20200	132.00
03/16	03/09/2016	148218	80017	HENRY'S WATERWORKS INC	601-20200	407.70
03/16	03/09/2016	148219	80001	HILLYARD/HUTCHINSON	101-20200	848.72
03/16	03/09/2016	148220	80010	HOMETOWN ELECTRIC	602-20200	1,994.53
03/16	03/09/2016	148221	80037	HOMETOWN MEDIA PARTNERS	603-20200	141.00
03/16	03/09/2016	148222	80055	HUNDRIESER CONSULTING LLC	101-20200	7,200.00
03/16	03/09/2016	148223	162	JULIE GREENLEY	101-20200	200.00
03/16	03/09/2016	148224	120032	LAKE COUNTRY POWER	101-20200	202.00
03/16	03/09/2016	148225	120002	LAWSON PRODUCTS INC	101-20200	530.12
03/16	03/09/2016	148226	120003	LEAGUE OF MINNESOTA CITIES	601-20200	100.00
03/16	03/09/2016	148227	120005	LEAGUE OF MN CITIES INS TRUST	101-20200	66,592.00
03/16	03/09/2016	148228	120014	LUNDGREN MOTORS	101-20200	5.40
03/16	03/09/2016	148229	130030	MACQUEEN EQUIPMENT	603-20200	295.67
03/16	03/09/2016	148230	130006	MESABI HUMANE SOCIETY	101-20200	1,500.00
03/16	03/09/2016	148231	130009	MINNESOTA POWER (ALLETE INC)	101-20200	119,922.23
03/16	03/09/2016	148232	40009	MN DEPARTMENT OF COMMERCE	604-20200	461.53
03/16	03/09/2016	148233	130034	MN POLLUTION CONTROL AGENCY	602-20200	300.00
03/16	03/09/2016	148234	130035	MN PUBLIC SAFETY GROUP, LLC.	101-20200	150.00
03/16	03/09/2016	148235	130001	MY-LOR INCORPORATED	101-20200	1,058.78
03/16	03/09/2016	148236	161	NIKKI SUNDT	101-20200	200.00
03/16	03/09/2016	148237	30086	NYMAN, JULIE	101-20200	10.00
03/16	03/09/2016	148238	40032	OFFICE OF MN.IT SERVICES	603-20200	489.46
03/16	03/09/2016	148239	160	ST. RAPHAEL'S HEALTH&REHAB CTR	101-20200	200.00
03/16	03/09/2016	148240	4044	SUMMER WORK OUTREACH PROGRAI	230-20200	1,000.00
03/16	03/09/2016	148241	130011	UNITED STATES POSTAL SERVICE	604-20200	629.54
03/16	03/09/2016	148242	138	VIRGINIA AREA WOMEN OF TODAY	101-20200	400.00
03/16	03/09/2016	148243	60038	WRIGHT EXPRESS FINAN SERV CORP	101-20200	4,274.13
03/16	03/09/2016	148244	130044	MINNESOTA DEPT OF HEALTH	601-20200	1,481.00
03/16	03/09/2016	148245	140026	MINNESOTA ENERGY RESOURCES	602-20200	3,397.11
03/16	03/09/2016	148246	130180	MINNESOTA TELECOMMUNICATIONS	101-20200	510.30
03/16	03/09/2016	148247	130080	MN BOOKSTORE OR STATE OF MN	101-20200	330.00



Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
03/16	03/09/2016	148248	140052	NORTHEAST SERVICE COOPERATIVE	101-20200	67,672.00
03/16	03/09/2016	148249	140042	NORTHERN DOOR & HARDWARE INC	101-20200	695.00
03/16	03/09/2016	148250	140004	NORTHERN ENGINE & SUPPLY INC	101-20200	48.62
03/16	03/09/2016	148251	140055	NORTHERN VISUAL SERVICES LLP	101-20200	40.00
03/16	03/09/2016	148252	140016	NORTHLAND SECURITIES	102-20200	2,800.00
03/16	03/09/2016	148253	140065	NYMAN, KEITH	101-20200	40.00
03/16	03/09/2016	148254	170001	CENTURY LINK	101-20200	486.66
03/16	03/09/2016	148255	150004	OCCUPATIONAL DEVELOPMENT CTR	101-20200	150.00
03/16	03/09/2016	148256	160066	PACE ANALYTICAL SERVICES	602-20200	241.20
03/16	03/09/2016	148257	160003	PERPICH TV & MUSIC INC	101-20200	2.99
03/16	03/09/2016	148258	170007	QUILL CORPORATION	101-20200	416.75
03/16	03/09/2016	148259	180004	RANGE COOPERATIVES	101-20200	157.83
03/16	03/09/2016	148261	190045	SERVICE SOLUTIONS	101-20200	23.00
03/16	03/09/2016	148262	190004	SKUBIC BROS INC	101-20200	345.03
03/16	03/09/2016	148263	190012	SUMMIT COMPANIES	101-20200	1,308.30
03/16	03/09/2016	148264	1900012	SUPERIOR CAPITAL HOLDINGS, INC	101-20200	619.57
03/16	03/09/2016	148265	200020	THE TRENTI LAW FIRM	101-20200	3,285.02
03/16	03/09/2016	148266	200058	TILLMAN, STEPHANIE	101-20200	70.00
03/16	03/09/2016	148267	200010	TUCK N ROLL UPHOLSTERY	604-20200	380.00
03/16	03/09/2016	148268	210001	UNITED ELECTRIC COMPANY	101-20200	5,551.79
03/16	03/09/2016	148269	220025	VERIZON WIRELESS	101-20200	18.56
03/16	03/09/2016	148270	220014	VIKING INDUSTRIAL NORTH	101-20200	429.22
03/16	03/09/2016	148271	220020	VISA OR AMERICAN BANK CC PMT	101-20200	968.06
03/16	03/09/2016	148272	230030	WATER CANNON INC	101-20200	200.15
03/16	03/09/2016	148273	240001	XEROX CORPORATION	604-20200	570.03
03/16	03/09/2016	148274	260002	Z/TECH	101-20200	104.97
03/16	03/09/2016	148275	260003	ZEE SERVICE COMPANY	101-20200	203.15
03/16	03/09/2016	148276	260008	ZUPANCICH, DANNY J.	101-20200	50.00

Totals:

319,671.14

Payroll-PP Ending 02/26 & Transfers  
 TOTAL EXPENDITURES

137,490.39  
\$457,161.53



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com  
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

## RESOLUTION NUMBER 17-16

### SUPPORTING THE DISTRICT 712 REFERENDUM QUESTIONS ON MAY 3, 2016

**WHEREAS**, Independent School District 712 will be holding a referenda vote on May 3, 2016 in which it will be asking voters to approve a bond referendum for a new high school; and

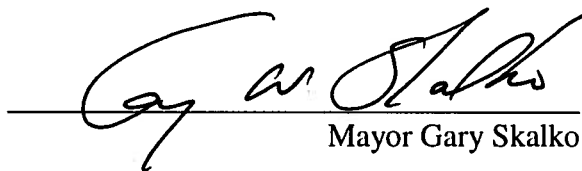
**WHEREAS**, maintaining a school district of requires rigorous curriculum, exceptional teachers dedicated to student achievement, and adequate facilities that support learners; and

**WHEREAS**, a strong school district benefits not just students and families, but business and homeowners as well.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the City of Mountain Iron whole heartedly supports ISD 712 in their efforts to pass a bond referendum for a new high school and encourages our residents to vote YES on May 3rd, 2016.

**DULY ADOPTED BY THE CITY COUNCIL THIS 7<sup>th</sup> DAY OF MARCH, 2016.**

ATTEST:

  
\_\_\_\_\_  
City Administrator  
\_\_\_\_\_  
Mayor Gary Skalko

**COUNCIL LETTER 030716-IVG1**

**PUBLIC HEALTH AND SAFETY**

**COMPETENCY TEST**

**DATE:** March 03, 2016

**FROM:** Public Health and Safety Board

Personnel Committee

Fire Department

Craig J. Wainio  
City Administrator

---

As part of their hiring procedure, the Fire Department would like to implement a basic competency test. Enclosed are the two tests the Fire Department would like to implement. The Public Health and Safety Board and the Personnel Committee have reviewed and approved the tests and recommend that the City Council adopt as presented.

**DUE TO THE LENGTH  
OF  
THE FOLLOWING:**

- 1. Fire Department Competency Test**

**IT WILL NOT BE  
COPIED AGAIN  
FOR THE APPROVAL OF THE MINUTES.**

**COPIES ARE AVAILABLE UPON  
REQUEST OR ARE IN THE  
March 7, 2016, CITY COUNCIL PACKET.**

**COUNCIL LETTER 030716-IVH1**  
**STREET AND ALLEY COMMITTEE**  
**COUNTY 109/STATE 169**

**DATE:** March 03, 2016  
**FROM:** Street and Alley Committee  
Craig J. Wainio  
City Administrator

---

The Street and Alley Committee is recommending that the City contact the Minnesota Department of Transportation concerning the Highway 169/County Road 109 intersection. Specifically to inquire of signalization of this intersection could be included in their 2017 project to upgrade the corridor.

**COUNCIL LETTER 030716-IVH2**  
**STREET AND ALLEY COMMITTEE**  
**IMPROVEMENT GUIDE**

**DATE:** March 03, 2016  
**FROM:** Street and Alley Committee  
Craig J. Wainio  
City Administrator

---

The Street and Alley Committee is recommending that the City adopt the following amendment to the City of Mountain Iron's Improvement Guide:

Any residential property within the City that has two or more streets adjacent of adjoining that property and the streets are improved within a ten year period, the total assessment for the owner of the property for all the projects shall not exceed \$5000.



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com  
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

## RESOLUTION NUMBER 05-16

### AUTHORIZING THE AQUISITION OF CERTAIN PROPERTY

**WHEREAS**, the City Council has heretofore determined that it is beneficial to the City of Mountain Iron to acquire certain tax forfeit property from St. Louis County for the purpose of affordable housing.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the City of Mountain Iron requests that Saint Louis County begin the process to allow the City to purchase the following described real estate:

Lot 13 Block 3 of Merritts First Addition to Mountain Iron  
175-0020-00400  
5700 Mineral Avenue, Mountain Iron

South 1/2 of Lot 1 Block 15 of the Town of Grant to Mountain Iron  
175-0010-01560  
5760 Mesabi Avenue, Mountain Iron

North 1/2 of Lot 1 Block 15 of the Town of Grant to Mountain Iron  
175-0010-01550  
5762 Mesabi Avenue, Mountain Iron

**DULY ADOPTED BY THE CITY COUNCIL THIS 7<sup>th</sup> DAY OF MARCH, 2016**

ATTEST:

  
\_\_\_\_\_  
City Administrator

  
\_\_\_\_\_  
Mayor Gary Skalko



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com  
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

## RESOLUTION NUMBER 13-16

### AUTHORIZING THE TRANSFER OF CERTAIN PROPERTIES

**WHEREAS**, the City of Mountain Iron purchased a certain property from the State of Minnesota as recorded in Document Number 01132630 recorded on April 14, 2010.

**WHEREAS**, the parcel has a parcel identification number of 175-0071-01168.

**WHEREAS**, the City Council has heretofore determined that it is beneficial to the City of Mountain Iron to convey this property to the Mountain Iron Housing Redevelopment Authority.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the Mayor and City Administrator execute the deeds to convey to the Mountain Iron Housing and Redevelopment Authority, real properties in St. Louis County, Minnesota, described as follows:

That part of the Southeast Quarter of the Southeast Quarter of Section 12, Township 58 North, Range 18 West, St. Louis County, Minnesota, described as follows: Beginning at a point on the south line of said Section 12, distant 528.82 feet west of the southeast corner thereof; thence west along said south section line for 154.02 feet to the easterly right of way line of the Duluth, Winnipeg and Pacific Railway Company; thence northerly along said easterly right of way line for 320.50 feet; thence southeasterly for 362.44 feet to the point of beginning; the title thereto being registered; containing 0.57 acre, more or less.

**DULY ADOPTED BY THE CITY COUNCIL THIS 7<sup>th</sup> DAY OF MARCH, 2016.**

ATTEST:

  
City Administrator

  
Mayor Gary Skalko





# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com  
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

## RESOLUTION NUMBER 14-16

### AUTHORIZING THE AQUISITION OF CERTAIN PROPERTY

**WHEREAS**, the City Council has heretofore determined that it is beneficial to the City of Mountain Iron to acquire certain tax forfeit property from St. Louis County for a public purpose, and

**WHEREAS**, the City of Mountain Iron has a sewer main running through the parcel being requested.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the City of Mountain Iron requests that Saint Louis County begin the process to allow the City to acquire the following described real estate:

Lot 8 Block 7 of the Merritts First Addition to Mountain Iron  
175-0020-00840  
Quartz Street, Mountain Iron

**DULY ADOPTED BY THE CITY COUNCIL THIS 7<sup>th</sup> DAY OF MARCH, 2016**

ATTEST:

  
\_\_\_\_\_  
City Administrator

  
\_\_\_\_\_  
Mayor Gary Skalko



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com  
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

## RESOLUTION NUMBER 15-16

### APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS

**WHEREAS**, pursuant to Resolution Number 11-16 passed by the City Council on February 16, 2016, the City Engineer has prepared plans and specifications for Improvement Number 15-09, the improvement of Garden Drive between Arbor Lane and Fairview Lane by overlay and has presented such plans and specifications to the council for approval;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA:**

1. Such plans and specifications, a copy of which is attached hereto and made a part hereof, are hereby approved.
2. The City Administrator shall prepare and cause to be inserted in the official paper an advertisement for bids upon the making of such improvement under such approved plans and specifications. The advertisement shall be published for 21 days, shall specify the work to be done, shall state that bids will be received by the clerk until 10:00 a.m. on April 6, 2016, at which time they will be publicly opened in the Mountain Iron Room of the Community Center by the City Administrator and engineer, will then be tabulated, and will be considered by the City Council at 6:30 p.m. on April 18, 2016, in the Mountain Iron Room of the Community Center. Any bidder whose responsibility is questioned during consideration of the bid will be given an opportunity to address the council on the issue of responsibility. No bids will be considered unless sealed and filed with the clerk and accompanied by a cash deposit, cashier's check, bid bond or certified check payable to the City Administrator for ten percent of the amount of such bid.

**DULY ADOPTED BY THE CITY COUNCIL THIS 7<sup>th</sup> DAY OF MARCH, 2016.**

ATTEST:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Mayor Gary Skalko



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com  
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

## RESOLUTION NUMBER 16-16

### APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS

**WHEREAS**, pursuant to the City Council, the City Engineer has prepared plans and specifications for Improvement Number 14-10, the construction of a Bicycle and Pedestrian Recreational Trail between Quartz Street the entrance to South Grove and has presented such plans and specifications to the council for approval;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA:**

1. Such plans and specifications, a copy of which is attached hereto and made a part hereof, are hereby approved.
2. The City Administrator shall prepare and cause to be inserted in the official paper an advertisement for bids upon the making of such improvement under such approved plans and specifications. The advertisement shall be published for 21 days, shall specify the work to be done, shall state that bids will be received by the clerk until 10:00 a.m. on April 13, 2016, at which time they will be publicly opened in the Mountain Iron Room of the Community Center by the City Administrator and engineer, will then be tabulated, and will be considered by the City Council at 6:30 p.m. on April 18, 2016, in the Mountain Iron Room of the Community Center. Any bidder whose responsibility is questioned during consideration of the bid will be given an opportunity to address the council on the issue of responsibility. No bids will be considered unless sealed and filed with the clerk and accompanied by a cash deposit, cashier's check, bid bond or certified check payable to the City Administrator for ten percent of the amount of such bid.

**DULY ADOPTED BY THE CITY COUNCIL THIS 7<sup>th</sup> DAY OF MARCH, 2016.**

ATTEST:

  
\_\_\_\_\_  
City Administrator

  
\_\_\_\_\_  
Mayor Gary Skalko

CITY OF MOUNTAIN IRON  
COUNTY OF SAINT LOUIS  
STATE OF MINNESOTA

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Mountain Iron, Saint Louis County, Minnesota, will hold a public hearing on Monday, March 21, 2016, at 6:30 p.m., at the city hall, in the City of Mountain Iron, Minnesota, relating to the proposed adoption of an amendment to the Development Program relating to Development District No. 1, the proposed establishment of Tax Increment Financing District No. 15 within the Development District No. 1, and the proposed adoption of a Tax Increment Financing Plan for Tax Increment Financing District No. 15, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 through 469.133, as amended, and Sections 469.174 through 469.1794, as amended, and to adopt a business subsidy agreement, pursuant to Sections 116J.993 to 116J.995, all inclusive, as amended. The recipient of the proposed business subsidy is Mountain Iron Development Group, LLC, and the purpose of the business subsidy is to facilitate the construction of a new commercial-retail building within the City. Copies of the modification to the Development Program and the proposed Tax Increment Financing Plan and a summary of the agreement are on file and available for public inspection at the office of the City Administrator at City Hall.

A person with residence in or the owner of taxable property in the granting jurisdiction may file a written complaint with the City if the City fails to comply with Sections 116J.993 to 116J.995, and no action may be filed against the City for the failure to comply unless a written complaint is filed.

The property included in the Development District No. 1 is described in the Development Program on file in the office of the City Administrator. The property proposed to be included in Tax Increment Financing District No. 15 is described in the Tax Increment Financing Plan on file in the office of the City Administrator.

Maps of the Development District No. 1 and Tax Increment Financing Districts No. 15 are set forth in the adjacent map.

All interested persons may appear at the hearing and present their views orally or in writing prior to the hearing.

**COUNCIL LETTER 032116-IVG1**

**LIBRARY BOARD**

**SURPLUS EQUIPMENT**

**DATE:** March 17, 2016

**FROM:** Library Board

Sally Yuccas  
Library Director

Craig J. Wainio  
City Administrator

---

Library board would like permission to have three items removed from basement room and disposed through DoBid.com. The items selected for disposal are a trophy case, a small wooden shelf and a record player stand.



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com  
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

## RESOLUTION NUMBER 18-16

### **MODIFYING THE DEVELOPMENT PROGRAM RELATING TO DEVELOPMENT DISTRICT NO. 1, THE PROPOSED ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 15 WITHIN THE DEVELOPMENT DISTRICT NO. 1 AND THE PROPOSED ADOPTION OF A TAX INCREMENT FINANCING PLAN RELATING THERETO**

**WHEREAS**, It has been proposed that the City of Mountain Iron, Minnesota (the "City") modify the Development Program for Municipal Development District No. 1 ("the Development District"), establish Tax Increment Financing (Economic Development) District No. 1-15 (the "TIF District") therein and approve and accept the proposed Tax Increment Financing Plan (the "TIF Plan") therefor, pursuant to Minnesota Statutes, Sections 469.124 through 469.134 and Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive, as amended (the "Act"); and

**WHEREAS**, The City Council has investigated the facts and has caused to be prepared a proposed modification to the Development Program for the Development District, and has caused to be prepared a proposed TIF Plan for the TIF District; and

**WHEREAS**, The City has performed all actions required by law to be performed prior to the establishment of the TIF District and the TIF Plan therefor, and the adoption of the modified Development Program for the Development District, including, but not limited to, notification of St. Louis County and Mountain Iron and Buhl Independent School District (ISD #712) having taxing jurisdiction over the property to be included in the TIF District and the holding of a public hearing upon published and mailed notice as required by law.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, as follows:

1. Municipal Development District No. 1. The modified Development Program for the Development District contained in Article II of the TIF Plan for the TIF District is hereby ratified and affirmed.
2. Tax Increment Financing (Economic Development) District No. 1-15. The TIF District is hereby established in the City within the Development District, the initial boundaries of which are fixed and determined as described in the TIF Plan for the TIF District.
3. Tax Increment Financing Plan. The TIF Plan is adopted as the tax increment financing plan for the TIF District and the findings made within are hereby incorporated by reference. The City Council makes the following findings:

- (a) The TIF District is an economic development district as defined in Minnesota Statutes, Section 469.174, Subd. 12 and Minnesota Statutes, Section 469.176, Subd. 4c.
- (b) Development in the TIF District will result in preservation and enhancement of the tax base of the state.
- (c) The proposed development, in the opinion of the City Council, would not occur solely through private investment. The reasons supporting this finding are that:
  - (i) The need for the use of tax increment financing has been determined in negotiations with the developer of the project. The developer has attested to inability to undertake the project without the assistance provided by the City. The extraordinary cost of the land acquisition costs, site improvements and preparation costs have proven to be prohibitive. Tax increments are needed to assist with these development costs for the property.

The proposed project will allow a business to attract new development and retain neighboring businesses and new development in the area in and around the commercial-retail area of the City. The proposed development consists of the construction of an approximately 11,500 square feet commercial-retail facility. Tax increments may be used to provide assistance for up to 15,000 square feet of any separately owned commercial facility located within a "small city" pursuant to Minnesota Statutes Section 469.176, Subd. 4c. Tax increments from the TIF District will be used to provide financial assistance to the proposed development for which it would qualify for inclusion within an economic development district pursuant to the "small cities" exception. The planned development will result in an increase in tax base for the City and new commercial-retail jobs. Retaining this business and related jobs is important to the economic future of the community.

- (ii) Private investment will not finance these development activities because of the prohibitive costs of the underlying infrastructure and site improvements. It is necessary to finance a portion of these costs through the use of tax increment financing.
- (iii) A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above. Such analysis is found in Exhibit I of the TIF Plan, and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the TIF District and the use of tax increments.
- (iv) In the opinion of the City Council, the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF

Plan. The reasons supporting this finding can be found in Exhibit I of the TIF Plan.

- (d) The TIF Plan for the TIF District conforms to the general plan for development of the City as a whole. The reasons for supporting this finding are that:
  - (i) The TIF District is properly zoned; and
  - (ii) The TIF Plan will generally complement and serve to implement policies adopted in the City's comprehensive plan.
- (e) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Development District by private enterprise.

The reasons supporting this finding are that the development activities are necessary so that development and redevelopment by private enterprise can occur within the Development District.

- 4. **Public Purpose.** The adoption of the modifications to the Development Program for the Development District, and the adoption of the TIF Plan for the TIF District therein conform in all respects to the requirements of the Act and will help fulfill a need to provide employment opportunities, to improve the tax base and to improve the general economy of the State and thereby serve a public purpose.
- 5. **Certification and Filing.** The City Clerk is authorized and directed to transmit a certified copy of this resolution together with a certified copy of the TIF Plan to the Auditor of St. Louis County with a request that the original tax capacity of the property within the TIF District be certified to the City pursuant to Section 469.177, Subd. 1 of the Act, and to file a copy of the Development Program and the TIF Plan with the Minnesota Commissioner of Revenue and State Auditor as required by the Act.
- 6. **Administration.** The administration of the Development District and the TIF District is assigned to the City Administrator who shall from time to time be granted such powers and duties pursuant to the Act as the City Council may deem appropriate.

**DULY ADOPTED BY THE CITY COUNCIL THIS 21<sup>st</sup> DAY OF MARCH, 2016.**

\_\_\_\_\_  
Mayor Gary Skalko

ATTEST:

\_\_\_\_\_  
City Administrator



**DRAFT**

**CITY OF MOUNTAIN IRON (MINNESOTA)**

**MODIFIED DEVELOPMENT PROGRAM FOR**

**DEVELOPMENT DISTRICT NO. 1**

**AND**

**TAX INCREMENT FINANCING PLAN FOR**

**TAX INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT**

**NO. 1-15**

**ADOPTED (RESOLUTION NO. \_\_\_\_\_)**

**DRAFT PLAN AS OF: MARCH 10, 2016**

**PUBLIC HEARING DATE: MARCH 21, 2016**

**ORIGINAL TIF PLAN APPROVED: \_\_\_\_\_**

**REQUEST FOR CERTIFICATION: \_\_\_\_\_**

**DISTRICT CERTIFIED: \_\_\_\_\_**



Northland Securities, Inc.  
45 South 7th Street, Suite 2000  
Minneapolis, MN 55402  
(800) 851-2920  
Member NASD and SIPC

## TABLE OF CONTENTS

<b>ARTICLE I – INTRODUCTION AND DEFINITIONS .....</b>	<b>1</b>
Section 1.01 Introduction .....	1
Section 1.02 Definitions .....	1
Section 1.03 Exhibits .....	2
Section 1.04 Plan Preparation .....	2
<b>ARTICLE II - DEVELOPMENT PROGRAM .....</b>	<b>3</b>
Section 2.01 Overview .....	3
Section 2.02 Statement of Objectives .....	3
Section 2.03 Boundaries of Development District .....	4
Section 2.04 Development Activities .....	4
Section 2.05 Payment of Project Costs.....	4
Section 2.06 Environmental Controls; Land Use Regulations .....	4
Section 2.07 Park and Open Space to be Created .....	5
Section 2.08 Proposed Reuse of Property .....	5
Section 2.09 Administration and Maintenance of Development District .....	5
Section 2.10 Amendments.....	5
<b>ARTICLE III - TAX INCREMENT FINANCING DISTRICT AND PLAN.....</b>	<b>6</b>
Section 3.01 Statutory Authority .....	6
Section 3.02 Planned Development .....	6
3.02.1 Statement of Objectives .....	6
3.02.2 Development Program .....	6
3.02.3 Project Description .....	6
3.02.4 City Plans and Development Program.....	6
3.02.5 Land Acquisition .....	6
3.02.6 Development Activities .....	6
3.02.7 Need for Tax Increment Financing .....	6
Section 3.03 Tax Increment Financing District .....	7
3.03.1 Designation .....	7
3.03.2 Boundaries of TIF District .....	7
3.03.3 Type of District .....	7
Section 3.04 Plan for Use of Tax Increment .....	8
3.04.1 Estimated Tax Increment.....	8
3.04.2 Development Costs .....	8
3.04.3 Estimated Sources and Uses of Funds.....	9
3.04.4 Administrative Expense .....	10
3.04.5 County Road Costs.....	10
3.04.6 Bonded Indebtedness.....	10
3.04.7 Duration of TIF District .....	10
3.04.8 Estimated Impact on Other Taxing Jurisdictions.....	10
3.04.9 Prior Planned Improvements .....	11
<b>ARTICLE IV – ADMINISTERING THE TIF DISTRICT .....</b>	<b>11</b>
Section 4.01 Filing and Certification.....	11
Section 4.02 Modifications of the Tax Increment Financing Plan.....	11

Section 4.03	4-Year Knockdown Rule.....	12
Section 4.04	Pooling/5-Year Rule.....	12
Section 4.05	Financial Reporting and Disclosure Requirements.....	12
Section 4.06	Business Subsidy Compliance.....	13
<b>EXHIBITS.....</b>		<b>14</b>
Exhibit I – Present Value Analysis.....		14
Exhibit II – Projected Tax Increment.....		15
Exhibit III – Impact on Other Taxing Jurisdictions.....		16
Exhibit IV – Estimated Tax Increment Over Life of District.....		17
Exhibit V - Boundaries of Development District and TIF District .....		18

**ARTICLE I – INTRODUCTION AND DEFINITIONS**

**SECTION 1.01 INTRODUCTION**

The City of Mountain Iron proposes to provide tax increment financing assistance to facilitate public improvements and private development projects within the Development District No. 1.

This document contains the modified Development Program for achieving the objectives of a modified Development District No. 1 through the establishment of a Tax Increment Financing Plan and use of Tax Increment Financing (Economic Development) District No. 1-15.

Development District No. 1 and the Development Program related thereto was originally established by the City of Mountain Iron on October 5, 1983. There have been subsequent modifications to the Development Program, as the City has acted to establish tax increment financing districts within the boundaries of Development District No. 1. The City of Mountain Iron seeks to further modify the Development Program to include Tax Increment Financing District No. 1.

**SECTION 1.02 DEFINITIONS**

The terms defined below, for purposes hereof, and for purposes of any Tax Increment Financing Districts and Plans which may be now or hereafter established and approved within the Development District No. 1, shall have the following respective meanings, unless the context specifically requires otherwise. As in Minnesota Statutes, Section 469.058, the term “development” includes redevelopment, and the term “developing” includes redeveloping.

1. “City” means the City of Mountain Iron, Minnesota.
2. “City Council” means the City Council of the City.
3. “County” means St. Louis County, Minnesota.
4. “Developer” means a private party undertaking construction in the TIF District.
5. “Development District” means Development District No. 1 in the City, created and established pursuant to and in accordance with the Development District Act.
6. “Development District Act” means Minnesota Statutes, Sections 469.124 through 469.133, as amended and supplemented from time to time.
7. “Development Program” means the Development Program for the Development District, as amended and supplemented from time to time.
8. “Enabling Act” means Minnesota Statutes, Sections 469.124 through 469.133, as amended.
9. “Project Area” means the geographic area of the Development District.
10. “Project Costs” means the repayment of debt service on any Tax Increment Bonds, the costs set forth in the TIF Plan for the TIF District, and any other costs eligible to be financed by Tax Increment under Minnesota Statutes, Section 469.176, Subdivision 4.
11. “School District” means Mountain Iron and Buhl Independent School District # 712
12. “State” means the State of Minnesota.
13. “Tax Increment Bonds” means any tax increment bonds issued by the City to finance the Project Costs of the Development District as stated in the Development Program and in the TIF Plan, and any obligations issued to refund such bonds. A Tax Increment Note issued to a Developer shall be defined as a Tax Increment Bond consistent with the TIF Act.
14. “TIF Act” means Minnesota Statutes, Sections 469.174 through 469.1794 as amended, both

inclusive.

15. "TIF District" means Tax Increment Financing (Economic Development) District No. 1-15.

16. "TIF Plan" means the tax increment financing plan for the TIF District (this document).

**SECTION 1.03 EXHIBITS**

The following exhibits are attached to and by reference made a part of this Development Program and Tax Increment Financing Plan:

Exhibit I: Present Value Analysis.

Exhibit II: Projected Tax Increment.

Exhibit III: Impact on Other Taxing Jurisdictions.

Exhibit IV: Estimated Tax Increment Over Life of District.

Exhibit V: Map of Development District and TIF District

**SECTION 1.04 PLAN PREPARATION**

This document was prepared for the City by Northland Securities, Inc.

## **ARTICLE II - DEVELOPMENT PROGRAM**

### **SECTION 2.01 OVERVIEW**

The City established and has modified Development District No. 1 and the related Development Program as a tool to achieve the objectives described in Section 2.02. The Development District serves as the “project area” for tax increment financing districts established within its boundaries. The Development Program describes the City’s objectives for the development of this area and the use of tax increment financing.

### **SECTION 2.02 STATEMENT OF OBJECTIVES**

The establishment and modification of the Development District in the City pursuant to the Development District Act is necessary and in the best interests of the City and its residents and is necessary to give the City the ability to meet certain public purpose objectives that would not be obtainable in the foreseeable future without intervention by the City in the normal development process.

The City intends, to the extent permitted by law, to accomplish the following objectives through the implementation of the Development Program:

1. Provide for the acquisition of land and construction and financing of the private development in the Development District which are necessary for the orderly and beneficial development of the Development District and adjacent areas of the City.
2. Encourage the redevelopment of blighted and under-utilized areas of the City.
3. Facilitate the removal of deteriorated structures and encourage redevelopment in commercial areas providing high levels of property maintenance and private investment.
4. Provide parking needed to support development and encourage use of shared parking to promote additional private development.
5. Build, maintain improve, and reconstruct public improvements and utilities needed to support development.
6. Promote and secure the prompt and unified development of certain property in the Development District, which property is not now in productive use or in its highest and best use, with a minimum adverse impact on the environment, and thereby promote and secure the desirable development of other land in the City.
7. Promote and secure additional employment opportunities within the Development District and the City for residents of the City and the surrounding area, thereby improving living standards and reducing unemployment and the loss of skilled and unskilled labor and other human resources in the City.
8. Secure the increase in values of property subject to taxation by the City, the School District, the County, and other taxing jurisdictions in order to better enable such entities to pay for governmental services and programs that they are required to provide.
9. Promote the concentration of new unified development consisting of desirable industrial and other appropriate development in the Development District so as to maintain the area in a manner compatible with its accessibility and prominence in the City.
10. Encourage the expansion and improvement of local business, economic activity and development, whenever possible.
11. Create a desirable and unique character within the Development District through quality land use alternatives and design quality in new buildings.

**SECTION 2.03 BOUNDARIES OF DEVELOPMENT DISTRICT**

The boundaries of the Development District are depicted in Exhibit V. The boundaries of the Development District are coterminous with the boundaries of the City.

**SECTION 2.04 DEVELOPMENT ACTIVITIES**

The City will perform or cause to be performed, to the extent permitted by law, all project activities pursuant to the Development District Act, the Tax Increment Financing Act and other applicable state laws, and in doing so anticipates that the following may, but are not required, to be undertaken by the City:

1. The making of studies, planning, and other formal and informal activities relating to the Development Program.
2. The implementation and administration of the Development Program.
3. The rezoning of land within the Development District.
4. The acquisition of property, or interests in property, by purchase or condemnation, which acquisition is consistent with the objectives of the Development Program.
5. The preparation of property for use and development in accordance with applicable Land Use Regulations and the Development Agreement, including demolition of structures, clearance of sites, placement of fill and grading.
6. The resale of property to private parties.
7. The construction or reconstruction of site improvements to property within a tax increment financing district.
8. The construction, improvement and maintenance of parking facilities.
9. The construction, improvement and maintenance of streets, sidewalks, alleys, and public utilities.
10. The issuance of Tax Increment Bonds to finance the Project Costs of the Development Program, and the use of Tax Increments or other funds available to the City to pay or finance the Project Costs of a tax increment financing plan incurred or to be incurred by it pursuant to the Development Program.
11. The use of Tax Increments to pay debt service on the Tax Increment Bonds or otherwise pay or reimburse with interest the Project Costs of a tax increment financing plan.

**SECTION 2.05 PAYMENT OF PROJECT COSTS**

Project Costs and the plan for their payment will be described in the tax increment financing plans. It is anticipated that the Project Costs of the Development Program will be paid primarily from Tax Increments. The City reserves the right to utilize other available sources of revenue, including but not limited to special assessments, user charges and financial assistance from other units of government, which the City may apply to pay a portion of the Project Costs.

**SECTION 2.06 ENVIRONMENTAL CONTROLS; LAND USE REGULATIONS**

All municipal actions, public improvements and private development shall be carried out in a manner consistent with existing environmental controls and all applicable Land Use Regulations.

**SECTION 2.07 PARK AND OPEN SPACE TO BE CREATED**

Park and open space within the Development District if created will be created in accordance with the City's Comprehensive Plan and zoning and subdivision ordinances.

**SECTION 2.08 PROPOSED REUSE OF PROPERTY**

The Development Program provides that the City may acquire property and reconvey the same to another entity. All parcels in the Development District are eligible for acquisition. In acquiring land, the City Council will require the execution of a binding development agreement with respect thereto and evidence that Tax Increments or other funds will be available to repay the Project Costs associated with the proposed acquisition. It is the intent of the City to negotiate the acquisition of property whenever possible. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any Development Agreement to which the City is a party.

**SECTION 2.09 ADMINISTRATION AND MAINTENANCE OF DEVELOPMENT DISTRICT**

Maintenance and operation of the Development District will be the responsibility of the City Administrator or designee of the City who shall serve as administrator of the Development District for the City. Each year the Administrator will submit to the City the maintenance and operation budget for the following year.

The Administrator will administer the Development District pursuant to the provisions of Section 469.131 of the Development District Act; provided, however, that such powers may only be exercised at the direction of the City Council. No action taken by the Administrator pursuant to the above-mentioned powers shall be effective without authorization by the City Council.

**SECTION 2.10 AMENDMENTS**

The City reserves the right to alter and amend the Development Program, subject to the provisions of state law regulating such action. The City specifically reserves the right to enlarge or reduce the size of the Development District, the Development Program and the Project Costs of the Development.



## ARTICLE III - TAX INCREMENT FINANCING DISTRICT AND PLAN

### SECTION 3.01 STATUTORY AUTHORITY

Tax Increment Financing (Economic Development) District No. 1-15 and this TIF Plan are established under the authority of the TIF Act (Minnesota Statutes 2015).

### SECTION 3.02 PLANNED DEVELOPMENT

#### 3.02.1 *Statement of Objectives*

The objectives which the City seeks to achieve through the implementation of this Tax Increment District (the "District") are set out in the Development Program.

#### 3.02.2 *Development Program*

The development program which the City seeks to further through the implementation of this District and its Tax Increment Plan is the Development Program.

#### 3.02.3 *Project Description*

The City is pursuing the establishment of the TIF District to assist the City in financing a new economic development project that will involve the construction of an approximately 11,500 square feet commercial-retail facility within the City. The building square footage within the TIF District will not exceed 15,000 square feet. The City plans to use captured tax increment to reimburse the Developer for Project Costs. It is anticipated that the project will result in the creation of \_\_ new jobs at a rate of \_\_\_\_.

#### 3.02.4 *City Plans and Development Program*

In addition to achieving the objectives of the Development Program, the proposed development is consistent with and works to achieve the development objectives of the City. The TIF Plan for the TIF District conforms to the general plan for development of the City as a whole.

#### 3.02.5 *Land Acquisition*

The City does not plan to acquire property within the TIF District.

#### 3.02.6 *Development Activities*

As of the date of approval of this TIF Plan, there are no development activities proposed in this TIF Plan that are subject to contracts.

#### 3.02.7 *Need for Tax Increment Financing*

In the opinion of the City, the proposed development would not reasonably be expected to occur solely through private investment within the foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan.

The reasons and facts supporting this finding include the following. The City has determined that no other development is expected to occur on the site that would create a greater market value than the proposed expansion by the Developer, after adjusting for the tax increment assistance. Analysis of the site shows that continued and expanded industrial use results in a greater increase in market value than other possible land uses.

Furthermore, given the location of the property and the property's zoning classification,

housing or other commercial uses are not appropriate or likely for the site. The City finds that without the use of tax increment financing, the proposed and preferred economic development project will not occur.

A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above and is shown in Exhibit I. This analysis indicates that the increase in estimated market value of the proposed development (less the present value of the projected tax increments for the maximum duration permitted by the TIF Plan) exceeds the estimated market value of the site prior to the establishment of the TIF District.

### **SECTION 3.03 TAX INCREMENT FINANCING DISTRICT**

#### *3.03.1 Designation*

This TIF District is designated Tax Increment Financing (Economic Development) District No. 1-15.

#### *3.03.2 Boundaries of TIF District*

The boundaries of the TIF District are shown in Exhibit V. The TIF District includes the following parcel: PID No. 175-0047-00080. The TIF District shall also include all adjacent roadways, rights-of-way and other areas wherein will be installed or upgraded the various public improvements necessary for and part of the overall project.

#### *3.03.3 Type of District*

The TIF District is established as an "economic development" district pursuant to Minnesota Statutes Sections 469.174, Subd. 12 and 469.176, Subd. 4c. These sections of the TIF Act allow tax increments from an economic development district to be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if all the following conditions are met:

- (1) it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; or
- (2) it will result in increased employment in the state; or
- (3) it will result in preservation and enhancement of the tax base of the state.

Revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if more than 15 percent of the buildings and facilities (determined on the basis of square footage) are used for a purpose other than:

- (1) the manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;
- (2) warehousing, storage, and distribution of tangible personal property, excluding retail sales;
- (3) research and development related to the activities listed in clause (1) or (2);
- (4) telemarketing if that activity is the exclusive use of the property;
- (5) tourism facilities; or
- (6) space necessary for and related to the activities listed in clauses (1) to (5).

The proposed project, as described, does not meet these provisions, however the project does qualify as an economic development district under the "small city" authority within the provisions of the TIF act. Notwithstanding the provisions above, revenues derived from tax

increments from an economic development district may be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form for up to 15,000 square feet of any separately owned commercial facility located within the municipal jurisdiction of a "small city", if the revenues derived from increments are spent to assist the facility directly or for administrative expenses, the assistance is necessary to develop the facility, and all of the increments, except those for administrative expenses, are spent only for activities within the district.

A city is a small city for purposes of the TIF Act if the city was a small city in the year in which the request for certification was made and applies for the rest of the duration of the district, regardless of whether the city qualifies or ceases to qualify as a small city.

### **SECTION 3.04 PLAN FOR USE OF TAX INCREMENT**

#### *3.04.1 Estimated Tax Increment*

The original tax capacity of value of the TIF District will be set by the County upon request for certification. The original tax capacity value may change over time based on the use and tax classification of each parcel. For the purposes of this Plan, the estimated original tax capacity is \$3,100 based on the most recent published estimated market value of the property of \$154,948.

The total tax capacity value of the property after completion of planned development is estimated to be \$12,650. This amount is based on a total estimated market value of \$632,500 with property classified as commercial-industrial.

The difference between the total tax capacity value and the original tax capacity value is the captured tax capacity value for the creation of tax increment. It is the City's intent to retain 100% of the captured tax capacity value for the life of the TIF district.

The original tax rate for the TIF District, as certified by the county auditor, will be the sum of all the local tax rates excluding that portion of the school rate attributable to the general education levy (under Minnesota Statutes Section 126C.13) that apply to property in the district. Estimates of tax increment included in the TIF Plan are based on a local tax rate of 127.645%, which is the local tax rate for taxes payable in 2015. The original tax rate for the District will not be final until certified by the County Auditor.

Pursuant to Section 469.177, Subd. 2 of the TIF Act, it is found and declared that all of the captured tax capacity generated within the TIF District is necessary to finance or otherwise make permissible expenditures authorized by Section 469.176, Subd. 4 of the TIF Act.

The City elects that tax increment will be calculated as described in clause (a) of 469.177, Subd. 3, which means that the fiscal disparity contributions attributable to the TIF District will be made from property outside the boundaries of the TIF District.

Under these assumptions, the estimated annual tax increment upon completion of development will be \$12,190. The actual tax increment will vary according to the certified original tax capacity value and original tax rate, the actual property value produced by the proposed development and the changes in property value and State tax policy over the life of the district.

Exhibit II contains the projected tax increment over the life of the District.

#### *3.04.2 Development Costs*

The City will use tax increment to reimburse the Developer for Project Costs. Project Costs eligible for reimbursement include land acquisition, site improvements and preparation costs, utilities, and costs related to the establishment of the TIF District. In addition, the City may pay interest expense on any issued Tax Increment Bonds. The City plans to use 90% of the tax increment collected semi-annually to reimburse the Developer for Project Costs.

The City and the Developer will enter into a development agreement that sets the amount to

TAX INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT NO. 1-15

---

be reimbursed and means for verifying costs eligible for reimbursement and the means of disbursing tax increment to the Developer.

The remaining 10% of the annual tax increment collected by the City will be used primarily to pay for eligible administrative expense.

The City does not expect other revenues will be used to finance or pay for Project Costs associated with the development in the TIF District. However, the City reserves the right to use any other legally available revenues to finance or pay for Project Costs.

**3.04.3 Estimated Sources and Uses of Funds**

The estimated sources of revenue, along with the estimated Project Costs of the TIF District, are itemized in Figure 3. These estimates are based on the best available information in the sources and uses of funds. Such costs are eligible for reimbursement from tax increment from the TIF District.

The City reserves the right to administratively adjust the amount of any of the estimated project cost line items listed in Figure 3 to incorporate additional eligible items, so long as the total estimated Project Costs to be paid from the estimated tax increment revenues is not increased, not including interest expense.

**Figure 3.**  
**City of Mountain Iron**  
**Tax Increment Financing District No. 1-15**  
**Projected Tax Increment**  
**Commercial-Retail**

	<b>Total</b>
<b>Estimated Tax Increment Revenues (from tax increment generated by the district)</b>	
Tax increment revenues distributed from the county	\$110,000
Interest and investment earnings	\$5,000
Sales/lease proceeds	\$0
Market value homestead credit	\$0
<b>Total Estimated Tax Increment Revenues</b>	<b>\$115,000</b>
<b>Estimated Project/Financing Costs (to be paid or financed with tax increment)</b>	
Project costs	
Land/building acquisition	\$83,000
Site improvements/preparation costs	\$0
Utilities	\$0
Other qualifying improvements	\$0
Construction of affordable housing	\$0
Small city authorized costs, if not already included above	\$0
Administrative costs	\$11,000
<b>Estimated Tax Increment Project Costs</b>	<b>\$94,000</b>
Estimated financing costs	
Interest expense	\$21,000
<b>Total Estimated Project/Financing Costs to be Paid from Tax Increment</b>	<b>\$115,000</b>
<b>Estimated Financing</b>	
Total amount of bonds to be issued	\$94,000

*3.04.4 Administrative Expense*

The City will retain ten percent (10%) of annual tax increment revenues, less fees paid to the County. The City will use these monies to pay for and reimburse the City for costs of administering the TIF District allowed by the TIF Act. Anticipated administrative expenses of the TIF District include annual audit of the fund for TIF District, preparation of annual reporting, legal publication of annual report, and administration of the development agreement. The City may also reimburse itself for costs associated with the establishment of the TIF District, including the TIF Plan.

*3.04.5 County Road Costs*

The proposed development will not substantially increase the use of county roads and necessitate the need to use tax increments to pay for county road improvements.

*3.04.6 Bonded Indebtedness*

The City intends to use tax increments on a pay-as-you-go basis pursuant to a proposed development agreement with a Developer. The amount of the pay-as-you-go obligation will be set pursuant to terms within the development agreement. The City may issue a tax increment revenue note to a Developer.

The City reserves the authority to loan or advance money from its general fund or any other fund it has legal authority to use to finance Project Costs, such as costs of administering the TIF District. An interfund loan or advance is defined in the TIF Act as a bond or a qualifying obligation. Before money is transferred, advanced, or spent, the loan or advance shall be authorized by resolution of the City. For the loan or advance to be repaid with TIF revenues, an interfund loan agreement must be in place before any loans or advances are made. The terms and conditions for repayment of the loan must be in writing and include, at minimum, (i) the principal amount of the loan or advance, (ii) the interest rate to be charged, and (iii) its maximum term. The maximum rate of interest that can be charged is limited to the annual rate charged by the State Courts or by the Department of Revenue, whichever is greater.

*3.04.7 Duration of TIF District*

The TIF Act allows tax increments to be collected from the TIF District for a period not to exceed eight (8) years from the date of receipt of the first tax increment. The City reserves the right to collect tax increments for this period to undertake additional eligible activities within the TIF District.

Under the current schedule for development, the first tax increment is estimated to be collected in 2018 (construction completed in 2016) creating the authority to collect tax increments through 2026. The City expects to request decertification of the TIF District after reimbursement of all Project Costs but no later than after the final receipt of taxes payable to occur no later than 8 years after the first year of tax increment collection.

*3.04.8 Estimated Impact on Other Taxing Jurisdictions*

Exhibits III and IV show the estimated impact on other taxing jurisdictions if the maximum projected retained captured net tax capacity of the TIF District was hypothetically available to the other taxing jurisdictions. The City believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the proposed development would not have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified and the development therein becomes part of the general tax base.

The City anticipates minimal impact of the proposed development on city-provided services. A slight increase in water and sewer usage is expected. It is anticipated that there may be a slight but manageable increase in police and fire protection duties due to the development.

**3.04.9**     *Prior Planned Improvements*

There have been no building permits issued in the last 18 months in conjunction with any of the properties within the TIF District. The City will include this statement with the request for certification to the County Auditor. If building permits had been issued during this time period, then the County Auditor would increase the original net tax capacity of the TIF District by the net tax capacity of each improvement for which a building permit was issued.

## **ARTICLE IV – ADMINISTERING THE TIF DISTRICT**

### **SECTION 4.01 FILING AND CERTIFICATION**

The filing and certification of the TIF Plan consists of the following steps:

1. Upon adoption of the TIF Plan, the City shall submit a copy of the TIF Plan to the Minnesota Department of Revenue and the Office of the State Auditor.
2. The City shall request that the County Auditor certify the original net tax capacity and net tax capacity rate of the TIF District. To assist the County Auditor in this process, the City shall submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements.
3. The City shall send the County Assessor any assessment agreement establishing the minimum market value of land and improvements in the TIF District, and shall request that the County Assessor review and certify this assessment agreement as reasonable.

### **SECTION 4.02 MODIFICATIONS OF THE TAX INCREMENT FINANCING PLAN**

The City reserves the right to modify the TIF District and the TIF Plan. Under current State Law, the following actions can only be approved only after satisfying all the necessary requirements for approval of the original TIF Plan (including notifications and public hearing):

- Reduction or enlargement in the geographic area of the Development District or the TIF District.
- Increase in the amount of bonded indebtedness to be incurred.
- Increase in the amount of capitalized interest.
- Increase in that portion of the captured net tax capacity to be retained by the City.
- Increase in the total estimated Project Costs.
- Designation of additional property to be acquired by the City.

Other modifications can be made by resolution of the City Council. In addition, the original approval process does not apply if (1) the only modification is elimination of parcels from the TIF District and (2) the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's original net tax capacity, or the City agrees that the TIF District's original net tax capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The City must notify the County Auditor of any modification that reduces or enlarges the geographic area of the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

### **SECTION 4.03 4-YEAR KNOCKDOWN RULE**

The 4-Year Knockdown Rule requires that if after four years from certification of the TIF District no demolition, rehabilitation, renovation or site improvement, including a qualified improvement of an adjacent street, has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District and the original net tax capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The City must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the City or the owner of the parcel subsequently commences any of the above activities, the City shall certify to the County Auditor that such activity has commenced and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the original net tax capacity of the TIF District.

#### **SECTION 4.04 POOLING/5-YEAR RULE**

At least 80% of the tax increments (net of administrative expenses) from this TIF District (the "In-District Percentage") must be expended on activities within the TIF District, including payment on any bonds for which the proceeds were used to finance activities within the TIF District. Up to 20% of the tax increments from this TIF District may be used to finance activities outside the TIF District but within the Development District. ) All administrative expenses are for activities outside of the district, except that if the only expenses for activities outside of the district are for the purposes described in Minnesota Statute, 469.1763, Subd. 2(d).

Tax increments are considered to have been "spent" within the TIF District if such amounts are:

- actually paid to a third party for activities performed within the TIF District within five years after certification of the district;
- used to pay bonds that were issued and sold to a third party, the proceeds of which are reasonably expected on the date of issuance to be spent within the later of the five-year period or a reasonable temporary period or are deposited in a reasonably required reserve or replacement fund.
- used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district; or
- used to reimburse a party for payment of eligible costs (including interest) incurred within five years from certification of the district; or
- in the case of a housing district, used for a housing project, as defined in section 469.174, subdivision 11.

It is anticipated that all tax increments collected in the TIF District will spent or obligated within this time period. Unless the TIF Plan is modified within this five-year period and



**Exhibit I**

**City of Mountain Iron  
Tax Increment Financing District No. 1-15  
Present Value Analysis As Required By  
Minnesota Statutes 469.175(3)(2)  
Commercial-Retail**

1	Estimated Future Market Value w/ Tax Increment Financing	632,500
2	Payable 2015 Market Value	<u>154,984</u>
3	Market Value Increase (1-2)	477,516
4	Present Value of Future Tax Increments	<u>82,658</u>
5	Market Value Increase Less PV of Tax Increments	394,858
6	Estimated Future Market Value w/o Tax Increment Financing	158,111 <sup>1</sup>
7	Payable 2015 Market Value	<u>154,984</u>
8	Market Value Increase (6-7)	<u>3,127</u>
9	Increase in MV From TIF	<u><u>391,731</u></u> <sup>2</sup>

<sup>1</sup> Assume 0.25% annual appreciation over 8 year life of district.

<sup>2</sup> Statutory compliance achieved if increase in market value from TIF (Line 9) is greater than or equal to zero.

TAX INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT NO. 1-15

**Exhibit II**  
**City of Mountain Iron**  
**Tax Increment Financing District No. 1-15**  
**Projected Tax Increment**  
**Commercial-Retail**

TIF District	Value Year	Taxes Payable Year	New Tax Capacity	Base Tax Capacity	Captured Tax Capacity	Assumed Original Tax Rate	100.00% Estimated Tax Increment	10.00% City Admin.	0.36% State Auditor Deduct.	Available Annual Tax Increment	Total PV of Available TIF 4.00%
1	2017	2018	12,650	(3,100)	9,550	127.645%	12,190	(1,219)	(44)	10,927	10,507
2	2018	2019	12,682	(3,100)	9,582	127.645%	12,231	(1,223)	(44)	10,964	20,644
3	2019	2020	12,713	(3,100)	9,614	127.645%	12,271	(1,227)	(44)	11,000	30,422
4	2020	2021	12,745	(3,100)	9,645	127.645%	12,312	(1,231)	(44)	11,036	39,856
5	2021	2022	12,777	(3,100)	9,677	127.645%	12,353	(1,235)	(44)	11,073	48,958
6	2022	2023	12,809	(3,100)	9,709	127.645%	12,393	(1,239)	(45)	11,109	57,737
7	2023	2024	12,841	(3,100)	9,741	127.645%	12,434	(1,243)	(45)	11,146	66,207
8	2024	2025	12,873	(3,100)	9,773	127.645%	12,475	(1,248)	(45)	11,183	74,378
9	2025	2026	12,905	(3,100)	9,806	127.645%	12,516	(1,252)	(45)	11,219	82,261
<b>TOTAL =</b>							<b>111,175</b>	<b>(11,118)</b>	<b>(400)</b>	<b>99,657</b>	

**Key Assumptions**

- 1 Base value annual growth = 0.25%
- 2 Tax rate is based on pay 2015 tax rates.
- 3 Base Market Value = \$154,984
- 4 Estimated taxable market value is based on 11,500 SF at \$55/SF.
- 5 Present value is based on semi-annual payments.
- 6 The TIF Plan provides for the election for fiscal disparities to be paid from outside of the district.

**Exhibit III**  
**City of Mountain Iron**  
**Tax Increment Financing District No. 1-15**  
**Impact on Other Taxing Jurisdictions**  
**(Taxes Payable 2015)**  
**Commercial-Retail**

**ANNUAL TAX INCREMENT**

Estimated Annual Captured Tax Capacity (Full Development)	\$9,806
Payable 2015 Local Tax Rate	<u>127.645%</u>
Estimated Annual Tax Increment	\$12,516

**Percent of Tax Base**

	Net Tax Capacity (NTC)	Captured Tax Capacity	Percent of Total NTC
City of Mountain Iron	1,917,052	9,806	0.51%
St. Louis County	170,015,047	9,806	0.01%
Mt Iron/Buhl School District ISD 712	3,589,443	9,806	0.27%

**Dollar Impact of Affected Taxing Jurisdictions**

	Net Tax Capacity (NTC)	% of Total	Tax Increment Share	Added Local Tax Rate
City of Mountain Iron	58.310%	45.681%	5,718	0.298%
St. Louis County	66.680%	52.239%	6,538	0.004%
Mt Iron/Buhl School District ISD 712	1.701%	1.333%	167	0.005%
Other	0.954%	0.747%	94	
Totals	127.645%	100.000%	12,517	

*NOTE NO. 1: Assuming that ALL of the captured tax capacity would be available to all taxing jurisdictions even if the City does not create the Tax Increment District, the creation of the District will reduce tax capacities and increase the local tax rate as illustrated in the above tables.*

*NOTE NO. 2: Assuming that NONE of the captured tax capacity would be available to the taxing jurisdiction if the City did not create the Tax Increment District, then the plan has virtually no initial effect on the tax capacities of the taxing jurisdictions. However, once the District is established, allowable costs paid from the increments, and the District is terminated, all taxing jurisdictions will experience an increase in their tax base.*

TAX INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT NO. 1-15

**Exhibit IV**

**City of Mountain Iron**

**Tax Increment Financing District No. 1-15**

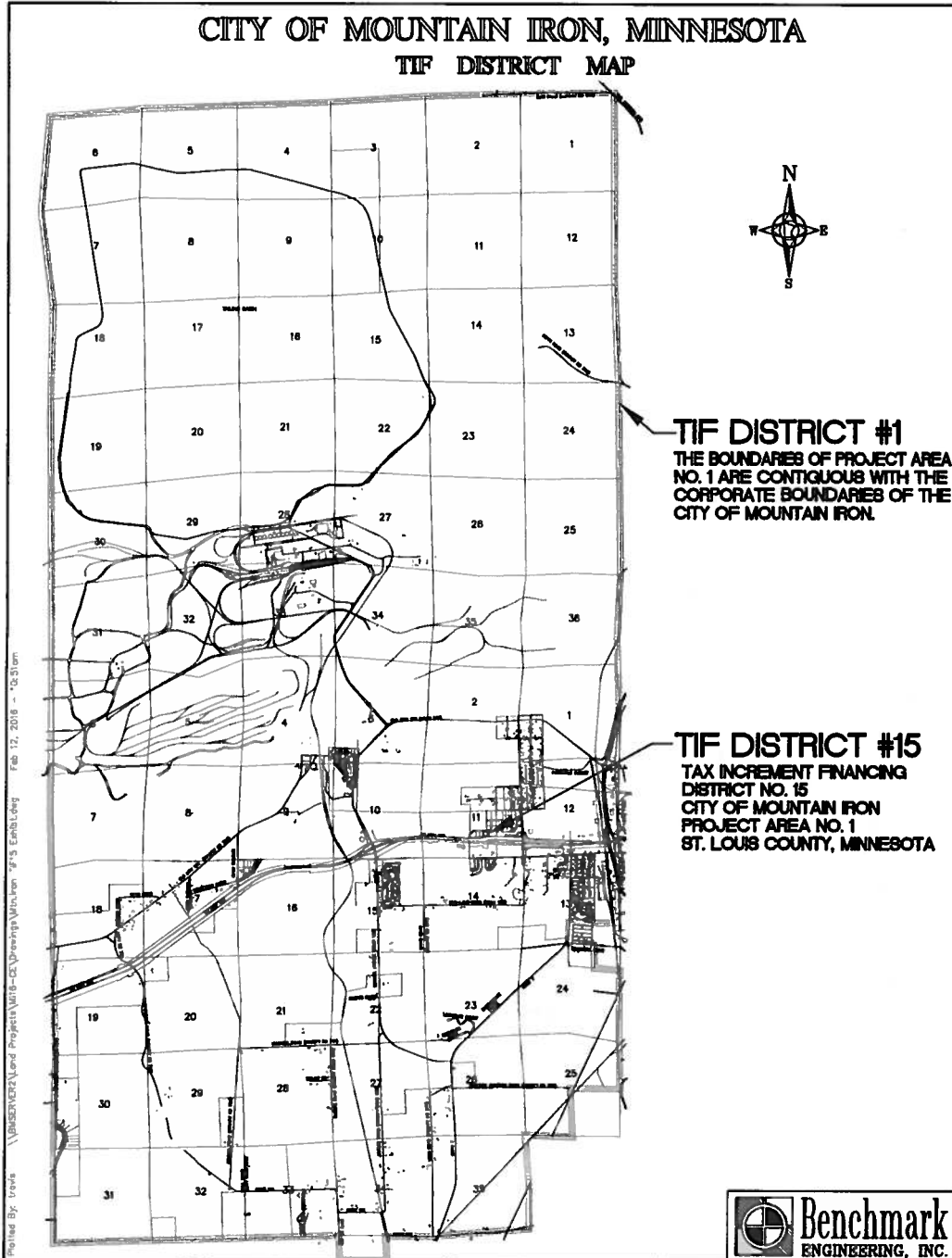
**Estimated Total Taxes Payable Over Maximum Life of District**

**Commercial-Retail**

**Based on Pay 2015 Tax Rate = 127.645% 58.310% 66.680% 1.701% 0.954%**

<b>TIF District Year</b>	<b>Taxes Payable Year</b>	<b>New Tax Capacity</b>	<b>Base Tax Capacity</b>	<b>Captured Tax Capacity</b>	<b>Estimated Total Tax Increment</b>	<b>City TIF Related Share</b>	<b>County TIF Related Share</b>	<b>School TIF Related Share</b>	<b>Other TIF Related Share</b>
1	2018	12,650	(3,100)	9,550	12,190	5,569	6,368	162	91
2	2019	12,682	(3,100)	9,582	12,231	5,587	6,389	163	92
3	2020	12,713	(3,100)	9,614	12,271	5,606	6,410	164	91
4	2021	12,745	(3,100)	9,645	12,312	5,624	6,432	164	92
5	2022	12,777	(3,100)	9,677	12,353	5,643	6,453	165	92
6	2023	12,809	(3,100)	9,709	12,393	5,661	6,474	165	93
7	2024	12,841	(3,100)	9,741	12,434	5,680	6,495	166	93
8	2025	12,873	(3,100)	9,773	12,475	5,699	6,517	166	93
9	2026	12,905	(3,100)	9,806	12,516	5,718	6,538	167	93
<b>Total</b>					<b>111,175</b>	<b>50,787</b>	<b>58,076</b>	<b>1,482</b>	<b>830</b>

**Exhibit V**  
**Boundaries of Development District No. 1 and Tax Increment Financing District No. 1-15**



Note: The boundaries of Development District No. 1, shown as "Project Area #1 on the map, is coterminous with the boundaries of the City of Mountain Iron. The boundaries of TIF District No. 15 includes all adjacent roadways, rights-of-way and other areas wherein will be installed or upgraded the various public improvements necessary for and part of the overall project.



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 ▪ FAX: 218-748-7573 ▪ [www.mtniron.com](http://www.mtniron.com)  
8586 ENTERPRISE DRIVE SOUTH ▪ MOUNTAIN IRON, MN ▪ 55768-8260

## RESOLUTION NUMBER 19-16

### SUPPORT OF ACCESS AGREEMENT ON STATE LANDS

**WHEREAS**, there are more than 4 billion tons of copper, nickel, platinum, palladium, gold and other metal resources contained in northern Minnesota's Duluth Complex, the largest known undeveloped deposit of strategic metals in the world; and

**WHEREAS**, demand for strategic metals continues to grow domestically and globally as nations invest in the emerging green energy economy; and

**WHEREAS**, the Twin Metals Minnesota project will create thousands of construction jobs and hundreds - potentially thousands - of long-term mining jobs. The PFS (Project Feasibility Study) Technical Report estimates the TMM Project will create approximately 850 full-time jobs when the mine is in operation, and will generate some 12 million labor hours during a roughly three-year construction period. According to a University of Minnesota Duluth study, the Project would generate approximately 1,700-1,900 additional indirect jobs in the region's economy; and

**WHEREAS**, Twin Metals and its predecessor Duluth Metals Limited have been conducting environmental studies and assessments for more than five years and those efforts will continue during development of the MPO (Mining Plan of Operation). Environmental information from in and around Twin Metals Minnesota's land and mineral assets will feed into the formal; Draft Environmental Impact Study (DEIS) that will be conducted by state and federal agencies. Key environmental issues include: surface water quality and hydrology, threatened and endangered species, air quality, plant life, wetlands and socioeconomic factors; and

**WHEREAS**, in the Mining and Minerals Policy Act of 1970, Congress declared that it is the continuing policy of the Federal Government, in the national interest, to foster and encourage private enterprise in (among other goals) the development of domestic mineral resources and the reclamation of mined land. This Federal policy obviously applies to National Forest System lands; and

**WHEREAS**, the U.S. Forest Service recognizes the importance of National Forest System mineral resources to the well-being of the Nation and encourages bona-fide mineral exploration and development; and

**WHEREAS**, royalties from the Twin Metals Minnesota project will contribute significant revenues to Minnesota's K-12 public schools through the Minnesota Permanent School Fund; and

**WHEREAS**, in 1858, Minnesota received a large land grant from the federal government with the intent that the lands provide a long-term source of funds for public education in the state. Today, Minnesota owns 2.5 million acres of school trust land, which generates royalties for the Permanent School Fund from the timber and mining industries. The Minnesota Department of Natural Resources (DNR) is responsible for managing the school trust land for "maximum long-term economic return"; and

**WHEREAS**, currently, the Minnesota Permanent School Fund has assets of approximately \$800 million, which generates an average annual payment of \$25 million to public schools throughout the state. In a recent analysis by the Minnesota DNR, it is estimated that new strategic metals mining (copper, nickel, platinum, palladium and gold) in Minnesota could generate \$2.5 billion in additional royalties for the Permanent School Fund over a ten year period, significantly increasing the annual financial support provided to Minnesota schools.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the City of Mountain Iron respectfully disagrees with the position taken by Governor Dayton in denying the approval of the state land Access Agreement to Twin Metals MN, as they were negotiated by his agency and Commissioner Landwehr of the Department of Natural Resources.

**BE IT FURTHER RESOLVED**, that the City of Mountain Iron respectfully requests that the Governor reconsider his position and allow his agencies to act in the best interests of Minnesotans and in particular those in northeastern Minnesota where mining has been successfully and environmentally coexisting with our wonderful natural beauty and wilderness for over a century while serving as the very found on of our economic base.

**DULY ADOPTED BY THE CITY COUNCIL THIS 21<sup>st</sup> DAY OF MARCH, 2016.**

ATTEST:

---

Mayor Gary Skalko

---

City Administrator

## Craig Wainio

---

**From:** RAMS Office <rams@ramsmn.org>  
**Sent:** Monday, March 14, 2016 5:26 PM  
**To:** City of Aurora; City of Babbitt; City of Biwabik; City of Buhl; City of Calumet; City of Chisholm; City of Coleraine; City of Ely; City of Eveleth; City of Gilbert; City of Hibbing; City of Hoyt Lakes; City of Kinney; City of LaPrairie; City of Marble; Craig Wainio; City of Nashwauk; City of Silver Bay; City of Taconite; City of Tower; City of Two Harbors; City of Virginia; Fall Lake Township; Fayal Township; Grand Rapids; Harold Langowski; ISD 1 - Aitkin; ISD 166 - Cook County; ISD 182 - Crosby; ISD 2142 - St Louis County; ISD 2154 - Eveleth/Gilberg; ISD 2711 - Mesabi East; ISD 316 - Greenway; ISD 318 - Grand Rapids; ISD 319 - Nashwauk/Keewatin; ISD 319-Nashwauk/Keewatin; ISD 381 - Lake Superior; ISD 695 - Chisholm; ISD 696 - Ely; ISD 701 - Hibbing; ISD 706 - Virginia; ISD 712 Mt Iron/Buhl; Jeff Jacobson; John Tourville, Chisholm; Schroeder Township; Town of Clinton; Town of Great Scott; Town of McDavitt; Town of Morse; Town of Nashwauk; Town of White  
**Cc:** Alan Stanaway (Al.stanaway@gmail.com); Ben DeNucci; Bob Berrini; Bob Larson; Carlene Perfetto; charlie baribeau; David Worshek; Ed Zabinski; Gene Matthew; Herb Sellars; Jim fisher; John Berklich, Jr; Kim Stokes; Mark Forte; Mark Skelton; Michael Jugovich; Pat Garrity; Pat Medure; Paul Kess; Ray Marsnik; Walt Hautala; Warren Stolp; Ben Hawkins; Cyndi Worshek; Dale Christy City of Grand Rapids; Dan Forsman; David Lislegard; David Zins; Jeff Polcher; Lynette Zupetz; Mona Putzel; Mona Putzel; Nevada Littlewolf; Rochelle Sjoberg; Stacey Sundquist; Stuart Lehman; Terry Soderberg; Todd Scaia City of Chisholm  
**Subject:** Resolution on Twin Metals access agreements - RAMS  
**Attachments:** 2016 Signed resolution on Twin Metals MN 031416.pdf

RAMS Member units:

Attached is a resolution passed by the RAMS Board of Directors in regards to Governor Dayton's position on access agreements for state land leases for Twin Metals MN. The board, along with myself as the director of RAMS strongly encourage your local governing body to consider adaption of this resolution, or the passing of your own resolution calling for the Governor to reconsider his position on the access agreements, or to allow his agencies to do the work they are charged with doing. In this case the DNR has negotiated for nearly two years with Twin Metals over these access agreements and recommended approval. The Governor's careless intervention places the future of mining in northeastern Minnesota in peril. What company will want to invest millions of dollars in any mineral mining project, including iron ore, if the Governor can stop it in its' tracks while dismissing the extensive permitting process, reviews and project planning that is required by both state and federal regulatory agencies.

If you have any questions or need more information on this issue, please do not hesitate to contact me. If your local government body does pass a resolution, please send me a copy. Thank you for your time and consideration on this very serious matter.

Steve Giorgi  
Director/RAMS  
[sgiorgi@ramsmn.org](mailto:sgiorgi@ramsmn.org)  
218-780-8877



**COUNCIL LETTER 032116-VIC**

**PERSONNEL COMMITTEE**

**AGREEMENT**

**DATE:** March 17, 2016  
**FROM:** Personnel Committee  
Craig J. Wainio  
City Administrator

---

In order to continue with the transition in City Hall, we are requesting that former City Hall employees be allowed to return and provide some additional training as needed. Enclosed is an agreement that would allow that to happen. It is recommended that the enclosed agreement be approved and entered into for both Jill Clark and Judy Seurer.

## AGREEMENT FOR SERVICES

### A. Parties

THIS AGREEMENT is made between the City of Mountain Iron, Minnesota and .

### B. Goals

- a. To have a good transition in the positions in the City Hall.
- b. To keep the finances for the City in order and oversee all financial entries for corrections and additions.
- c. To make sure things progress as they have in the past, to the extent possible.

### C. Duties

- a. Train new employees in procedures for the Municipal Services Secretary position.
- b. Assist Auditors with audit preparation.
- c. Assist with Account Technician position training, as needed.
- d. Assist with elections to ensure integrity of the process.

### D. Length of Agreement -- March 2016 to March 2017


### E. Compensation

- a. To continue to pay for the premium for Dental Insurance for the period of one year.
- b. To continue to pay for the premium for Life Insurance for the period of one year.
- c. To pay employee portion of the health care premium for the period of one year.
- d. \$50 per hour with a minimum of four hours work per visit to the City Hall.

Approved this \_\_\_\_ day of the month of March, 2016.

---

Craig J. Wainio  
City Administrator



Thank You

---

City Administrator - Craig J. Wamio.  
+ City Council

...for being so thoughtful.

Thank you for the generous retirement  
gift, the plaque + the party. It  
is greatly appreciated.!!

Sincerely,

Mary Jo



1000 Bishops Gate Blvd. Ste. 300  
Mt. Laurel NJ 08054-5404

t 1.800.444.4554 Opt 2  
f 1.800.777.3929

February 26, 2016

Mr. Gary Skalko, Mayor  
Mountain Iron  
8586 Enterprise Dr S  
Mountain Iron, Minnesota, 55768

RE: Mountain Iron, St Louis County, Minnesota  
Public Protection Classification: 06/6Y  
Effective Date: June 01, 2016

Dear Mr. Gary Skalko,

We wish to thank you Mr. Mike Downs and Chief Greg Chad for your cooperation during our recent Public Protection Classification (PPC) survey. ISO has completed its analysis of the structural fire suppression delivery system provided in your community. The resulting classification is indicated above.

If you would like to know more about your community's PPC classification, or if you would like to learn about the potential effect of proposed changes to your fire suppression delivery system, please call us at the phone number listed below.

ISO's Public Protection Classification Program (PPC) plays an important role in the underwriting process at insurance companies. In fact, most U.S. insurers – including the largest ones – use PPC information as part of their decision-making when deciding what business to write, coverage's to offer or prices to charge for personal or commercial property insurance.

Each insurance company independently determines the premiums it charges its policyholders. The way an insurer uses ISO's information on public fire protection may depend on several things – the company's fire-loss experience, ratemaking methodology, underwriting guidelines, and its marketing strategy.

Through ongoing research and loss experience analysis, we identified additional differentiation in fire loss experience within our PPC program, which resulted in the revised classifications. We based the differing fire loss experience on the fire suppression capabilities of each community. The new classifications will improve the predictive value for insurers while benefiting both commercial and residential property owners. We've published the new classifications as "X" and "Y" — formerly the "9" and "8B" portion of the split classification, respectively. For example:

- A community currently graded as a split 6/9 classification will now be a split 6/6X classification; with the "6X" denoting what was formerly classified as "9."
- Similarly, a community currently graded as a split 6/8B classification will now be a split 6/6Y classification, the "6Y" denoting what was formerly classified as "8B."
- Communities graded with single "9" or "8B" classifications will remain intact.
- Properties over 5 road miles from a recognized fire station would receive a class 10.

PPC is important to communities and fire departments as well. Communities whose PPC improves may get lower insurance prices. PPC also provides fire departments with a valuable benchmark, and is used by many departments as a valuable tool when planning, budgeting and justifying fire protection improvements.

ISO appreciates the high level of cooperation extended by local officials during the entire PPC survey process. The community protection baseline information gathered by ISO is an essential foundation upon which determination of the relative level of fire protection is made using the Fire Suppression Rating Schedule.

The classification is a direct result of the information gathered, and is dependent on the resource levels devoted to fire protection in existence at the time of survey. Material changes in those resources that occur after the survey is completed may affect the classification. Although ISO maintains a pro-active process to keep baseline information as current as possible, in the event of changes please call us at 1-800-444-4554, option 2 to expedite the update activity.

ISO is the leading supplier of data and analytics for the property/casualty insurance industry. Most insurers use PPC classifications for underwriting and calculating premiums for residential, commercial and industrial properties. The PPC program is not intended to analyze all aspects of a comprehensive structural fire suppression delivery system program. It is not for purposes of determining compliance with any state or local law, nor is it for making loss prevention or life safety recommendations.

If you have any questions about your classification, please let us know.

Sincerely,

*Dominic Santanna*

Dominic Santanna  
Manager -National Processing Center

cc: Mr. Craig Wainio, Administrator, Mountain Iron  
Mr. Mike Downs, Public Works Director, Mountain Iron Water Department  
Mr. Dewey Johnson, Director, St Louis County 911 Emergency Communications  
Chief Greg Chad, Chief, Mountain Iron Fire Department





# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • [www.mtniron.com](http://www.mtniron.com)  
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

March 16, 2016

To whom it may concern:

It has come to the attention of the City that you may be occupying a structure on Slate Street as a residence. If that information is correct you would be in violation of the City of Mountain Iron zoning ordinance. The structure in question is located in an Industrial zoning classification. Single family dwellings are not a permitted use in that classification.

In addition the modifications made to convert this structure into a single family dwelling were not done under a building permit issued by the City. Any modifications made to accomplish this change would be subject to the current building code.

If you wish to discuss this determination with the Planning And Zoning Commission, their next meeting will be at 6:00 pm on March 28, 2016 in City Hall.

Sincerely,

Jerry D Kujala  
Zoning Administrator  
218-750-2234

cc:

P & Z Commission  
Craig Waino  
City Council