

City Update 2017

The Mayor and City Council are working diligently to provide effective services and a clear vision for the future of Virginia. We wish to provide the residents and businesses a snapshot of what we have been working on this year.

Expanded growth, public/private partnerships, infrastructure projects, neighborhood/business revitalization, safety, security and the streamlining of city services have been the priorities that were set for 2017.

We continue to identify innovative ways to invest in business, infrastructure, recreation, and overall maintenance. In 2016 the City set goals with the intent to develop, grow, nurture and display the talents of individuals and community groups. By encouraging the marketing of homemade products, and with the commitment from our talented citizens, there has been a resurgence of local economic growth. The community gardens, Farmers Market, the Rutabaga project, Lyric Center for the Arts, Art Crawl, street celebrations and The Shop patio café and music venue are a few examples.

As with many rural communities the City of Virginia is no different when it comes to challenges. Old housing stock, increasing costs for utilities, blight, irresponsible landlords, a growing number of substandard subsidized housing, and abandoned properties, continue to plague the city. The Virginia Property Maintenance Code Ordinance

was formally implemented on January 1, 2017. A coordinated effort between Engineering, Public Works, the Blight Officer, Law Enforcement, and Fire/EMS identified violations, issued correction notices, and employed enforcement actions to blighted residential and commercial properties. Several commercial and residential buildings that were not habitable were demolished in the last three years. More are scheduled for demolition through a cooperative effort between the City and the IRRBB. By years end the VPMC (ordinance) will be adjusted to include a rental code component.

Software updates to the city-wide camera system are scheduled to be in place by this fall. The Police Department is partnering with Virginia School District #706 to provide a school liaison officer. A new K-9 named Teddy was added to the department this year and is currently on patrol with his handler, Officer Nick Grivna. Police staffing remains at 21 licensed peace officers; one Police Chief, one Deputy Chief, two Detectives, 4 Lieutenants, one Sergeant and 12 Patrol Officers. Statistics from the Department of Justice recommend a ratio of 2.5 Police Officers for every 1,000 residents. For the City of Virginia this equates to 22.5 full time employees. In 2016 there were officially 13,428 calls for police services, an increase of 1,662 from 2015. The numbers equate to an average of 17.24 minutes per call and 839 calls per officer in 2016. These statistics do not normally include the self-initiated community service activities of each officer. The department is currently on pace to increase the call load even further by year's end. The rising number of calls stresses response time to citizens and reporting compliance to the court system. A survey was conducted regarding the purchase and use of body cameras. Citizens have responded and we urge you to express your opinions through the

Police Department face book page, the City website, or in person at City Hall. E-mails, texts, and other forms of communication are welcome.

Sexual Predators are released in communities throughout the country. The State of Minnesota established a set of rules and relies upon past case law to determine where Predatory Offenders reside. At a public forum at the Miners Memorial building earlier this year, Department of Corrections Officials, St. Louis County Probation Officers, Virginia Police Department personnel and elected officials provided information and fielded questions from the audience. There is an average of 40 Predatory Offenders that reside in Virginia at any given time. They range from level one, or low risk, to level three, high risk. A small number of these offenders, who have been released from prison after serving their respective sentences, are housed in a building at the corner of 4th Avenue and Chestnut Street in the heart of the downtown business district. Although they are registered with the Virginia Police Department and closely monitored by probation and police officers, there is a public perception that these individuals are a danger to our community.

City staff is in the process of drafting a zoning ordinance to limit areas where these offenders can live. The City of Minneapolis successfully implemented a zoning ordinance related to this issue. Unfortunately, the ordinance is not retroactive. Regardless, the main street and business corridor of the City of Virginia is no place for registered or unregistered predatory offenders to reside.

The fire based Emergency Medical Services includes Fire Chief Allen Lewis, Assistant Chiefs, Captains, single role Paramedics, Firefighter/Paramedics, Emergency Medical Technicians, and a Fire

Marshall. Fire calls and Ambulance responses are on pace to surpass the record number of calls in 2016. Chief Lewis, City Staff, and the Mayor and City Council are lobbying at the State and Federal levels for funding sources to cover unfunded mandates and reimburse ALS services that Virginia provides beyond our borders.

We are working diligently to pursue funding for a new fire based EMS building and training facility. The 2016 study identified preferred areas for the new regional structure. Public/Private partnerships are being explored along with innovative funding sources that may minimize any impact on the taxpayers of Virginia. Senator Al Franken and Congressman Rick Nolan toured our 1908 facility. A recent article in the Mesabi Daily News outlined Federal support for this endeavor.

St. Louis County is moving forward with a new state of the art county services facility. The proposed plan is to build an all service structure in the 300 block of 1st Street South. Part of the proposal is to close/vacate 1st Street in order to add a plaza area and additional parking. As part of the project St. Louis County officials agreed to widen and repair the alleyways, refurbish the city parking lot adjacent to city hall along 4th avenue and will provide infrastructure improvements to the street and Police Department garage.

Public Works and Park/Recreation operates at minimum staffing levels. Over the past three years the City invested significant tax dollars to replace old, antiquated, and obsolete equipment. It is now time to update educational and technical support and improve the public works facilities. We have kicked the can down the road for too long and must change course. This is not an easy challenge.

Speaking from the Mayor's perspective, we cannot continue to raise the levy at levels that are a substantial burden to business and residents. A 23% increase over the past three years has proven to be an impediment in attracting large scale business investment and new housing construction. St. Louis County Assessor's office recently adjusted the value of homes and businesses reducing the property values by \$10 million dollars. These values will have to be reassigned when St. Louis County reevaluates property values in 2019. This is problematic and is projected to substantially increase some business and residential properties that are currently assessed at the highest adjusted levels.

In 2017 the State Legislature approved 12 million dollars of State funds for phase 1 and phase 2 of the Miners Memorial Building project. For ten years the City has been seeking funding to help with infrastructure improvements to include electrical and mechanical upgrades. Over the years this structure has deteriorated and is approaching its' constructive end of life. We have lost most of our rental income and facility usage fees. City Administrator Britt-See-Benes, City Council representatives, and Staff met with end users of the Memorial Building to assess expanded uses and purpose. For the exception of one entity, the general consensus is that the Memorial Building should be razed and a new complex constructed. We are currently meeting with private groups that have expressed interest in investing new services and amenities near the Miners facility.

The expending of state funds is arduous and time consuming. Regulations and state law mandates certain requirements from the City. Therefore, we are seeking requests for proposals for Construction

Manager at Risk to help guide us through the process. These services include, but are not limited to, sub-contracting, plan review, architectural renderings, finance packaging, community relations, information gathering, and legislative bonding language compliance.

The City will once again seek legislative approval to impose a ½% sales tax to raise enough capital to complete the Miners project. If successful, the city intends to place the issue on the voting ballot in 2018. We will also seek voter permission to use this tax to repair our crumbling curb, gutter, streets, and alleyways. As previously proposed, revenue bonds will be sold and the ½% sales tax will be used to repay the bonds. Revenue bonds do not increase or impact your personal or business property taxes. The City received close to one million dollars from the State of Minnesota for road repairs. State law requires that these funds only be used to repair state aid streets within the city limits. A map outlining these areas is posted on the city website. State funds were recently used to repair portions of 13th Street South and 12th Avenue South.

The 4th street development project continues to move forward. The City entered into a right of first refusal agreement with a private investment group to develop the remaining space of the former Ewens Field site. We are awaiting the final plan proposal for review and discussion at a future Committee of the Whole and City Council meeting.

In 2017 we received 5.1 million dollars in local government aid (LGA) from the State Legislature. These funds account for approximately 45% of the city's operating budget.

A project development agreement for a 24 hour day care center is being considered. If successful the center would provide desperately needed child care in the region. The proposed site, which is owned by the City of Virginia, is located between Kunnari's Kitchen and Grooming by Jane Pet Services.

Phase one of the demolition and reconstruction of the Thunderbird Mall is well underway. One new tenant, Tractor Supply Company, will occupy one space in the near future. There are plans to build a drive through coffee house between K-Mart and 12th Avenue. Once completed, Phase two of the project is expected to move forward. This is a public/private partnership between the City of Virginia, IRRRB, and the Rockstep Development group who is the owner of the Mall property. Phase two consists of retooling the interior of the mall, adding development opportunities in the parking lots, and improving the shopping experience. St. Louis County recently adjusted the property tax base at the Mall as part of the redevelopment strategy for economic investment.

St. Louis County submitted plans to construct a new County Services Building in the 300 Block of 1st Street South on the current County parking lot site. The 68,000 square foot facility will provide a one stop shop for the majority of county services in the quad city region. The plans also include a request to vacate 1st Street South in order to increase parking space, improve the alleyways, and replace and repair the public parking lot on 4th Avenue adjacent to city hall. The building footprint includes a plaza, pedestrian, and bike pathway and will reflect an Iron Range theme.

City Administrator Britt-See-Benes successfully procured grant funding for upgraded playground equipment at the Ridgewood and Midway

recreation areas. Construction at the Ridgewood facility begins this fall of this year with Midway construction in the spring of 2018. We are actively seeking funding for a splash park and skateboard course that will likely find a home at Olcott Park. The Park and Recreation department under the direction of Public Works Supervisor Ed Alto completed a maintenance upgrade of the park grounds that included tree removal and trimming, painting, repairs to the restroom facilities, and work at the park fountain and greenhouse. Work will soon begin to repair and improve the walking trail along Bailey's Lake and the ATV master plan trail is nearing completion.

We are working diligently to find an access point to construct a new bridge and mine overlook and visitor center to replace the Mine View in the Sky. We established a focus group that consists of City staff, community volunteers, the tourism bureau, and representatives from the State of Minnesota. The congested reroute of Hwy 53 has been frustrating but necessary as the construction of the new bridge route nears completion. The 230 million dollar project will secure the connection between the Quad Cities, International traffic, and downtown, and preserve the economic stability in the City of Virginia.

The City of Virginia celebrated our 125th Anniversary on August 16th. The Diamond Jubilee time capsule that was buried in the Northeast corner of City Hall was unearthed by our Public Works crew. It was a delicate operation. The capsule was encased in a small burial casket. The time capsule container was sealed in a stainless steel vault that was hand crafted by a local miner. The contents were revealed in a ceremony at the Miner's Memorial Building North Room. Inclement

weather prevented the ceremony from taking place at the Bob Baldrice Bandstand. Family members, citizens, elected officials, and local celebrities were on hand to celebrate. The Virginia City Band played traditional patriotic renditions of the old classics. This was a celebration of our history, thoughts, and visions for the future.

The City is in the process of planning the burial of another time capsule and the end of the new bridge. It is tentatively scheduled for placement on September 29th this year. More information about this project has been advertised in a variety of publications, and on the City website. We have three other time capsules that are scheduled to be opened beyond the lifetime of most of our citizens. Two at City Hall and one recently replaced at the Virginia Public Library.

Administration is in the midst of updating the City policies and procedures and codifying ordinances and the City Charter to ensure compliance with state law. The Virginia Property Maintenance and Preservation Code was implemented effective January 1st, 2017. Other updates include the Emergency Operations Procedures, Business Subsidy Policy, Workplace Violence and Human Rights, and other processes that affect Public Works, Engineering, Police, Fire/EMS, and City Staff.

The city continues to contract with a firm to lobby for our legislative priorities in 2018, 2020, and 2022. The contract is renewable annually with an option to renew based on performance and results. Priorities for the 2018 legislative session includes infrastructure funding for roads, streets, and alleyways, reimbursement for a 5.7 million dollars

funding gap for Utilities realignment incurred during the Highway 53 reroute, and authority to levy a ½% sales tax if necessary to procure funding the Miner's Memorial Project. Without another funding source the City would be required to return the 12 million dollars that was allocated by the legislature this year.

We are allocated approximately \$500,000 annually by the State of Minnesota for street improvements. 25% of these funds go to the City for minor street repairs to state aid streets only and does not include alleys. The other 75% is held in abeyance pending approval of major street projects. Recent improvements to 2nd Street, 13th Street, and 12th Avenue are some examples.

Major changes to the Department of Public Utilities are on the horizon. Recent legislation authorizes adjustments to the Biomass contracts with Excel Energy, our Utilities, and the Laurentian Energy Authority. If the path to change continues, businesses, residences, and government buildings may be required to find alternative energy sources. The Department of Public Utilities is expected to present an action plan by years end.

We can reduce administrative costs and duplication of services with Police, Fire, Ambulance, and Public Works. Consolidation with other communities triggers new funding not available to one entity. Brick and mortar, personnel, capital equipment and an expanded labor force is possible through a quad cities cooperative agreement. This proposal is not new. This is a challenging and arduous process that has been tried and failed over the last 50 years. But through negotiations and an

effective planning process this is an attainable long term goal. We have made some in roads with the establishment of mutual aid and joint powers agreements with law enforcement, fire and ambulance services. Consolidation of services is the next action step.

Without the mining industry, range cities will become ghost towns, jobs would disappear, related businesses would close their doors, tourism would be non-existent, and the services that homes and businesses rely upon to survive could not be provided.

In 2015 the Iron mining industry contributed \$106,987,271 dollars to local communities in production tax. From those production tax dollars, \$35 million was allocated to the Iron Range Resources and Rehabilitation Board (IRRRB), 23 million to local school districts, and 24 million dollars divided among the local cities, townships, and counties across the taconite tax relief area.

Grassroots community efforts are on the rise. The Rutabaga project, community gardens, Olcott Park Fountain Committee, Revive Virginia, Lyric Center for the Arts, 501c3 organizations like the Rotary, Lions, and Elks Clubs, Youth for Christ, Youth in Action, business leaders, and individual volunteers from all walks of life are contributing daily to the vitality and economic stability of Virginia.

There are opportunities out there. Let's focus on what we can do, overcome our shortcomings, and use our strong bond of community to take action, solve problems, support one another, and strive to provide a safe and healthy future for our children and grandchildren. Let's

improve on what we have, build on our successes, and work together to make our community a better place to live and work.

Respectfully,

Mayor Larry Cuffe Jr.

Councilors Charles Baribeau, Nevada Littlewolf, Juliann Paulson, Carl Barnzelli, Steven B. Johnson, and Dennis Jorgensen