

Special Ironwood City Commission Meeting

A Special Ironwood City Commission Meeting will be held on Thursday, March 16, 2017 at 6:00 P.M. in the City Commission Chambers, 2nd Floor, Memorial Building, 213 S. Marquette Street, Ironwood, Michigan 49938.

The purpose of the special meeting will be to conduct a public hearing and adopt the Community Development Plan for the Michigan Community Development Block Grant (CDBG) funding for the City of Ironwood Booster Pump Replacement Project.

- A. Call Public Hearing to Order
 - B. Recording of the Roll.
 - C. Public Hearing: To hear comment on the Michigan Community Development block Grant (CDBG) Funding for the City of Ironwood Booster Pump Replacement Project.
 - D. Close Public Hearing.
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- E. Special Meeting Called to Order
Pledge of Allegiance
 - F. Approval of the Agenda.
 - G. Citizens wishing to address the Commission on Items on the Agenda (Three Minute Limit)
 - H. Discuss and consider approving Resolution #017-010 Community Development Block Grant (CDBG) Infrastructure Capacity Enhancement (ICE).
 - I. Discuss and consider adopting the Community Development Plan for Community Development Block Grant (CDBG) Projects.
 - J. Adjournment.



MEMO

To: Mayor Burchell and City Commission

From: Tom Bergman, Community Development Director

Date: March 15, 2017

Meeting Date: March 16, 2017

Re: Community Development Plan

Background

The City is applying for an ICE Grant through the State of Michigan. One of the requirements of grants funded through the CDBG program is the adoption of a "Community Development Plan". The Community Development Plan is a short document explaining our community development and housing needs. Most of this information is available in the City of Ironwood Comprehensive Plan. This document provides a condensed version of those needs as well as opportunities of our community. It also includes our long term and short term goals for addressing many of these challenges.

Community Development Plan for the City of Ironwood

The following Community Development Plan was compiled from the City of Ironwood Comprehensive Plan and the Gogebic County Housing Target Market Analysis.

Iron Ore was first discovered in the Gogebic Range in the late 1800s, and the first settlements in Ironwood began in 1884. The growth of iron mining and logging in the range, as well as expansion of the Milwaukee, Lake Shore, and Western Railway Company railroads, brought new and diverse populations to the community. Through the early 1900s, Ironwood continued to grow at a rapid pace, reaching its peak in the 1920s with a population estimated around 25,000.

As demand for iron ore declined following the great depression, so too did Ironwood's population, falling to about 11,000 residents by 1950. Between 1950 and 1970, iron production in the Gogebic Range ground to a halt, leaving mining communities like Ironwood to search for new identity and livelihood.

In recent years, various economic development efforts have endeavored to promote new industries and opportunity in the region. Taking advantage of high annual snowfalls and relatively mountainous terrain for the region, the Upper Peninsula has emerged as a destination for winter sports and outdoor recreation. Ironwood too has sought to capitalize on its natural beauty and local recreational assets, promoting local ski hills, snowmobile, ATV, and cross-county trails, as well as its proximity to regional destinations like Lake Superior and the Porcupine Mountains.

Ironwood's population has declined steadily over the past half-decade, falling from over 10,000 residents in 1960, to just over 5,000 in 2010. According to the 2010 Census, there are 2,520 households in Ironwood, 56% of which were family households and 44% were nonfamily households.

Median household income in Ironwood is about \$30,000 a year (no change from 2000 when adjusted for inflation). The median family income is about \$46,000 a year (an 18% increase from 2010 when adjusted for inflation). Ironwood's median household income is lower than state and county medians (Gogebic- \$34.9k, Michigan- \$48.7k). Median family income is comparable to the county median (Gogebic- \$47.2k), but well under the state median (Michigan- \$60.9k).

The housing stock in Ironwood is predominantly single-family detached housing, with the majority of housing units built before 1940 (about 60%). There has been

little housing constructed since 1980. In 2010 there were 3,154 housing units falling from 3,347 in 2000. The decline in housing units is likely the result of demolition of aging/ vacant properties.

City of Ironwood Issues and Opportunities

Opportunity: Iron Belle Trail

The City of Ironwood is the Western Gateway to the Upper Peninsula. This puts us at the start of the Iron Belle Trail that begins in Ironwood and ends in Belle Isle State Park in Detroit. This is a great tourist asset and also provides recreational opportunities to our citizens and encourages relocation of visitors to our area.

Opportunity: History and Culture

Ironwood has a rich history and a budding arts community. The citizens of Ironwood take pride in their history and have a dedicated historical society as well as a number of public and private efforts that have preserved and restored a number of sites and buildings as civic, cultural, and recreational destinations.

Through a central community arts center known as the “Downtown Arts Place”, the community has started a thriving arts scene that is attracting new artists and enhancing the opportunities of our local artists.

Opportunity: Manufacturing and Downtown Businesses

Ironwood has an exceptionally high share of total employment in manufacturing in Gogebic County at 17% compared to 13% for the County average. Some of our largest employers are in the fabric and plastics industry. This creates a steady demand for employees in our area and draws people regionally to the City.

Ironwood is seeing a revitalization of its downtown with a number of new businesses starting up. This includes a new coffee shop, bakery, two salons, and a brewery. With the location of the Downtown Art Place Gallery in the downtown the City is continuing to see an increase in economic activity.

Opportunity: Outdoor Recreation

Ironwood is set right in the middle of a recreational outdoor mecca. Located within 20 minutes of Lake Superior and less than an hour from the Porcupine Mountains. Four ski areas are within 15 minutes of the City. Numerous motorized and non-motorized trail opportunities are easily accessible in town. With the rebirth of Copper Peak, the largest ski jump in North America, Ironwood is

expecting to see more tourist activity and more focus on the development of outdoor recreation opportunities.

Issue: Blight

Ironwood has seen a major population decrease over the last several decades and as a result there are a number of residential and commercial structures that are past their functional years. Many of these dilapidated buildings lie vacant and need to be removed or restored. The City has utilized grant dollars to tear down a number of blighted homes over the last few years, but there is much more work to be done.

Issue: Work Force

Ironwood's unemployment rate is above the state and national average and continues to be a challenge for the community. There are many jobs that are available, but having an adequately trained workforce for those positions is the main challenge.

Issue: Aging infrastructure

With a population that has decreased from over 20,000 to around 5,000, Ironwood has a large infrastructure that is in need of repair. Through loans the City has been able to address some of these projects, but there is much work to be done to continue to provide adequate services to the community.

Issue: Housing

Although Ironwood has a number of vacant homes, it lacks housing diversification. Many of the homes that are available are inexpensive, but are in need of modernization and general upkeep. The housing stock also lacks multifamily facilities that would provide housing for low income families. On the other end of the perspective, there is a lack of high end rentals and housing for upper income families moving to the area that provide professional services. This includes doctors, dentists, attorneys and many others.

Short Term Goals (next 1 to 2 years)

In the next one to two years the City of Ironwood will continue to apply for grants that will help to remove blighted buildings through the Hardest Hit Blight Grant Program. In 2017 the City plans to tear down another 20 homes. The City is also working with local developers to try to develop areas near the trails for future

home construction. These homes would be moderate to high end homes located near trails and in areas that have had infrastructure improvements.

Through grant programs the City has invested heavily in water and sewer upgrades. In 2017 the city will begin Phase 4 of its water and sewer project.

The City is applying for multiple DNR Grants to improve and build new parks as well as expand its community trail system over the next two years.

Long Term Goals (2 years and beyond)

In the long term the City will continue to apply for the Hardest Hit Grant Program to eliminate blighted properties. The City will continue to apply for grants through the Michigan Housing Rehabilitation Program to help low income homeowners improve their property. The City is in the process of putting together a list of commercial properties that will be eligible for the Michigan Façade Improvement Program to help restore old store fronts in our downtown. Ironwood is in the process of becoming a Redevelopment Ready Community through the MEDC. This will provide funding and opportunities to redevelop old commercial and industrial business sites in the community.

For future infrastructure projects the Ironwood Comprehensive plan calls for the development of Infrastructure System Master Plan as well as a Community Facilities and Services Master Plan. These plans will help prioritize projects and find funding for those projects.

The City Economic Development Corporation is working with local manufacturing businesses and Gogebic Community College to help develop internship and apprenticeship programs to help facilitate the process of filling vacant job opportunities in the community. This will also help attract and retain people to the community.

Effects of the Proposed Project

The reconstruction of the Water System Booster Pumping Station will replace the original booster pump installed in the 1920's. The replacement of the Booster Pumping Station will result in a reliable water source for potable water for the residents of the City of Ironwood.

Minimizing Displacement

The proposed CDBG Project will not displace any persons of the community.

RESOLUTION #017-010

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) INFRASTRUCTURE
CAPACITY ENHANCEMENT (ICE)**

WHEREAS, as the Michigan Strategic Fund has invited Units of General Local Government to apply for its CDBG-Infrastructure Capacity Enhancement (ICE) Competitive Funding Round; and

WHEREAS, as the City of Ironwood desires to request \$2,000,000.00 in CDBG funds to replace the Municipal Water System Booster Pumping Facility; and

WHEREAS, the City of Ironwood commits local funds from its Water Fund in the amount of \$222,222.00 of committed match; and

WHEREAS, the proposed project is consistent with the local Community Development Plan as described in the application; and

WHEREAS, the proposed project will benefit all residents of the project area and 55.5% of the residents of the City of Ironwood are low and moderate income persons as determined by and income survey approved by the Michigan Economic Development Corporation; and

WHEREAS, local funds and any other funds to be invested in the project have not been obligated/incurred and will not be obligated/incurred prior to a formal grant award, completion of the environmental review procedures and a formal written authorization to obligate/incur costs from the Michigan Economic Development Corporation.

NOW, THEREFORE, BE IT RESOLVED that the City of Ironwood hereby designates the Ironwood City Manager as the Environmental Review Certifying Officer, the person authorized to certify the Michigan CDBG Application, the person authorized to sign the Grant Agreement and payment requests, and the person authorized to execute any additional documents required to carry out and complete the grant.

RESOLUTION DECLARED ADOPTED

Mayor

City Clerk

STATE OF MICHIGAN)
) ss.
COUNTY OF GOGEBIC)

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City of Ironwood at a regular meeting on the 13th day of March, 2017, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Karen M. Gullan, City Clerk