

Date: January 18, 2006

To: Mayor and Council Members

From: John Archocosky

RE: Activity Report

Last month we highlighted some of the major accomplishments that occurred here in the City over the past twelve months. I believe great strides are being made to revitalize the city. From the onset of consolidation, one part of the city or another has been under some sort of major construction program and it isn't likely to change in 2006 -07.

During the next 12 months the city will be completing the construction of the Lalley Road Sewer replacement Project. This should have a significant effect on the infiltration and inflow that is being introduced into the Riverside lift station and ultimately the interceptor. As you know, the city is under a time sensitive schedule to meet the condition of the DEQ's Administrative Consent Order by 2007. The projects currently under construction or in the planning stages are designed to meet those objectives and to do so without requiring an increase in user's fees. In the past two years we have made significant headway in reducing what was estimated to be a minimum of \$7.5 million loan from Rural Development to meet that obligation. Our objective for this coming year will be to complete yet another phase of construction by repairing a major portion of the interceptor. Further, we will also be evaluating the effectiveness of the combined projects on our contribution to the West Iron County Sewer Authority.

By the end of this construction season we will have two major streets that have been desperately in need of repair resurfaced for the traveling public. Both Lalley Road and Kofhmel Road are scheduled to be complete this summer at a total cost of \$ 323,216.00. Other than the road work that was part of the water projects, this will be the first time that the city has seen any road reconstruction undertaken in many years. We are in the process of developing a long term Road Improvement Plan. This plan is be done in conjunction with the RoadSoft program from MI-Tech and our own GIS program which we implemented last year.

The Mineral Hills location residence will be seeing some new upgrades made to their portion of the Hunter Road water system. STS and the city's Water Department are working together to determine the areas which are most in need of improvements. Although it would be most desirable to replace the entire system, it would certainly mean that rates would have to be increased to meet the added financial obligation. This past year the city acquired two contracts for rental space on the Stambaugh Water Tank from cell phone providers. These rental fees will be used to make the monthly payments for the RD loan thereby offsetting the increase to our customers.

The Friends of Nelson Field have indicated an interest in one more expansion project to the park. They are exploring the possibility of installing a pole vault runway which was not installed last summer due to lack of funding. If this improvement is completed, it will make the facility more desirable for high school track meets which bring more visitors to town.

2006-07 should see the beginning of a new Call Center business on Washington Avenue in the Stambaugh location. Although things seem to be progressing slowly, we should begin to see the new jobs created within several weeks. This will help stimulate additional traffic to that part of our business district and entice other new businesses to consider this area for development or expansion.

The Cool Cities study will also be completed this year. The study should help our city by developing a revitalization plan for our downtown districts and open doors for outside funding sources to assist with implementing those goals.

The City's Downtown Development Authority has undertaken a large project in its effort to improve the business district and surrounding area. The Central School project could be a major improvement to what has become an otherwise blighting condition. The preliminary plans are indicating that there could be as many as 20 new upscale apartment units in the vacant building. The typical investors might be seniors who no longer want to deal with the commitments of homeownership or the "baby boomers" who are approaching retirement and would like to have a nice but maintenance free residence here in Iron County. This project is unlikely to see any construction this year but should see final plan formulated along with a marketing program directed at attracting investors. A public forum will be scheduled in February to receive input of interested parties in this unique housing cooperative. It will also provide an opportunity for the community to get its first look at the preliminary plans and to meet with the architects and offer suggestions.

From time to time a variety of plans have come and gone without causing any significant changes to our community. The City can plan but without the cooperation and interest of the citizens and business community nothing can change. Recently, we have seen this necessary resurgence of interest from our citizens and business owners alike. I believe that Iron River has once again begun to move forward and will continue to improve.

All in all, the City of Iron River appears to be poised for another busy but constructive year which should prove to be quite rewarding for its citizens.