

LOCALNEWS

Council assessed value basis of renegotiations

BY LAUREL BEAGER
Editor

The International Falls City Council agreed Monday to base an attempt to renegotiate the terms of a contract and brokerage fees paid to MJD Enterprises to obtain the Donahue property on the 2009 assessed value set by Koochiching County.

The property was assessed by the county at \$376,000.

International Falls Mayor Bob Anderson voted against the motion. He favored a new appraisal on the property, which he said he believed may give more strength to the city in renegotiating the agreement with the Donahue family.

The council earlier asked city Administrator Ken Anderson to seek an appraisal

on the property for the purposes of asking Matt Donahue of MJD Enterprises to consider adjusting the contract based on questions about the accuracy of a \$1.8 million property appraisal by Frank Bigelow, Bigelow Appraisals, Hibbing.

Ken Anderson reported Monday he's been unable to obtain a quote for a second appraisal. He said he sought proposals from nine firms, with four notifying him they would not submit a proposal. He said he was unsure why the others did not respond. He said he intended to contact the other firms to inquire about the proposals.

The council also agreed Monday to withhold payment of a \$15,000 brokerage fee due July 15 until city Attorney Steve Shermoen

has a chance to meet with Donahue. That payment, and a final payment of \$15,000 due July 2015, are what remains of brokerage fees totaling about \$90,000 as a part of a 2009 agreement with the Donahue Family Trust that provided the 122-acres to the city. The annual payments are based on 5 percent of appraised value.

Councilors said they did not want to spend more time and money on seeking an appraisal from the other five firms and instead agreed to use the assessed value.

Councilor Pete Kalar vot-



ed against withholding the payment. He said the council is counting on Donahue's good faith and intentions in renegotiating the terms of the agreement and, in exchange, the council should do the same to Donahue.

“Whether we agree with the contract or not, we have a contract and we should pay the \$15,000 obligation,” he said.

Shermoen told the council he did not want to reveal strategy in a public meeting and suggested a closed session would be more appropriate to discuss the pros and cons of using the assessed value versus appraised value.

Councilors said a special meeting could be scheduled to pay the fee prior to next week's due date.

In related business, Coun-

cilor Gail Rognerud asked Bob Anderson about an appointment to a committee established to set the procedure for determining whether to annex the Donahue property.

In May, appointment by Mayor Anderson of Kalar to a committee to explore with Koochiching County Commissioners Rob Ecklund and Wade Pavleck was rejected by the council on a 3-2 vote. Under city charter, the mayor makes appointments, which are approved by the council.

Rognerud again reiterated Kalarud would do a good job, but said it would be more appropriate to appoint Councilor Cynthia Jaksa, who represents the area considered for annexation and who is a member of the

city's Legislation and Land Use Committee.

Rognerud and Jaksa again said Anderson has shown a pattern of appointing Kalar to more external committees than other councilors.

Anderson said Monday the appointment of Jaksa or someone else to the committee is a question of trust, based on previous council actions involving annexation that resulted in a lawsuit against the county and state of Minnesota.

Rognerud said in the year and a half since Anderson has been mayor he has not appointed anyone else to a committee. Jaksa said good leadership is built on consensus and putting personal ambitions aside.

Anderson said he has no personal agenda.

Chamber to host mining information luncheon

BY SPENSER BICKETT
Staff Writer

In an effort to help supply the gold rush in northwestern Ontario, local officials have scheduled an informational meeting with the prospectors.

The luncheon meeting is intended to provide information about out how to better serve and profit from the opportunity locally.

The International Falls Chamber of Commerce will host an informational luncheon with officials from the New Gold Corporation from noon to 1:30 p.m. July 17 at Lenard's at the AmericInn.

New Gold is now seeking permits to start construction on a mine located 45 minutes northwest of International Falls. Shawn Mason, International Falls Economic Development Authority director, said New Gold officials are anticipating groundbreaking in the last few months 2014, or the first few months of 2015.

The luncheon will feature New Gold staff including



Kyle Stanfield, vice president of environmental stewardship; Christine Ruppenstein, human resources supervisor; Chris McGoldrick, construction director; and Stacey Jack, community coordinator. Mason said Stanfield will handle the overall presentation, with Ruppenstein and McGoldrick sharing department-specific information, as well as answering questions.

The meeting is expected to last about 90 minutes and afterwards, there will be a physical site tour for those who want to drive to the site in Ontario, Mason said. Cost to attend is \$10,

and people can register to attend by calling the International Falls Chamber of Commerce at 283-9400.

International Falls is the closest U.S. city to the mining site, and with assets like an international airport, multimodal district, and foreign trade zone, Mason said it's her hope the city can provide a multitude of services to the operation.

"We are in a very unique position, where our geographic location will serve us well," Mason said. "If there is a supply, service, or type of material that our area currently does not have, this could present a

business opportunity for an existing business, or for a new business.”

International Falls Chamber of Commerce President Faye Whitbeck said it's been encouraging to see New Gold willing and interested to come and present this information to the community.

"I think it suggests the company also believes there may be mutual benefits to engaging with International Falls," Whitbeck said. "Our proximity to the project, and our ability to provide certain commodities are sound reasons for fostering a relationship with this company."

With the project coming up on the horizon, Whitbeck said community members are warming to the idea that there may be an opportunity to supply the operation during construction phase with supplies, services, and lodging.

"The importance of holding this informational luncheon is specifically to make the public more aware of the action occurring relatively near to us, so that we may be educated on the needs of New Gold, and engaged in areas that could be of significant economic benefit to related businesses," Whitbeck said.

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