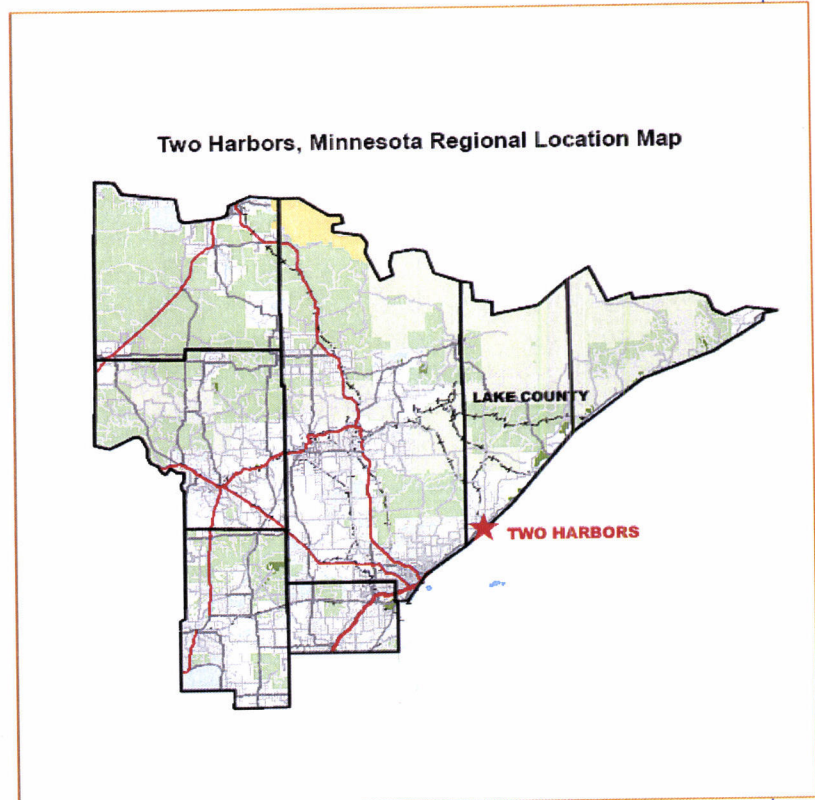


COMMUNITY PROFILE

This section provides a description of the City's location, history, demography, economy, and geography to better understand the condition in which growth and development are occurring in the city.

Location and History

The City of Two Harbors can be found nestled along the north shore of Lake Superior in Lake County, Minnesota. Trunk Highway 61, a four-lane limited-access expressway west of Two Harbors, runs directly through the City. That highway, an All-American Road in the National Scenic Byway System, begins in Duluth and spans the shore through Grand Marais and into Canada. Connecting Two Harbors with the rest of the United States and with world seaports the City, along with adjoining Lake County, has a natural harbor in Agate Bay. This harbor provides an access for economical transportation of goods to larger production areas.



The Mesabi and Vermilion iron-ore ranges are located 50 to 70 miles, by train, from Two Harbors. Iron ore was the main cause for development of the town because of its close proximity to the ranges and its natural harbor. High quality ore has since been depleted, and to remain competitive, production has been transferred to taconite pellets that use lower-grade ore.

The area known as Two Harbors has changed ownership many times through the centuries. Around 1550, Chippewa Indians took over the land from the Sioux Indians. In 1609, England took over ownership when King James I issued a charter to the Virginia Company. In 1671, France claimed the area. Through the Treaty of Paris, the United States obtained ownership, and in 1787, this area became part of the Northwest Territory. After the Chippewa Indians signed the Treaty of LaPointe in 1854, the land was opened up for white settlement. Thomas Saxton was the first to settle at Agate Bay in 1856, which was abandoned by 1858 because of lack of finances.