

**Meeting of the
Iron Range Resources Board**

**Thursday, October 25, 2007
11:00 a.m.
Iron Range Resources Board Room
Eveleth, Minnesota**

I. Roll Call

Representative David Dill, Chair, called the meeting to order at approximately 11:04 a.m. Present: Representative Tom Anzelc, Representative Tom Rukavina, Representative Tony Sertich, Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan. Absent: Representative Loren Solberg and Senator Rod Skoe. Also present were: Brian Hiti, Deputy Commissioner; Doug Gregor, Assistant Attorney General; Matt Sjoberg, Development Strategies Director; Dave Hart, Loan Officer, Sr.; Richard Anderson, Loan Officer, Sr.; Richard Walsh, Community Development Grants Coordinator; Sheryl Kochevar, Communications & Media Coordinator; Lauren Hall, Executive Assistant; Annette Maki, Executive Assistant; Mike Nidelkoff, Director of Operations, Premier Plastics, Inc.; Bruce Niemi, Owner, Range Monument & Granite Works; Nick Debronsky, Chief Executive Officer, CrossUSA; and Joel Carlson, Chief Financial Officer, Cross USA.

II. Approval of the October 16, 2007, Minutes

Citizen Shelley Robinson moved approval of the October 16, 2007, minutes. Seconded by Citizen Joe Begich. Motion carried.

III. Douglas J. Johnson Economic Protection Trust Fund

Action required: Project approval requires 8 votes

- a. Premier Plastics, Inc.**
- b. Range Monument & Granite Works**
- c. CrossUSA**

Motion by Representative Tom Rukavina to approve the entire list of projects (III a. - c.) including the Premier Plastics, Inc. project as presented for an amount not to exceed \$100,000, the Range Monument & Granite Works project as presented for an amount not to exceed \$200,000, and the CrossUSA project as presented for an amount not to exceed \$500,000. Seconded by Representative Tony Sertich. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan.

Voting Against the Motion: None.

Abstain: None.

Absent: Representative Loren Solberg and Senator Rod Skoe.

IV. Other

Motion by Representative Tom Rukavina to approve the expenditure of up to \$250,000 of TEPF Funds for a grant to the University of Minnesota to support a study regarding the health effects of mining as presented in Resolution No.: 08-007. Seconded by Representative Tom Anzelc. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan.

Voting Against the Motion: None.

Abstain: None.

Absent: Representative Loren Solberg and Senator Rod Skoe.

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
GRANT APPROVAL FOR
UNIVERSITY STUDY OF THE HEALTH EFFECTS OF MINING**

Resolution No.: 08-007

WHEREAS, the Commissioner is authorized under and pursuant to the provisions of Minnesota Statutes Section 298.223, subdivision 1(d) to expend, upon approval of a majority vote of the members of the Board, the Taconite Area Environmental Protection Fund monies made available under Minnesota Statutes Section 298.223 (“**TEPF Funds**”) to monitor mineral industry related health problems among miners within the Taconite Assistance Area designated in Minnesota Statutes Section 273.1341 (“**TAA**”); and,

WHEREAS, the University of Minnesota’s School of Public Health is initiating a study (the “**Study**”) to assess the extent to which taconite mining in northern Minnesota may be the cause of asbestosis, silicosis, scarred lungs, mesothelioma cancer, non-mesothelioma cancer, or other diseases that have affected the health of miners, their families, transportation and construction workers and others associated with the industry (the “**Study Subjects**”); and,

WHEREAS, it is anticipated that the protocol for the Study, when finalized, will include provision for medical examinations of the Study Subjects at medical facilities that are located within the TAA, and that the University will need funds to underwrite a portion of the costs of conducting those aspects of the Study.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby approves the expenditure of up to \$250,000 of TEPF Funds for a grant to the University of Minnesota to provide funds to match, on a dollar-for-dollar basis, other funds that are made available to the University to conduct and pay the medical costs associated with examinations and medical testing of the Study Subjects at medical facilities located within that portion of the TAA defined in Minnesota Statutes Section 273.134 (b) (otherwise known as the “Taconite Tax Relief Area”), consistent with and in furtherance of the Study protocol.

BE IT FURTHER RESOLVED that the Board chair shall appoint a liaison group of Board members to monitor progress in regard to the grant, the Study, and the expenditure of the funds.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 25th DAY OF OCTOBER, 2007.

| Member | Aye | Nay | Abstain | Absent |
|-------------------------------|------------|------------|----------------|---------------|
| Senator Tom Bakk | X | | | |
| Senator Tom Saxhaug | X | | | |
| Senator Rod Skoe | | | | X |
| Senator Yvonne Prettner Solon | X | | | |
| Senator Dave Tomassoni | X | | | |
| Representative Tom Anzelc | X | | | |
| Representative Dave Dill | X | | | |
| Representative Tom Rukavina | X | | | |
| Representative Tony Sertich | X | | | |
| Representative Loren Solberg | | | | X |
| Citizen Joe Begich | X | | | |
| Citizen Shelley Robinson | X | | | |
| Citizen Jack Ryan | X | | | |
| TOTAL | 11 | 0 | 0 | 2 |

Signed: _____
 Representative David Dill, Chair

V. Taconite Area Environmental Protection Fund
Action required: Project approval requires 7 votes

a. Grants Projects

Motion by Senator Tom Bakk to approve the Grants Projects as presented in Resolution No. 08-006. Seconded by Citizen Joe Begich

Amendment 1. Motion by Representative Tom Anzelc to amend Resolution No. 08-006 to include:

6. City of Keewatin. A grant of up to \$150,000 of either Public Works Funds or Mineland Reclamation funds as provided in the agency's approved FY08 Investment Plan, to pay, on a dollar-for-dollar matching basis with other funds, a portion of the costs associated with the City's project, commonly known as the Longyear Project, to remediate an oil-spill.

7. City of Nashwauk. A grant of up to \$250,000 of Public Works Funds to pay for a portion of the costs associated with the City's project to upgrade its municipal sewer system.

Seconded by Senator Tom Saxhaug.

Amendment 1a. Motion by Representative Tony Sertich to amend Representative Anzelc's amendment to include:

8. City of Chisholm. A grant of up to \$200,000 of Public Works Funds to pay for a portion of the costs associated with the City's pending street improvement project.

9. City of Hibbing. A grant of up to \$300,000 of Public Works Funds to pay for a portion of the costs associated with the City's pending housing development project.

Seconded by Senator David Tomassoni. Motion carried.

Representative Anzelc's motion was restated to include Representative Sertich's amendment to Representative Anzelc's amendment of Resolution No. 08-006. Seconded by Senator Tom Saxhaug. Motion carried.

Amendment 2. Motion by Senator Tom Bakk to amend the amended Resolution No. 08-006 to increase the amount of the grant up to \$480,000 rather than up to \$350,000 of the Public Works Funds for the City of Ely Project as outlined in Resolution No. 08-006.

Seconded by Representative Tom Rukavina. Motion carried

Amendment 3. Motion by Representative Tom Rukavina to amend the twice amended Resolution No. 08-006 to include the prevailing wage provision as outlined in Resolution No. 96-005. Seconded by Representative Tom Anzelc. Motion carried.

Amendment 4. Motion by Representative Rukavina to amend the three times amended Resolution No. 08-006 that the expenditure of the funds for all projects is further contingent upon the Governor's approval of the expenditure of all of the proposed projects. Motion carried.

Motion by Senator Tom Bakk restated to approve the Grants Projects in Resolution No. 08-006 as Amendment 1 by Representative Anzelc which was amended by Representative Sertich, Amendment 2 by Senator Bakk, Amendment 3 by Representative Tom Rukavina and Amendment 4 by Representative Tom Rukavina. Seconded by Citizen Joe Begich. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Senator Tom Bakk, Senator Tom Saxhaug, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan.

Voting Against the Motion: None.

Abstain: None.

Absent: Representative Loren Solberg, Senator Rod Skoe, and Senator Yvonne Prettner Solon.

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
BUSINESS INFRASTRUCTURE AND PUBLIC WORKS PROJECT
APPROVALS**

Resolution No.: 08-006 (As amended)

WHEREAS, the Commissioner is authorized to expend, upon approval of a majority vote of the members of the Board, the Taconite Area Environmental Protection Fund monies made available under Minnesota Statutes Section 298.223 (“**TEPF Funds**”) to promote the economic development of the Taconite Assistance Area designated in Minnesota Statutes Section 273.1341 (“**TAA**”), by investing in local economic development projects within the TAA; and,

WHEREAS, the agency’s approved FY 2008 Investment Plan budget includes the allocation of \$ 1,000,000 of TEPF for Community Business Infrastructure Grants (“**Business Infrastructure Funds**”) and the reservation of \$6 million of Development Projects Reserve funds which were to be expended for public works projects, otherwise known as Public Works Infrastructure Grants (“**Public Works Funds**”);

WHEREAS, the Commissioner has received proposals for the expenditure of portions of such TEPF Funds for certain local economic development projects as more specifically described below which would be undertaken and implemented in the TAA (collectively the “**Proposed Projects**”); and,

WHEREAS, the Board met in open session at 11:00 a.m. on October 25, 2007, in the Board Room located near Eveleth, Minnesota, to consider, among other matters, the Proposed Projects and has determined that the expenditure of the following amounts of

TEPF Funds for the purposes and in the amounts specified below would be in the public interest and promote economic development within the Taconite Assistance Area.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby approves the expenditure of TEPF Funds to provide grants in the following amounts for the following Proposed Projects:

1. **City of Ely**: a grant of up to \$480,000 of the Public Works Funds for infrastructure improvements that are directly and primarily related to the construction of a \$4.3 million, 48-unit assisted living complex to be located adjacent to the hospital which is anticipated to create 17 jobs at an average wage of \$11-12 plus benefits;
2. **City of Eveleth**: a grant of up to \$150,000 of Public Works Funds to be used for the costs of site preparation work associated with the construction of a 6,000 square foot addition to the dialysis center at the Eveleth Health Services Park that is anticipated to cost approximately \$1,527,000 and create 4 new jobs as well as retain 7 jobs at the dialysis center. In addition, this project will enhance the viability of the entire facility and help retain 80 full-time jobs in the Eveleth Health Services Park.
3. **City of Gilbert**: a grant of up to \$200,000 of the Public Works Funds for infrastructure and site improvements associated with the construction of a \$3.24 million, 24-unit town home development;
4. **City of Grand Rapids**: a grant of up to \$100,000 of the Business Infrastructure Funds for site work, including environment assessments, associated with the Itasca Economic Development Corporation's \$675,000 project to renovate an industrial building it has recently acquired that is located near the City's airport. IEDC expects 20-40 new jobs at a wage level of \$11 per hour, plus benefits, once the building is full.
5. **City of Virginia**: a grant of up to \$250,000 of the Business Infrastructure Funds to be used in combination with \$250,000 in Public Works Funds approved by the Board in FY07, along with \$300,000 of DEED funds, to pay a portion of anticipated infrastructure improvements costs of \$1.6 million associated with construction of a \$9.6 million industrial facility to be occupied by P&H MinePro that would create an estimated 17 new jobs as well as help retain 80 jobs.
6. **City of Keewatin**. A grant of up to \$150,000 of either Public Works Funds or Mineland Reclamation funds as provided in the agency's approved FY08 Investment Plan, to pay, on a dollar-for-dollar matching basis with other funds, a portion of the costs associated with the City's project, commonly known as the Longyear Project, to remediate an oil-spill.

7. **City of Nashwauk.** A grant of up to \$250,000 of Public Works Funds to pay for a portion of the costs associated with the City's project to upgrade its municipal sewer system.
8. **City of Chisholm.** A grant of up to \$200,000 of Public Works Funds to pay for a portion of the costs associated with the City's pending street improvement project.
9. **City of Hibbing.** A grant of up to \$300,000 of Public Works Funds to pay for a portion of the costs associated with the City's pending housing development project.

BE IT FURTHER RESOLVED, that the Board's approval for the expenditure of the said funds for the said projects is further contingent upon the Governor's approval of the expenditure of funds for all of the said proposed projects.

BE IT FURTHER RESOLVED, that the Board's approval for the expenditure of the said funds for the said projects is further contingent upon the agency, in its grant contracts, requiring each grantee entity to commit to the payment of prevailing wages for the funded project as indicated in, and to the extent required in, the Board's Resolution 96-005.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 25th DAY OF OCTOBER, 2007.

| Member | Aye | Nay | Abstain | Absent |
|-------------------------------|------------|------------|----------------|---------------|
| Senator Tom Bakk | X | | | |
| Senator Tom Saxhaug | X | | | |
| Senator Rod Skoe | | | | X |
| Senator Yvonne Prettner Solon | | | | X |
| Senator Dave Tomassoni | X | | | |
| Representative Tom Anzelc | X | | | |
| Representative Dave Dill | X | | | |
| Representative Tom Rukavina | X | | | |
| Representative Tony Sertich | X | | | |
| Representative Loren Solberg | | | | X |
| Citizen Joe Begich | X | | | |
| Citizen Shelley Robinson | X | | | |
| Citizen Jack Ryan | X | | | |
| TOTAL | 10 | 0 | 0 | 3 |

Signed: _____
 Representative David Dill, Chair

VI. Other

- a. Representative Tom Rukavina and Citizen Joe Begich suggested that the agency consider a program that addresses the needs of retail businesses (such as the former Storefront Renovation program). The Board agreed that this matter would be referred to the Economic Development Liaison Group.
- b. Deputy Commissioner Brian Hiti updated the Board on the status of the Residential Community Redevelopment Program (aka the Building Demolition Program).
- c. Senator Tom Bakk requested an update from the companies involved with the Mesabi Nugget, PolyMet and Minnesota Steel projects at the Iron Range Resources Board Meeting scheduled for Thursday, December 13, 2007.

VII. Adjournment

Meeting adjourned at 12:45 p.m.