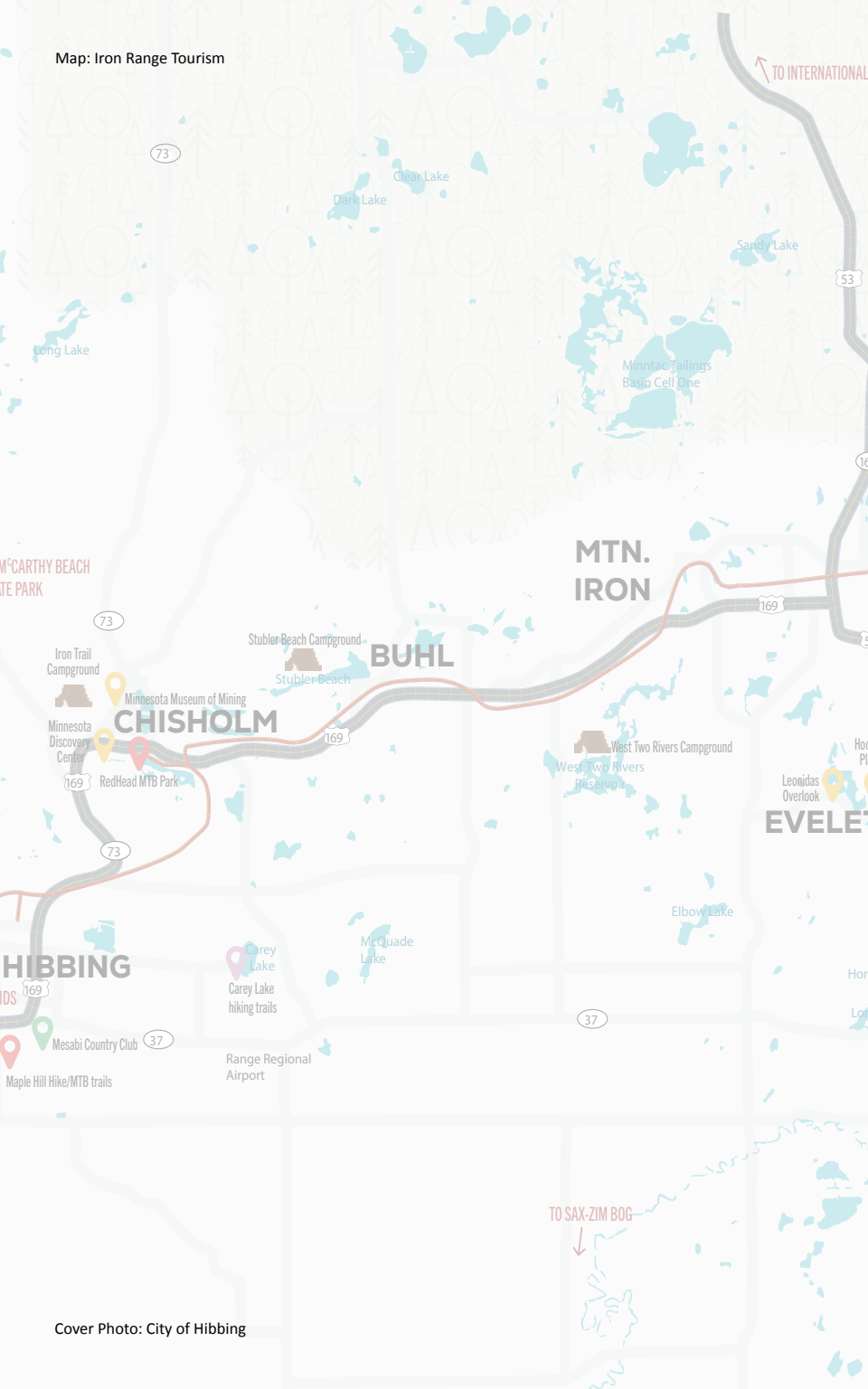


Taconite Assistance Area Resource Guide





Serving the Taconite Assistance Area

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The city of Aurora was awarded Public Works grants for a new East Range water system that will have the capacity to serve the four communities of Aurora, Town of White, Biwabik and Hoyt Lakes. The project involves a new water treatment plant, a new surface water intake structure and 10,000 feet of water transmission line to extend water service to residential areas. The existing water treatment plant, intake facilities and water sources are outdated, unsuited for continued use and economically unviable for renovation. The new system helps to future-proof our region, ensuring residents have access to clean, reliable drinking water for generations to come.

Construction of East Range Water Treatment Facility
Aurora

Who We Are

Iron Range Resources & Rehabilitation (IRRR) is a state of Minnesota economic development agency that reinvests local taconite production taxes back into northeastern Minnesota businesses and communities to strengthen and diversify the economy.

The agency has three economic development goals related to business, community and workforce:

1. Businesses invest in northeastern Minnesota.
2. Communities invest in their foundational and social assets to ensure quality of life.
3. Workers have the education and training to meet business needs.

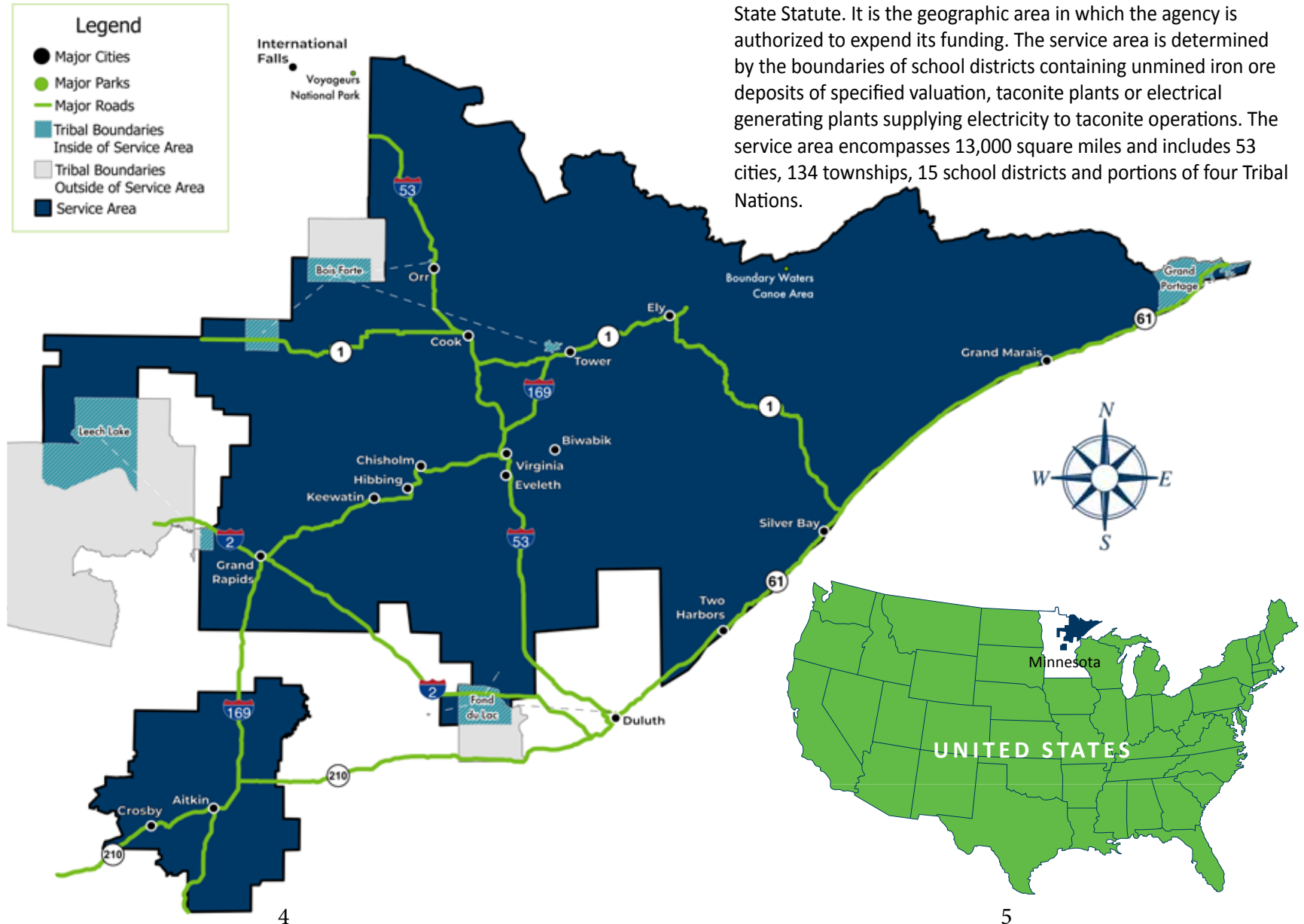
The agency provides vital funding, including low or no interest loans, loan guaranties and grants to businesses in the region. A variety of grants are also available to local and Tribal governments, educational institutions and nonprofits that promote livable communities and workforce development.

Funding for IRRR loan and grant programming is only available to projects occurring within the Taconite Assistance Area as defined by Minnesota Statute 273.1341.



Where We Serve

The Taconite Assistance Area is a region defined by Minnesota State Statute. It is the geographic area in which the agency is authorized to expend its funding. The service area is determined by the boundaries of school districts containing unmined iron ore deposits of specified valuation, taconite plants or electrical generating plants supplying electricity to taconite operations. The service area encompasses 13,000 square miles and includes 53 cities, 134 townships, 15 school districts and portions of four Tribal Nations.



How We Are Funded

Iron Range Resources & Rehabilitation is funded primarily by a portion of a local taconite production tax paid by mining companies on each ton of iron ore pellets produced. The tax is paid in lieu of property taxes by mining companies located within the agency's service area.

The agency utilizes a portion of the tax funds as an economic development tool to invest in growing businesses that create and retain jobs, prepare communities for change and growth, invest in an educated workforce and improve the quality of life in the Taconite Assistance Area.



Tribal Relations



Bois Forte Band of Chippewa was awarded a Public Works grant to construct a new 13,800-square-foot public services facility on the Vermilion Sector, providing four large bays for equipment and vehicles used in the Bois Forte Public Works and Housing departments. One of the bays is used by the Head Start program in Vermilion for their buses and equipment. The facility has a food shelf area, office space, a conference room and restrooms. Bois Forte relocated the Public Works department vehicles and activity from a different location at the Lake Vermilion Community Services Facility, which houses education, community, wellness and health care services. Separating the vehicles and equipment from the education, community and health services added greater safety and efficiencies.

Bois Forte Band of Chippewa
Public Services Facility, Vermilion Sector

The Iron Range Resources & Rehabilitation Tribal Liaison works to support government-to-government relations between the agency and the four Tribal Nations located within the service area:

- Bois Forte Band of Chippewa.
- Fond du Lac Band of Lake Superior Chippewa.
- Grand Portage Band of Lake Superior Chippewa.
- Leech Lake Band of Ojibwe.

The four Tribal Nations are separate sovereign nations, and each has an independent relationship with the United States and the state of Minnesota. The Tribal Liaison fosters partnerships related to projects that impact community, business and workforce development.



The Hibbing Public Utilities Commission (HPUC) is conducting a major water infrastructure project. IRRR supported the project with \$3 million in legislative revenue bond proceeds as required by the 2024 Minerals Article Legislation/Tax Omnibus Bill. Nearly one mile of water main will be fixed to ensure reliable and steady water flow to the residents of Hibbing. The current water main is 30-inch cast iron pipe that is over 100 years old. HPUC is using a technique called “slip lining” to replace the century-old pipe; it is a trenchless repair method that can be completed during the winter months. A new, smaller diameter pipe is inserted inside the existing, damaged water main, restoring its structural integrity and repairing any leaks. The method eliminates the excavation of the entire water main and is less expensive, creating costs savings to the rate payers.

Community Resources



Public Works Grant Program



The city of Babbitt was awarded a Public Works grant to construct a new wastewater treatment facility with three new buildings to treat, aerate and disinfect the water. Many components of the prior facility were 50 years old, and some portions were almost 70. The outdated and inefficient system caused the city to make costly repairs throughout the past several years, and it was not economically or technologically viable to renovate. The existing aeration tanks were repurposed, and the sewer collection system piping was relined or replaced. The new facility meets low-level mercury limits required for permitting by the Minnesota Pollution Control Agency. The new system is helping to reduce the amount of inflow and infiltration into the sanitary sewer system, resulting in the city treating less water at the waste treatment plant and reducing annual operating costs.

Public Works grants support local and Tribal governments with infrastructure funding that provides essential services and promotes economic development.

Eligible applicants: Cities, townships, Tribal governments and governmental entities created pursuant to Minnesota Statutes within the agency's service area. Multi-organization collaboration is welcomed.

Eligible projects: Examples include, but are not limited to, sewer (lines, lift stations, treatment facilities), water (lines, treatment facilities, water storage/towers), stormwater, streets, street lighting, sidewalks, dams, building improvements (city halls, townhalls, fire departments, public safety buildings, public works, libraries) and recreational facilities, such as arenas and community centers, large regionally significant parks or campgrounds, airport buildings and infrastructure.

Required match per project: 1:1

FY26 funding: \$9,000,000. Grant amounts vary.

Evaluation criteria:

- Project impact.
- Non-applicant funding sources.
- Job impact.
- Mining-impacted community.
- Diversity, equity, inclusion and accessibility.
- Environmental impact and mitigation.



Broadband Infrastructure Grant Program



Paul Bunyan Communications was awarded a Broadband Infrastructure grant to deploy fiber optic fast broadband with speeds up to 10 Gbps to approximately 350 unserved and underserved households in Great Scott Township and surrounding areas of Dark Lake, Clear Lake, Lake Fourteen and Lake Leander. The 350 locations will have access to the fastest internet speeds available which will far exceed the state of Minnesota 2026 speed goal. Construction is planned to begin in summer 2025 and be completed by winter 2025.

Broadband Infrastructure grants assist projects that help households and businesses reach the state of Minnesota broadband speed goal.

Eligible applicants: Cities, townships, nonprofits, Tribal governments and governmental entities created pursuant to Minnesota Statutes within the agency's service area. Multi-organization collaboration is welcomed.

Examples of projects: Constructing fiber to the home buildout to unserved households.

Required match per project: 1:1

FY26 funding: \$1,000,000. Grant amounts vary.

Evaluation criteria:

- Anticipated broadband service improvements.
- Regional and community benefit.
- Non-applicant funding sources.
- Diversity, equity, inclusion and accessibility.
- Job impact.



Housing Grant Program

Housing grants assist projects or programs that result in the creation of new housing units or the rehabilitation of existing housing units. The program supports housing solutions that align with local priorities and regional employer's needs.

Eligible applicants: Cities, townships, nonprofits, counties, Tribal governments and governmental entities created pursuant to Minnesota Statutes within the agency's service area. Multi-organization collaboration is welcomed.

Eligible projects and programs: Examples include, but are not limited to, infrastructure, site work, new construction, rehabilitation of existing housing stock, repurposing existing structures for residential use, housing trust funds, and other projects or programming that positively impact the value or number of housing units.

Required match per project: 1:1

FY26 funding: \$6,000,000. Grant amounts vary.

Evaluation criteria for Housing Program and Project Initiatives:

- Program or project readiness.
- Economic impact and market demand.
- Mining-impacted communities.
- Non-applicant funding sources.
- Job impact.
- Diversity, equity, inclusion and accessibility.
- Environmental impact and mitigation.



Washington Manor in Virginia is a 63-unit market rate housing complex serving seniors age 55 and over. It was awarded a Housing grant to support a major capital improvement renovation that will replace flat roofs, repair and replace plumbing, replace individual room air conditioners and decks, modernize an elevator and perform exterior work. The facility will also transition from steam heat to meet a 2026 citywide deadline ending that service.

The Virginia Housing and Redevelopment Authority owns and operates the property. Throughout the past 10 years, the manor has had high occupancy rates and recently has had a waiting list. The renovation project ensures that area seniors have access to quality housing.

Washington Manor
Virginia



Residential Redevelopment Grant Program



The city of Two Harbors was awarded a Residential Redevelopment grant to demolish one blighted, vacant house that had created significant safety concerns for the neighborhood. The demolition made room for potential construction of a new home which can increase the value of surrounding properties and improve the local housing inventory.

Residential Redevelopment grants assist with demolishing residential structures or full deconstruction of homes for reuse of materials. Projects must eliminate blight, improve property maintenance, promote health and safety, reduce waste or encourage economic development. Homeowners interested in applying should contact their municipality.

Eligible applicants: Cities, townships, nonprofits, counties, Tribal governments and governmental entities created pursuant to Minnesota Statutes within the agency's service area. Multi-organization collaboration is welcomed.

Eligible structures: Single-unit residential homes, residential duplexes, residential multi-unit structures, garages, sheds and barns located within a residential zone. Dilapidated cabin removal may be eligible if a redevelopment plan to build new is in place.

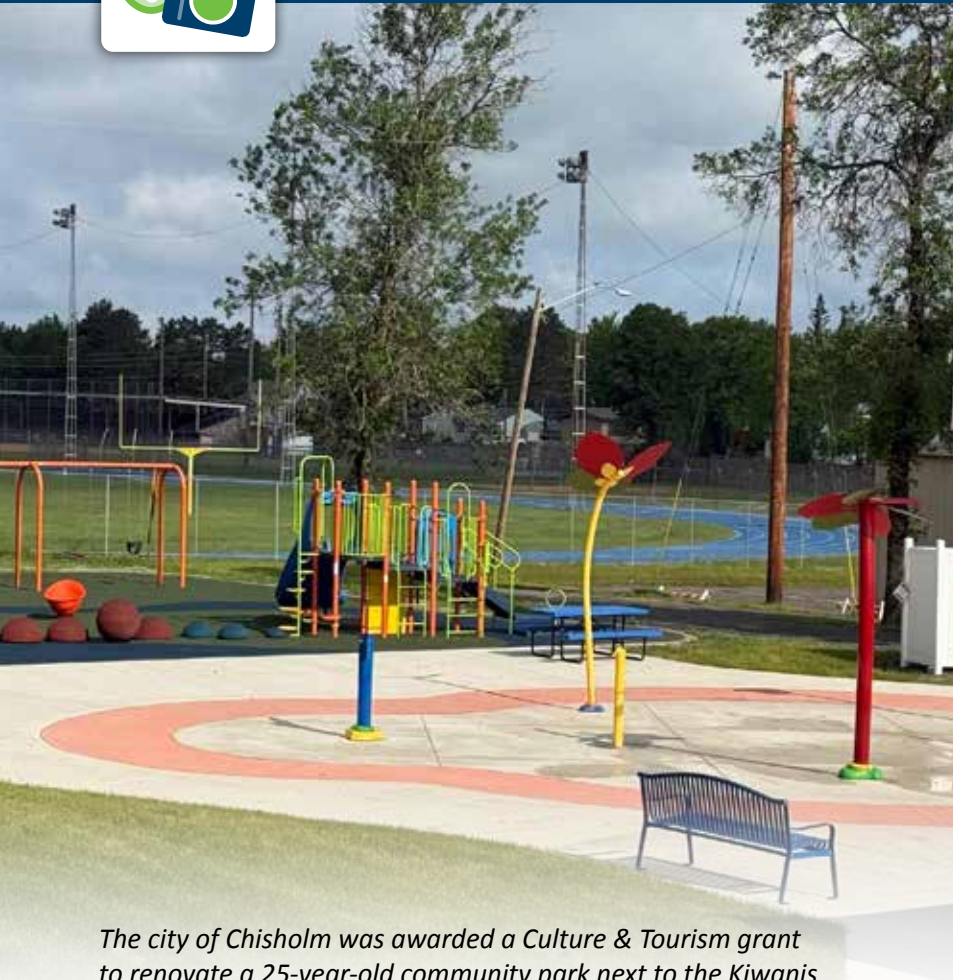
FY26 funding: \$225,000. A maximum of \$4 per building square foot or 75% of demolition cost including basements, whichever is less. A maximum of up to \$5,000 for deconstruction.

Evaluation criteria:

- Redevelopment use.
- Removes blight.
- Project readiness and timeliness.
- Diversity, equity, inclusion and accessibility.
- Urgent public health and safety issues.
- Environmental impact and mitigation.
- Job impact.



Culture & Tourism Grant Program



The city of Chisholm was awarded a Culture & Tourism grant to renovate a 25-year-old community park next to the Kiwanis Splash Pad, which spans 2,600 square feet and opened last summer. Both the splash pad and the updated park now meet ADA standards. Improvements included resurfacing the park, installing new play equipment and adding a paved path that links the two amenities. The revitalized complex has become a popular gathering spot for residents and visitors alike.

Memorial Park
Chisholm

Culture & Tourism grants assist projects that support arts, culture, history, tourism and recreational activities, enhance the quality of life in the region and attract visitors.

Eligible applicants: Cities, townships, nonprofits, Tribal governments and governmental entities created pursuant to Minnesota Statutes located within the agency's service area. Multi-organization collaboration is welcomed.

Eligible projects: Capital improvements, historic preservations, community arts and culture, tourism and recreational activities and promotion to new audiences. Project examples include, but are not limited to: Museum improvements, downtown beautification, digital ad campaigns, splash pads, pickleball courts, ADA-inclusive playground equipment, community signage, benches and lighting.

Required match per project: 1:1

FY26 funding: \$850,000. Grant awards range from \$2,500 to \$30,000. (Up to \$150,000 of the budget is designated for trail equipment funding, with a maximum grant limit of up to \$50,000.)

Evaluation criteria:

- Project enhances the quality of life and visitor experiences.
- Economic impact.
- Community benefit and partnerships.
- Diversity, equity, inclusion and accessibility.
- Environmental impact and mitigation.
- Visibility of project.
- Job impact.
- **Note:** See Culture & Tourism grant guidelines on agency website for trail equipment evaluation criteria.



Regional Trails Grant Program



The city of Ely was awarded a Regional Trails grant to pave two connection trails from the new Ely Regional Trailhead facility to the nearby Mesabi Bike Trail and the Prospector's Loop ATV Trail. The grant will also help with amenities that enhance the facility such as bike racks, map kiosks, outdoor seating, signage, outdoor lighting, trash receptacles and landscaping. The facility is under construction and will serve as a regional trailhead and information center for visitors in the Ely area. It is scheduled for completion in 2026 and will provide restrooms, visitor information, areas for trail users and travelers to rest, car charging, outside picnic space and dog exercise areas.

Regional Trails grants assist with the design, engineering and construction of various types of trails.

Eligible applicants: Cities, townships, nonprofits, counties, Tribal governments and governmental entities created pursuant to Minnesota Statutes within the agency's service area. The applicant or collaboration partners must be the current or intended property owner with control of the property. Multi-organization collaboration is welcomed.

Eligible projects: Examples include design, engineering, construction, fencing, trail counters, signage, emergency access roads, parking lots, kiosks and trailheads.

Required match per project: 1:1

FY26 funding: \$1,000,000. Grant awards vary.

Evaluation criteria:

- Economic impact.
- Enhancement to region/community.
- Community partnerships and support.
- Diversity, equity, inclusion and accessibility.
- Environmental impact and mitigation.
- Project readiness and timeliness.
- Job impact.



Mineland Reclamation Grant Program

Mineland Reclamation grants assist with highly visible development and restoration of mining-impacted land.

Eligible applicants: Cities, townships, counties, nonprofits, Tribal governments and governmental entities created pursuant to Minnesota Statutes within the agency's service area. Multi-organization collaboration is welcomed.

Eligible projects: Projects that reclaim or repurpose former mining-impacted lands not otherwise provided by state law or that sustain current and future mining. Examples include stockpile reclamation and vegetative enhancements, master planning, recreational and mine pit development and improvements.

Required match per project: 1:1

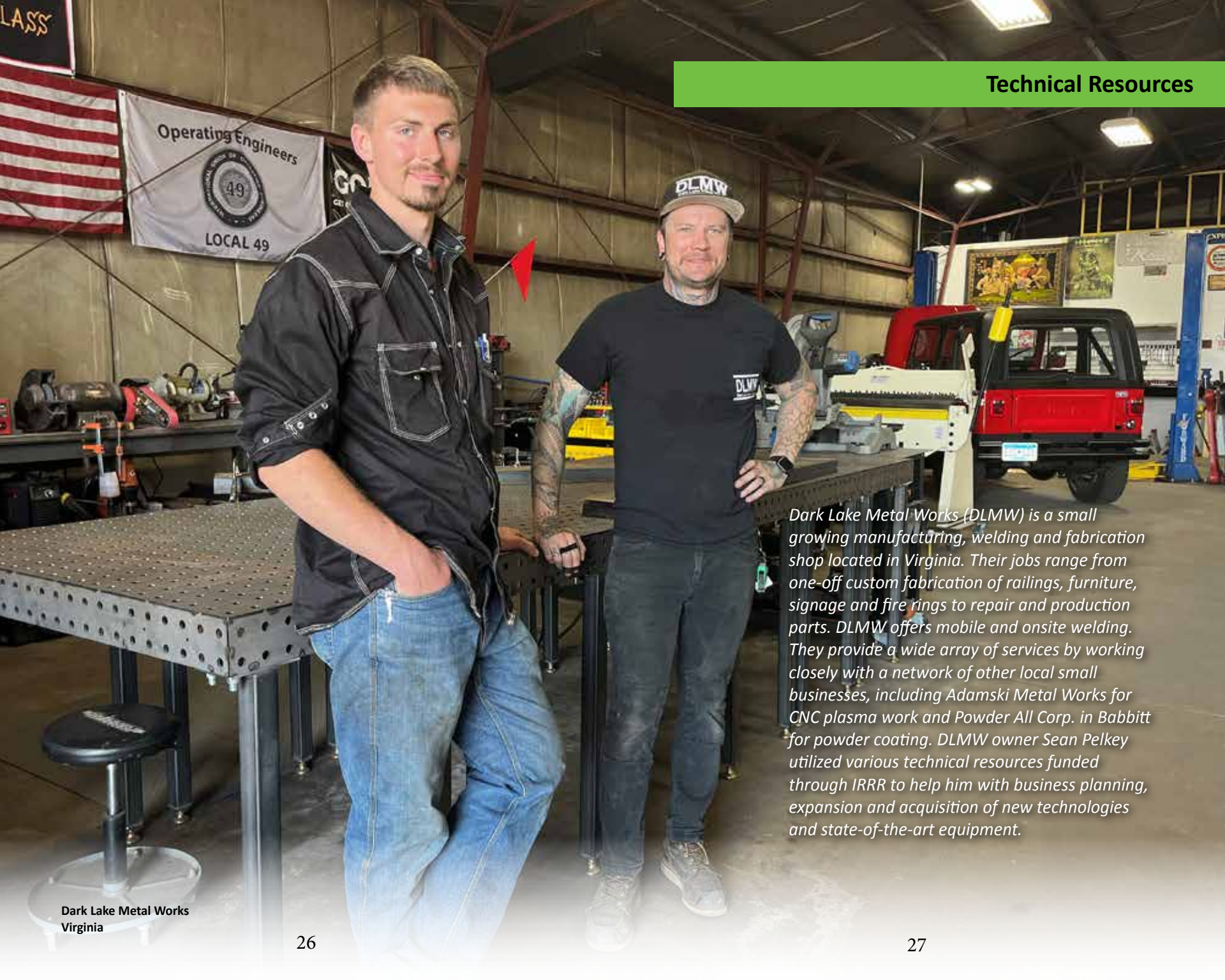
FY26 funding: \$350,000. Grant amounts vary.

Evaluation criteria:

- Impact.
- Community benefit and partnerships.
- Project readiness and timeliness.
- Diversity, equity, inclusion and accessibility.
- Environmental impact and mitigation.
- Job impact.



The city of Hibbing was awarded Mineland Reclamation grants to construct two structures that serve as visitor centers overlooking Hull Rust Mine View. One structure contains displays of historical artifacts, maps and artwork. The other structure has an exhibit hall, reception area, gift shop and outdoor balcony overlooking the mine. The mine view was relocated several years ago to accommodate Hibbing Taconite's mining operations. The new location, "Windows to the World," offers the public 360-degree viewing access of Hibbing Taconite's mine operations and the historic city of Hibbing. There are walking trails, interpretive signage, multiple viewing points and a park where kids can climb on mining equipment artifacts.



Dark Lake Metal Works (DLMW) is a small growing manufacturing, welding and fabrication shop located in Virginia. Their jobs range from one-off custom fabrication of railings, furniture, signage and fire rings to repair and production parts. DLMW offers mobile and onsite welding. They provide a wide array of services by working closely with a network of other local small businesses, including Adamski Metal Works for CNC plasma work and Powder All Corp. in Babbitt for powder coating. DLMW owner Sean Pelkey utilized various technical resources funded through IRRR to help him with business planning, expansion and acquisition of new technologies and state-of-the-art equipment.



Grant Writing Assistance Program

Grant Writing Assistance reimburses the costs of preparing and applying for a non-agency grant that will advance economic growth.

Eligible applicants: Cities, townships, nonprofits, Tribal governments, public school districts and governmental entities created pursuant to Minnesota Statutes within the agency's service area. Multi-organization collaboration is welcomed.


Eligible projects: Funds may be used for grant writing assistance to include preparation and submission of applications for grant funding from state, federal or private grant programs. Projects should involve larger, complex grant proposals that address local needs and advance economic growth.

Required match per project: 1:1

FY26 funding: \$30,000. Grant amounts vary and range up to \$3,000.

Evaluation criteria:

- Complexity of the grant application.
- Qualifications of the grant writer.
- Copy of the grant application(s) and guidelines.
- Diversity, equity, inclusion and accessibility.
- Job impact.



The city of Tower was awarded Grant Writing Assistance funding to hire a professional grant writer. The grant writer secured a \$35,000 grant from a philanthropic source to help install a new ADA-accessible dock system with a kayak and canoe launch. It is located at the kayak trailhead on the East Two River in Tower's historic harbor. The new launch makes access into kayaks much easier for everyone. Kayakers may travel down the historic harbor and the West Two River channel and view the historic, ecological, geological and environmental wonders.



Climate & Energy



The city of Grand Rapids was awarded a Public Works grant to support the development of a two-megawatt solar array and one-megawatt, two and a half hour lithium-ion battery storage system on 15 acres of city-owned land. The solar array provides competitively priced solar power to 7,200 residents in the surrounding area. The renewable solar energy produced by the facility was rolled into the Grand Rapids Public Utilities (GRPU) existing power supply.

The stored energy is deployed at peak times to reduce GRPU's wholesale power demand charges from Minnesota Power (MP). US Solar is a private company that constructed, owns and operates the solar array and storage system on the city-owned land. It has a 25-year contract with MP for the purchase of the solar power and the ability to utilize the battery.

Iron Range Resources & Rehabilitation (IRRR) is committed to supporting local communities and their projects related to new energy systems and initiatives. Energy projects can often deliver benefits to communities, businesses and residents.

Ample power capacity is essential for new and expanding businesses and to sustain and grow our communities. Investing in our rural infrastructure is critical to ensure that our region does not miss out on economic opportunities because we aren't prepared with energy on demand to accommodate future load requirements.

IRRR has a Climate and Energy Policy Advisor who is available to connect with your community or business and provide guidance on initiatives related to:

- Climate.
- Energy.
- Industrial decarbonization.
- Power capacity.
- Potential state and federal energy grant opportunities.



Site Ready Development



The new West Industrial Park and Spec Building is being developed in Aurora. The park will help attract and accommodate potential new manufacturing businesses, employment, economic activity and population growth. The project will create additional industrial space in the region and bring new opportunities to the east Iron Range. The city of Aurora was awarded a Development Partnership grant to begin the park development process, followed by a Site Ready grant to help pay for the infrastructure and utilities to serve approximately 80 acres of park land. The Aurora Economic Development Authority utilized a Business loan to construct a 32,500-square-foot spec building to be leased to future manufacturing tenant(s).

Site Ready grants help to increase the region's industrial space and meet the needs of manufacturers and private sector businesses seeking to relocate or expand. The agency invests in industrial parks and speculative (spec) buildings to support the development of customizable, state-of-the-art facilities and encourage private sector development.

The agency's Site Ready grants occur when:

- **Business driven:** A business has specific needs for a site and their business operations.
- **Site driven:** A site located within a community has potential for a new use or new building.

Process: Pre-development site ready costs may include, but are not limited to:

- Survey.
- Title work.
- Environmental analysis.
- Soil analysis.
- Wetland analysis.
- Utility analysis and cost estimates (roads, sewer, water, power, broadband).
- Building cost estimates.
- Other engineering and planning related predevelopment costs.



Northland SBDC

The agency provides a Development Partnership grant to Northland Foundation to support Small Business Development Center (SBDC) representatives located on the Iron Range and designated to assist the service area. The SBDC regional consultant can provide no-cost technical support to local businesses (existing and startups) such as business plan development, feasibility and financial analysis, market research, advertising and sales, loan packaging, strategic planning, accounting systems and e-commerce.

To get started, businesses may request services on the Northland SBDC website: northlandsbdc.org



DIY Trees is an innovative online nursery specializing in fast-growing hybrid Poplar trees, like the patented University of Minnesota InnovaTree™ and the TurboTree™ which grow up to 10 feet per year and absorb carbon dioxide four times faster than most other species. DIY Tree kits are affordable at \$30 each and include everything the homeowner or business needs for the first year of growth. DIY Trees sold out of its first 1,000 trees in 2024 and is on track to sell up to 1,500 trees in 2025. Owner and entrepreneur Tim White utilized services of Northland Small Business Development Center (SBDC) for support with website search engine optimization (SEO), Google Analytics and marketing strategy, helping him expand his digital reach and drive online sales.

The Hibbing Economic Development Authority (HEDA) utilized a Site Ready Development grant and a Business loan to construct a 34,000-square-foot manufacturing facility on an existing city-owned lot, a 9.13-acre industrial parcel with close access to U.S. Highway 169. The building will be leased to Advanced Machine Guarding Solutions (AMGS) to accommodate its future growth plans. AMGS was founded in 2021 by Iron Range native Jason Wobbema. The company designs and produces safety steel wire mesh guarding for the automation industry. AMGS also supplies other manufacturing companies' safety products to ensure the operating equipment meets OSHA standards in the U.S. and Canada.

Business Resources



**Advanced Machine Guarding
Solutions (AMGS)
Hibbing Industrial Park**



Bank Participation Loan



Pro Blast Technology owner Joseph Godwin utilized a Bank Participation loan to improve his production facility and acquire new equipment. He repaired the roof above the facility's entrance and office area and purchased a forklift to move products. Godwin started Pro Blast as a one-man shop in 1996 from his home in Marble, Minn. to meet the abrasive blasting and painting needs of mining companies, home and business owners, loggers, industrial plants and contractors. His operation outgrew its home base and is now located in a 40,000-square-foot facility, allowing him and his team to service up to 50,000 pounds of steel per day. Projects can involve dealing with structural steel and pipe and prepping and painting 240-ton haul trucks. The company also provides spray foam services and mobile sandblasting and painting services. Pro Blast has become the largest abrasive blasting and painting service provider in northern Minnesota, shipping its products throughout Minnesota, the United States and the world.

Pro Blast Technology
Keewatin

The agency purchases a portion of a loan originating with a commercial bank or other regulated lender. The interest rate on the agency's purchased participation will be set at a minimum interest rate of three percentage points less than the full-faith and credit obligations of the United States government of a comparable term to the loan, rounded up to the nearest .5%. The minimum rate charged on participation loans is 1%.

Bank Participation loan - Allowable use of loan funds:

- Property and building acquisition.
- Building renovation.
- New building construction (only permanent term financing).
- Property improvements.
- Machinery and equipment purchase.
- Inventory purchase.

Eligible businesses include:

Start-up businesses and existing businesses are eligible for assistance. They may be organized as proprietorships, partnerships or corporations. Primary consideration will be given to the following types of businesses:

- Manufacturing/assembly.
- Projects which attract expenditures from outside the agency's service area.
- Technologically innovative projects.

Ineligible businesses include:

- Retail/service.
- Agriculture.
- Transportation.
- Construction.
- Professional offices.
- Tourism.
- Speculative real estate.
- Media.
- Debt refinancing (for debt existing prior to application).
- Acquisition of an existing business.



Direct Loan

The agency provides a loan directly to the eligible business. The interest rate is set at one percentage point less than the full-faith and credit obligations of the United States government of comparable term to the loan, rounded up to the nearest .5%. The minimum rate charged on direct loans is 3%.

Direct loan - Allowable use of loan funds:

- Property and building acquisition.
- Building renovation.
- New building construction (only permanent term financing).
- Property improvements.
- Machinery and equipment purchase.
- Inventory purchase.

Eligible businesses include:

Start-up businesses and existing businesses are eligible for assistance. They may be organized as proprietorships, partnerships or corporations. Primary consideration will be given to the following types of businesses:

- Manufacturing/assembly.
- Projects which attract expenditures from outside the agency's service area.
- Technologically innovative projects.

Ineligible businesses include:

- Retail/service.
- Agriculture.
- Transportation.
- Construction.
- Professional offices.
- Tourism.
- Speculative real estate.
- Media.
- Debt refinancing (for debt existing prior to application).
- Acquisition of an existing business.

L&M Fleet Supply utilized Direct loans to support the construction of a 200,000-square-foot greenfield, state-of-the-art distribution center located within Grand Rapids' Industrial Park East. The new center replaced one that was operating in nearby LaPrairie but was not large enough to accommodate the company's current operations and anticipated future growth. The new center features advanced computer-aided forklifts, a streamlined and efficiency-focused operational layout, and a new warehouse management system to increase the accuracy, visibility and systematic knowledge of inventory at all states of processing.

L&M Supply stores have been a retail tradition in northeastern Minnesota for over 60 years, offering outdoor power equipment sales and service, and products related to fishing, marine, hunting, firearms, workwear, fashion clothing, footwear, automotive, farm, pet and home improvement.



Cannabis Business Loan



*Cannabis Business loans can help business development projects in the space created by the recent legalization of adult use cannabis in Minnesota and the corresponding opportunities. The purpose of agency financing is to increase, expand and diversify the region's economy. The purpose of agency funding in the cannabis space is to create opportunity in this newly established industry for businesses located within the agency's service area. **Businesses must have obtained all licenses to operate prior to the disbursement of any agency funds.***

Eligible businesses include:

- Businesses engaged in the cultivation of cannabis plants and manufacturing of cannabis products.
- Businesses located within the agency's service area.

Ineligible businesses include:

- Businesses engaged in the retail, dispensary, transportation and real estate sectors of the cannabis industry.

Allowable use of loan funds:

- Machinery/equipment purchases.
- Real property or buildings if owned by a governmental entity or nonprofit.

Types of financial assistance available: The agency's financing can be structured to best suit the needs of the business. Two loan types are available:

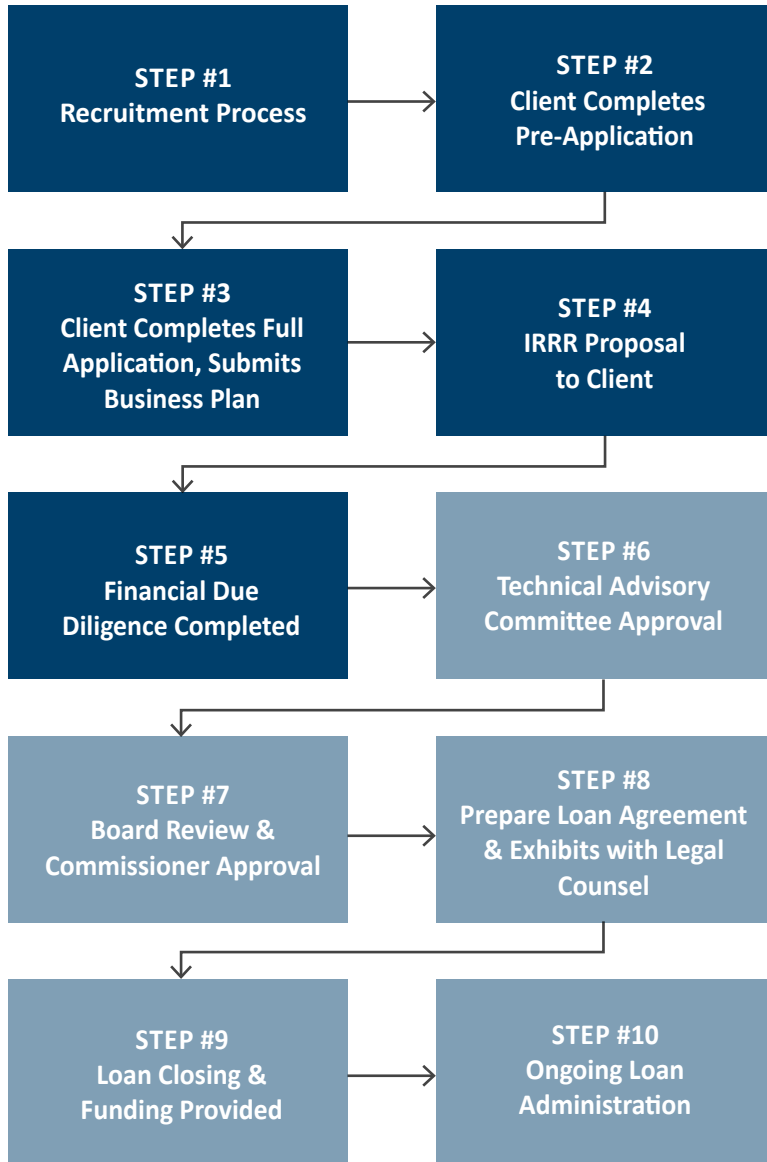
- Bank Participation loans (see page 39).
- Direct loans (see page 40).

Project criteria:

- Equity commitment and ability to leverage funding.
- Management capability and experience in the cannabis industry.
- Adequate collateral coverage.
- Credit-worthiness.
- Marketing plan.
- Demonstrated ability to meet minimum license criteria as outlined in Minnesota Statutes §342.14.
- Potential impact.
- Job impact.
- Economic impact.
- Deployment of innovative technology.



Business Loan Process



The agency follows a process when handling any business financing request.

Step #1 - Recruitment Process

Leads are generated from a variety of sources, including; direct recruitment efforts, referrals from economic development partners such as DEED and financial institutions, inquiries from the corporate site selector community, and direct inquiries by the company to the agency.

Step #2 – Client Completes Pre-Application

To determine eligibility, client completes a pre-application and submits it to the agency.

Step #3 – Client Completes Full Application, Submits Business Plan

Client completes full application and submits it to the agency with a business plan.

Step #4 – IRRR Proposal to Client

The agency develops a financial assistance proposal and submits it to the client. This may take many forms. A formal proposal for larger projects or informal discussion for smaller projects.

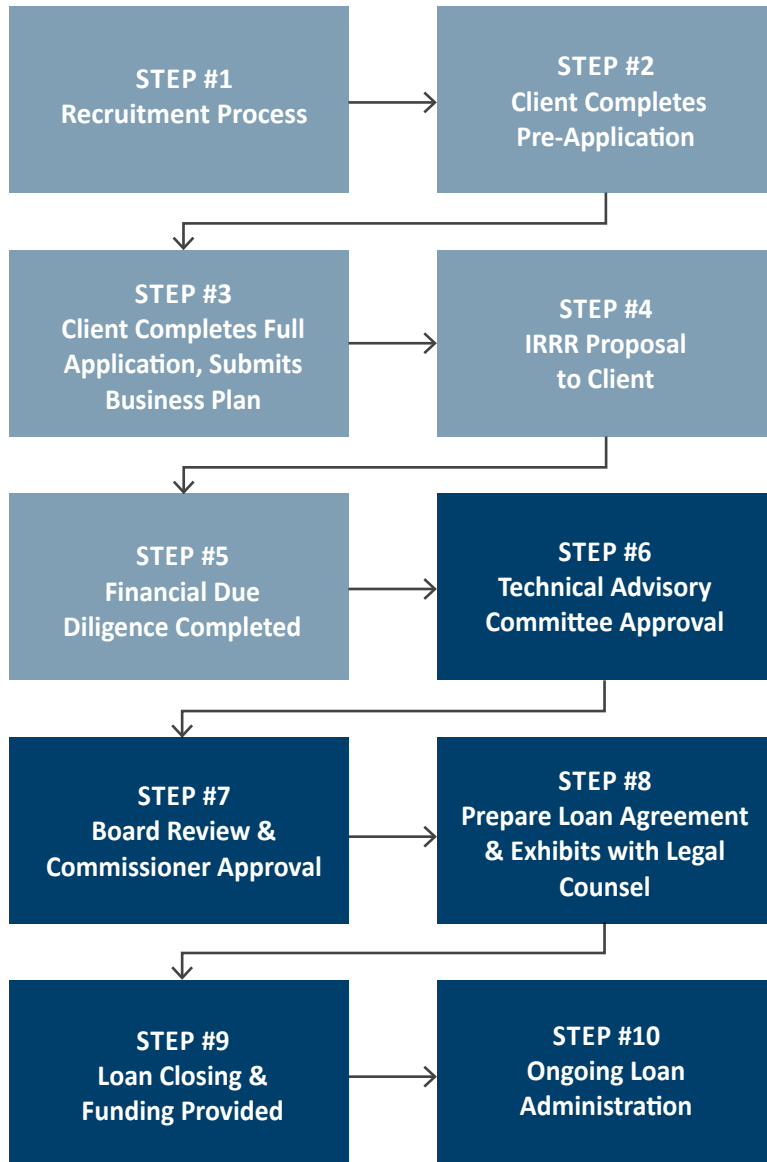
Step #5 – Financial Due Diligence Completed

The agency conducts financial due diligence for the client. Our business development staff performs a thorough review process that examines the viability of a project, how it will impact northeastern Minnesota and other criteria.

- See page 47 for descriptions of steps 6-10.



Business Loan Process



Step #6 - Technical Advisory Committee Approval

The agency's Technical Advisory Committee (TAC) reviews the loan application and business plan and makes a recommendation for approval. The TAC is authorized by Minnesota Statute 298.297. Meetings are scheduled on an as needed basis to review and make recommendations prior to agency Board action. TAC members are professionals in the agency's service area who have expertise in banking, accounting, finance or economic development.

Step #7 – Board Review & Commissioner Approval

- For loans less than \$500,000, the Commissioner may approve without Board review.
- Loans greater than \$500,000 are reviewed by the Board and approved by the Commissioner.

Step #8 – Prepare Loan Agreement & Exhibits with Legal Counsel

Agency staff, together with agency legal counsel prepare the loan agreement and exhibits.

Step #9 - Loan Closing & Funding Provided

The client and agency close on the loan. The agency provides loan funding.

Step #10 - Ongoing Loan Administration

Agency staff will administer the loan ensuring adherence to the loan terms.



Loan Guaranty

The Loan Guaranty program allows the agency to guaranty a bank loan for eligible businesses. The guaranty can be up to 75% of the total loan or up to a \$150,000 maximum.

The loan may be term debt, revolving credit or a single-payment note. The maximum term of the guaranty will be five years.

The guaranty will be structured as a shortfall guaranty. All collection options must be pursued prior to drawing on the guaranty.

Eligible lenders include:

All regulated lenders with the legal authority, sufficient experience and financial strength to operate a successful lending program.

Eligible businesses include:

All businesses that have been operating under the same management for a minimum of two years within the Taconite Assistance Area.



Arrow Auto Glass & Door owners, brothers Jerry and Jeff Stimac, utilized a Loan Guaranty for a line of credit for working capital. For over 75 years, Arrow Auto in Virginia has provided automotive, residential and commercial glass and door products and repair. Jerry and Jeff completed the majority purchase in 2024 and have since expanded into a second location in Hibbing.

Area residents rely on Arrow Auto for windshield repair and replacement services, vehicle camera calibration, and auto paint, tools and supplies. The company supplies residential glass shower doors and glass shower enclosures, along with residential glass and mirror installation and repair. For their commercial customers, Arrow Auto deals with heavy equipment glass, storefront doors and windows. They are the only place on the Iron Range to offer ballistic doors and windows, and they are the official Platinum PPG Automotive dealer of northern Minnesota.



Commercial Redevelopment Grant Program



Small business owners Paula and David Dundas purchased Northwoods Bait & Tackle, located on the main Highway 53 corridor in Cook. The city of Cook was awarded a Commercial Redevelopment grant to help the couple demolish the existing building on the property. They constructed a new modern building with energy efficiencies and double the square footage. The new shop is open year-round and offers customers a wide selection of fishing gear, live bait and tackle from Minnesota based suppliers. Cook is located minutes from Lake Vermilion and welcomes thousands of people each winter and summer traveling to the region to fish and enjoy the outdoor recreation offerings.

Commercial Redevelopment grants assist with the full and selective demolition of commercial and industrial buildings and the clean-up of brownfields to pave the way for new development.

Eligible applicants: Cities, townships, counties, Tribal governments and governmental entities created pursuant to Minnesota Statutes within the agency's service area. Multi-organization collaboration is welcomed.

Eligible projects: Full and selective demolition of commercial or industrial buildings and clean-up of brownfields. Abatement expenses are eligible and considered a component of the demolition project.

Required match per project: 1:1

FY26 funding: \$1,000,000. Grant amounts vary.

Evaluation criteria:

- Development.
- Economic impact.
- Job impact.
- Diversity, equity, inclusion and accessibility.
- Environmental impact and mitigation.
- Project readiness and timeliness.
- Removes blight.



Business Energy Retrofit Grant Program



Small business owners Paul Kirkman and Paul VanderWaal were awarded a Business Energy Retrofit grant to help make energy efficiency upgrades to Victual, a specialty store with unique gourmet food and first-of-its-kind super premium ice cream that is lactose-free while still being full dairy. Victual is located in a historic 1911 building on Crosby's main street and sells artisan cheeses, charcuterie, packaged gourmet goods, specialty distilled spirits, kitchen and home gifts, and Kirkman's own brand of ice cream, Rave Creamworks. Paul and Paul expanded their current store size by remodeling an adjacent empty space. The BER grant helped pay for energy efficient lighting, insulation, electrical and windows.

Victual
Crosby

Business Energy Retrofit (BER) grants assist with energy efficiency improvements to buildings that can result in reduced utility bills, improved building aesthetics and increased building life. BER enhances the overall image of the region's communities/downtowns and improves northeastern Minnesota's environment. BER is funded by the agency and administered through Arrowhead Economic Opportunity Agency (AEOA).

Eligible applicants: Small business owners with 100 employees or less, Tribal governments and nonprofits located within the agency's service area.

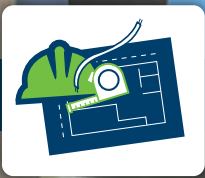
Eligible projects: Projects related to energy efficiency including lighting and fixtures, building envelope air sealing, appliances, motors and equipment, insulation and ventilation, heating and cooling, window and door replacements and renewable energy.

Required match per project: A business may be provided up to 1/3 of the total project cost up to \$25,000. An application fee is required to participate in the program.

FY26 funding: \$1,500,000. Grant amounts vary.

Evaluation criteria:

- Location within a community that has been previously underserved by BER.
- Prior BER grant funding.
- Location within a downtown corridor.
- Leveraging of other local, state or federal funding sources.
- Project readiness.



Downtown Building Rehabilitation Grant Program

Downtown Building Rehabilitation (DBR) grants assist downtown businesses with the costs of code compliance construction and remodeling projects. Code compliance upgrades can help improve land values, enhance public image in downtowns that spur economic development, improve safety and reduce health threats. DBR is funded by the agency and administered through Arrowhead Economic Opportunity Agency (AEOA).

Eligible applicants: Business owners, Tribal governments and nonprofits who own a downtown building located within the agency's service area.


Examples of projects: Projects related to code compliance with general construction, electrical, plumbing, elevators, ADA, lead and asbestos removal, mechanical, sprinklers, housing rehabilitation, storefront and professional assistance.

Required match per project: A business may be provided up to 1/3 of the total project cost up to \$50,000. An application fee is required to participate in the program.

FY26 funding: \$500,000. Grant amounts vary.

Evaluation criteria:

- Building is prominent or historically significant.
- Building is highly visible on the main street in a downtown area.
- Code compliance issues are clearly identified.
- Project will support business expansion or retention.
- Project will bring a building back into use, expand the use of a building or retain a business that is in jeopardy of vacating a building.
- Project readiness.



Northeast Technical Services, Inc. (NTS), an environmental science and engineering firm, celebrated its 40th year on the Iron Range with a major expansion that doubled its office space. NTS renovated an adjacent building on Chestnut Street in downtown Virginia. The building, a former brownfield site previously occupied by Goodwill Industries, underwent substantial upgrades. The expanded facility now includes 18 additional offices, a dedicated field preparatory area, and a large conference room that can accommodate up to 50 people. NTS was awarded a Downtown Building Rehabilitation grant to support the expansion and help pay for code compliance upgrades to the building. Founded in 1985, NTS has grown from a six-person team to a company of 50 employees.



Downtown Redevelopment Grant Program

The Downtown Redevelopment program provides funding incentives to stimulate investment in the redevelopment of downtown properties. The program offers gap financing for business owners through grants, loans or a combination of both.

Eligible applicants: Cities, counties, Tribal governments and governmental entities created pursuant to Minnesota Statutes within the agency's service area. Multi-organization collaboration is welcomed.

Eligible projects: Examples include, but are not limited to, new facility construction and existing facility re-construction located on a non-active business property at the time of application and in a downtown commercial corridor.

FY26 funding: \$1,000,000. Projects that leverage private investment and bank or alternative lender financing will be prioritized.

This is a pilot program, and pre-application meetings are required.

Local downtowns are vital to the region's communities and impact both the economy and quality of life. People rely on them as places to do business and where they engage in cultural and social events. The Downtown Redevelopment program provides funding incentives to stimulate investment in the redevelopment of downtown properties. The program supports local communities and their work to further revitalize their downtowns.

Minnesota North College was awarded a grant from the Iron Range Higher Education Account to redesign and rebuild the Itasca engineering program to align with transfer to Iron Range Engineering. Student engineers may acquire a high-quality engineering education while learning in an innovative model. The initiative provides students financial accessibility and generates an economic development impact for northeastern Minnesota by retaining more talent within the region.

Workforce & Education Resources



Engineering Program
Minnesota North College, Itasca Campus
& Iron Range Engineering, Eveleth Campus



Workforce Development Grant Program



Minnesota Forestry Workforce Institute was awarded a Workforce Development grant to launch an initiative to connect the state's forestry employers with skilled workers. Their goal is to heighten awareness about the job and career opportunities within the forestry sector, especially in rural communities. Careers in the industry include loggers, log truck drivers, foresters, heavy equipment operators, service technicians, engineers and mill workers.

The grant supported training and outreach programs, ensuring a thriving workforce ready to steward our forests and drive economic growth. A website with a job board was created, and informative videos and targeted social media were developed to expand job placement efforts.

Minnesota Forestry
Workforce Institute
Taconite Assistance Area

Workforce Development grants assist with education, training and career awareness initiatives that address regional workforce needs and gaps emerging in industries and schools.

Eligible applicants: An accredited post-secondary education institution, nonprofits, Tribal governments and governmental entities created pursuant to Minnesota Statutes providing education or training programs for the benefit of service area industries and workers. Multi-organization collaboration is welcomed.

Examples of projects: College program to increase women's enrollment in high-demand nontraditional fields of study such as heating and cooling technicians, industrial mechanics and electrical maintenance.

Required match per project: 1:1

FY26 funding: \$700,000. Grant amounts vary.

Evaluation criteria:

- Workforce impact.
- Regional benefits and partnerships.
- Diversity, equity, inclusion and accessibility.
- Project planning and management.
- Job impact.

NOTES



Map: Iron Range Tourism



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Iron Range Resources & Rehabilitation is committed to advancing diversity, inclusion and equitable access to economic opportunities across northeastern Minnesota.



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