

**Meeting
of the
Iron Range Resources Board**

Thursday, June 16, 2005

8:30 a.m.

Room 318 – State Capitol

St. Paul, Minnesota

MEETING OF THE IRON RANGE RESOURCES BOARD

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MEETING OF THE IRON RANGE RESOURCES BOARD

Thursday, June 16, 2005

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Room 318 – State Capitol

St. Paul, Minnesota

Agenda

- 1) Roll Call
- 2) Approval of the April 21, 2005, Minutes
- 3) Commissioner's Report
- 4) Douglas J. Johnson Economic Protection Trust Fund
Action required: Project approval requires 8 votes
 - a) Steger Designs, Inc.
 - b) U.S. Department of Agriculture, Rural Development – Intermediary Relending Program
- 5) Board Account
Action required: Project approval requires 7 votes
 - a) Healthcare Capital Projects
 - b) Ely Municipal Airport Expansion Project
- 6) FY06 Investment Plan
Action required: Project approval requires 8 votes
- 7) FY06 Early Retirement Resolution
- 8) Adjournment

Approval of the April 21, 2005, Minutes

Meeting of the Iron Range Resources Board

Thursday, April 21, 2005
7:30 a.m.

Room 300 North – State Office Building
St. Paul, Minnesota

I. Roll Call

Representative Tom Rukavina, Chair, called the meeting to order at approximately 7:32 a.m. Present: Representative David Dill; Representative Maxine Penas; Representative Tony Sertich; Representative Loren Solberg; Senator Tom Bakk; Senator Becky Lourey; Senator Tom Saxhaug; Senator Yvonne Prettner Solon; Senator David Tomassoni; Citizen Joe Begich; Citizen Bill Henning and Citizen Matt Matasich. Absent: None. Also present were: Sandy Layman, Commissioner; Brian Hiti, Deputy Commissioner; Doug Gregor, Assistant Attorney General; Matt Sjoberg, Interim Development Strategies Director; Jean Dolensek, Administrative Services Director; Richard Anderson, Loan Officer, Senior; David Hart, Loan Officer, Senior; Richard Walsh, Community Development Representative; Sheryl Kochevar, Executive Assistant; Elwyn Tinklenberg, President, The Tinklenberg Group; Merle Sampson, CEO and Owner, Spectrum Community Health; Scott Allison, Owner and President, Minnesota Twist Drill; Brian Erdahl, President, Rapids Hydraulic & Machine, Inc.; Thomas Ehrbright, Owner and Chief Operating Officer, Disability Specialists, Inc.; Peter Pastika, City Administrator, City of Babbitt; Rick Mouw, President, Great Lakes Home and Resort; Pat Blacker, Regional Director, Northwest Airlines – Iron Range Reservation Center; Steve Childs, Director, State and Local Government Affairs, Northwest Airlines; and Jeff Davidman, Manager, Insurance and Municipal Finance, Northwest Airlines.

II. Reorganization of the Board

Welcome and introductions of the 2005-2006 IRRR Board Members.

2005-2006 IRRR Board Members

Senator Tom Bakk	Representative Dave Dill	Citizen Joe Begich
Senator Becky Lourey	Representative Maxine Penas	Citizen Matt Matasich
Senator Tom Saxhaug	Representative Tom Rukavina	Citizen Bill Henning
Senator Yvonne Prettner Solon	Representative Tony Sertich	
Senator Dave Tomassoni	Representative Loren Solberg	

Election of Chair and Vice-Chair

Motion by Citizen Begich to elect Senator Dave Tomassoni Chair. Motion carried.

Motion by Representative Sertich to elect Representative Loren Solberg Vice-Chair. Motion carried.

III. Approval of the December 16, 2004, Minutes

Representative Solberg moved approval of the December 16, 2004, minutes. Motion carried.

IV. Commissioner's Report

Commissioner Sandy Layman reported on the status of the Commissioner's project account. She also discussed new agency initiatives that are assisting area communities with pursuing healthcare and airport projects.

V. Other

a. Elwyn Tinklenberg updated the Board on the progress of his demonstration project, "The Introduction of Mesabi Hard Rock into the Twin Cities Aggregate Market." Mr. Tinklenberg requested additional agency assistance in moving this project forward.

b. Merle Sampson, CEO and Owner, Spectrum Community Health, requested agency assistance in marketing his building, Progress Park Business Center, for lease or sale.

VI. Douglas J. Johnson Economic Protection Trust Fund

Action Required: Project approval requires 8 votes

a. Minnesota Twist Drill Acquisition, Inc.

Motion by Representative Sertich to approve the Minnesota Twist Drill Acquisition, Inc. project as presented. Seconded by Representative Rukavina. Motion carried.

Voting in favor of the Project: Representative David Dill, Representative Maxine Penas, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Becky Lourey, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator David Tomassoni, Citizen Joe Begich, Citizen Bill Henning and Citizen Matt Matasich.

Voting Against the Project: None.

Abstain: None.

Absent: None.

b. Rapids Hydraulic & Machine, Inc.

Motion by Representative Solberg to approve the Rapids Hydraulic & Machine, Inc. project as presented. Seconded by Senator Saxhaug. Motion carried.

Voting in favor of the Project: Representative David Dill, Representative Maxine Penas, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Becky Lourey, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator David Tomassoni, Citizen Joe Begich, Citizen Bill Henning and Citizen Matt Matasich.

Voting Against the Project: None.

Abstain: None.

Absent: None.

c. Disability Specialists, Inc.

Motion by Senator Bakk to approve the Disability Specialists, Inc. project as presented. Seconded by Representative Dill. Motion carried.

Voting in favor of the Project: Representative David Dill, Representative Maxine Penas, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Becky Lourey, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator David Tomassoni, Citizen Joe Begich, Citizen Bill Henning and Citizen Matt Matasich.

Voting Against the Project: None.

Abstain: None.

Absent: None.

VII. Board Account

Action Required: Project approval requires 7 votes

a. City of Babbitt – Great Lakes Home & Resort

Motion by Representative Dill to approve the City of Babbitt – Great Lakes Home & Resort project as presented. Seconded by Representative Rukavina. Motion carried.

Voting in favor of the Project: Representative David Dill, Representative Maxine Penas, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Becky Lourey, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator David Tomassoni, Citizen Joe Begich, Citizen Bill Henning and Citizen Matt Matasich.

Voting Against the Project: None.

Abstain: None.

Absent: None.

b. Healthcare Provider Workforce Development and Recruitment Proposal

Motion by Senator Lourey to approve the Healthcare Provider Workforce Development and Recruitment proposal as presented. Seconded by Representative Rukavina. Motion carried.

Voting in favor of the Project: Representative David Dill, Representative Maxine Penas, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Becky Lourey, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator David Tomassoni, Citizen Joe Begich, Citizen Bill Henning and Citizen Matt Matasich.

Voting Against the Project: None.

Abstain: None.

Absent: None.

VIII. Other

a. Northwest Airlines, Inc.

Motion by Senator Bakk to approve the Northwest Airlines, Inc. Resolution FY05-002 as presented. Seconded by Representative Rukavina. Motion carried.

Voting in favor of the Project: Representative David Dill, Representative Maxine Penas, Representative Tom Rukavina, Representative Loren Solberg, Senator Tom Bakk, Senator Becky Lourey, Senator Yvonne Prettner Solon, Senator David Tomassoni, Citizen Joe Begich, Citizen Bill Henning and Citizen Matt Matasich.

Voting Against the Project: None.

Abstain: None.

Absent: Senator Tom Saxhaug and Representative Tony Sertich (excused from Board meeting to attend legislative hearings).

IX. Adjournment

Senator Tomassoni, Chair, asked Board members to forward indications of interest for appointment to Board liaison groups.

Meeting adjourned at 8:55 a.m.

Douglas J. Johnson Economic Protection Trust Fund

Action required: Project approval requires 8 Votes

- a) Steger Designs, Inc.
- b) U.S. Department of Agriculture, Rural Development – Intermediary Relending Program

Steger Designs, Inc.
Bank Participation Loan Program

APPLICANT:
Steger Designs, Inc.

PRINCIPAL(S):
Patricia Steger Holmberg

BRIEF PROJECT DESCRIPTION:
Purchase of computerized cutting equipment to allow Steger Designs to increase production and enter the wholesale market. The new equipment will also reduce waste material and total cost of production.

PROJECT COST:
\$367,000

PROJECT BREAKDOWN:

Wells Fargo Bank (7 years, negotiated rate)	\$175,000
Iron Range Resources (7 years, formula rate)	175,000
Equity	<u>17,000</u>
	\$367,000

COLLATERAL:
The loan will be secured with the equipment being purchased, valued at \$367,000. The loan will also be personally guaranteed by the company's owner.

JOBS:
This project will retain 23 and create 4 full-time jobs at \$8 to \$14 per hour.

CONTINGENCIES:
None.

TECHNICAL ADVISORY COMMITTEE RECOMMENDATIONS:
Approval recommended at the June 9, 2005 meeting

FUNDING AUTHORIZATION:
Douglas J. Johnson Economic Protection Trust Fund: This project is authorized under the provisions of the Douglas J. Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291-298.298) pertaining to expenditures of Douglas J. Johnson Economic Protection Trust Fund monies for economic development projects in that these statutes authorize small business development loans to private enterprises for the purposes of job creation and economic development within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.

PROJECT DESCRIPTION:

Steger Designs has been producing Mukluks in Ely since 1985. As their products gained popularity, they expanded their line and now offer several styles. Their products are sold across the country and internationally through retail locations, mail-order and over the internet.

To expand their wholesale market, Steger must be prepared to increase production substantially and reduce costs to maintain profit margins. To accomplish this, Steger is purchasing computer assisted equipment for cutting the leather used in their products. This equipment will reduce waste of the leather used in Steger products. It will also allow production to double.

MANAGEMENT TEAM:

Patti Steger formed Steger Mukluks in 1985 and has operated it successfully in Ely for the past 20 years. Production Manager Sandra Carlson has been with Steger for 15 years. Sales Manager Marcia Chambers has 23 years of marketing and sales experience.

MARKET OPPORTUNITY:

Steger has reached the maximum sales the company can service through retail, mail order or internet. To increase sales, the company must branch further into the wholesale market. Steger believes that demand for their products in the wholesale market is very strong. In the first three months of 2005, new wholesale orders exceeded \$262,000. Sales growth is expected to be 50% in 2005.

COLLATERAL REVIEW:

The equipment being purchased, valued at \$367,000, is collateral for the loan. The bank and Iron Range Resources will share in a first secured position on the equipment. The loan also will be personally guaranteed by the owner of the company

PAST IRON RANGE RESOURCES HISTORY:

Steger Designs has had two loans previously with Iron Range Resources. A \$12,000 loan was paid-in-full in 1991. A \$99,375 participation loan has a remaining balance of \$9,735. All payments have been made as agreed.



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To: Iron Range Resources Board Members

From: Sandy Layman
Commissioner

Date: October 11, 2012

U. S. Department of Agriculture, Rural Development - Intermediary Relending Program

In 2002 Iron Range Resources applied for and received conditional approval to borrow up to \$750,000 from the U.S. Department of Agriculture, Rural Development (USDA) under the Intermediary Relending Program (IRP). The application was submitted at a time when Iron Range Resources' revenues were declining as a result of a slowdown in mining activity in NE Minnesota. The loan proceeds were viewed as an opportunity for Iron Range Resources to supplement the funding it could make available for economic development loans in its service area.

Since approval, agency staff, with assistance from the Attorney General's office, has been working to meet the stringent conditions required by USDA. Our time has been spent seeking a legislative change in our governing statutes to apply for and accept federal funds (2003), negotiating loan documents with USDA staff and counsel (ongoing) and establishing an acceptable deposit arrangement with the Minnesota Department of Finance (2004-05). At this time it appears that Iron Range Resources and USDA have reached mutually acceptable conclusions on all outstanding documentation issues. A condition of the loan will require Iron Range Resources to provide a 30% match (\$225,000) to the \$750,000 IRP loan resulting in a \$975,000 revolving loan fund. All economic development loans issued from the IRP revolving loan fund will be approved in a manner consistent with the agency's other loan programs (Commissioner, Technical Advisory Committee, Iron Range Resources Board and Governor).

Repayment of the IRP loan to USDA will be over a 30-year period at 1.00% interest. Interest only payments will be required during the first two years, followed by 28 years of annual principal and interest payments. Collateral will consist of an assignment of the assets of the revolving loan fund, including cash on hand, loan receivables and the underlying collateral securing any outstanding loans. The loan will be a limited obligation of the State of Minnesota.

My recommendation is that the Iron Range Resources and Rehabilitation Board approves the \$225,000 allocation as a match to the \$750,000 IRP loan in accordance with the attached resolution.

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA**

Resolution No.: FY05-003

WHEREAS, the Commissioner has authority under the provisions of Minnesota Statutes 298.2211, Subdivision 1 to apply for, borrow, receive, and expend grant and loan money made available from federal sources and from federally funded programs; and,

WHEREAS, the Commissioner in Fiscal Year 2002 applied for and received conditional approval from the United States Department of Agriculture (“USDA”) allowing the agency to borrow up to \$750,000 of federal funds (the “Loan”) under the USDA’s Intermediary Relending Program (“IRP”) that would be available, in combination with certain agency Matching Funds (as defined below), to establish a revolving loan fund from which funds would be lent to eligible business enterprises (“Ultimate Recipients”) within the Taconite Assistance Area in a manner consistent with other agency loan programs; and,

WHEREAS, as a condition to receiving the said Loan, the USDA has required the Commissioner to provide up to \$225,000 (the “Matching Funds”) as a thirty-percent (30%) match for any and all funds obtained under the Loan; and,

WHEREAS, Commissioner has proposed to the Board that funds made available under the provisions of the Douglas J Johnson Economic Protection Trust Fund Act (the “DJJEPF”) be used to provide the said Matching Funds for the proposed IRP Program; and,

WHEREAS, on Thursday, June 16, 2005, the Board met in a regular session at the State Capitol in St. Paul to consider the request of the Commissioner for approval to expend the said DJJEPF monies to provide the Matching Funds for the said loan program; and,

WHEREAS on the basis of the materials submitted by the Commissioner and the discussions at the said public meeting, the Board has concluded that it would be in the best interests of the TAA and in furtherance of the purposes specified in Minnesota Statutes Section 298.292, Subd 1 and other provisions of Minnesota Statutes Chapter 298 to provide the said DJJEPF monies as the Matching Funds for the said IRP loan program on the terms and conditions proposed by the Commissioner.

NOW, THEREFORE, BE IT RESOLVED THAT:

- a. The Board hereby concludes that the proposed expenditure of DJJEPF monies is for a purpose authorized in Minnesota Statutes Section 298.292, Subd. 1 and in the best interests of the economy and citizens of the Taconite Assistance Area; and,
- b. The Board hereby authorizes, pursuant to the provisions of Minnesota Statutes Section 298.296, Subd. 1, the expenditure by the Commissioner of up to \$225,000 of such DJJEPF monies to provide the Matching Funds required by the USDA so that the agency can receive the Loan that will provide funding for the agency’s proposed Intermediary Relending Program revolving loan fund and can make available the proposed loan program for Ultimate Recipients.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND
REHABILITATION BOARD THIS 16th DAY OF JUNE, 2005**

AYES: _____

NAYS: _____

ABSTENTIONS: _____

ABSENT: _____

Signed: _____

Senator David Tomassoni

Chair of the Board

Board Account

Action required: Project approval requires 7 Votes

- c) Healthcare Capital Projects
- d) Ely Municipal Airport Expansion Project



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 Fax: (218)744-7403

To: Iron Range Resources Board Members

From: Sandy Layman
 Commissioner

Date: October 11, 2012

Healthcare Capital Projects

In recent months, the agency has been approached by several major healthcare providers requesting assistance on various capital projects. The projects include a new hospital, a new clinic and major expansions at three other hospitals. In aggregate, the cost of the five projects is nearly \$100 million and will result in the creation of well over 100 quality jobs. The projects will result in expansions of services offered at the respective facilities - designed to meet increasing demand while slowing the leakage of health care dollars to outside the TAA. The healthcare industry is one of the fastest growing sectors of our economy. In addition to being the area's largest employer, a vibrant medical community is a vital component of development infrastructure and is a driving force behind regional growth. While the agency does not have a specific program for funding these types of projects, for the above reasons I am recommending *one-time* grant assistance totaling \$750,000 for infrastructure, construction or demolition costs on the following projects:

Cook Hospital

Partner: Cook Area Health Services

Jobs Created: 8

Total Project Cost: \$4,480,000

Grant Amount: \$50,000

Brief Project Description: The project includes additions to and renovation of the hospital for the following: outpatient services, physical therapy, imaging room, isolation rooms, single and double patient rooms, administration area and a new nursing station.

<u>Uses</u>	<u>Amount</u>	<u>Sources</u>	<u>Amount</u>
Construction	\$3,395,000	American Bank	\$4,280,000
Infrastructure	671,000	Iron Range Resources	50,000
Equipment	414,000	Cook Hospital	150,000
Total	\$4,480,000	Total	\$4,480,000

Fairview University Medical Center Mesabi

Partner: Range Mental Health

Jobs Created: 26

Total Project Cost: \$705,500

Grant Amount: \$150,000

Brief Project Description: Project includes the renovation of the 5th floor (north) for 15 long-term mental health beds and of the 5th floor (south) for short-term mental patients, in addition to the relocation of existing services. Agency funds will be used toward construction costs.

<u>Uses</u>	<u>Amount</u>	<u>Sources</u>	<u>Amount</u>
Construction	\$540,500	Fairview	\$555,500
Equipment	130,000	Iron Range Resources	150,000
A&E	35,000		
Total	\$705,500	Total	\$705,500

Grand Itasca Hospital and Clinic

Partners: Blandin Foundation and the City of Grand Rapids

Jobs Created: 35

Total Project Cost: \$63,350,000

Grant Amount: \$250,000

Brief Project Description: Project includes construction of a new 64-bed hospital and clinic at a new site on Golf Course Road. Agency funds will be used for the reuse and rehabilitation of the old hospital site.

<u>Uses</u>	<u>Amount</u>	<u>Sources</u>	<u>Amount</u>
Construction	\$40,135,066	HUD Guarantee Loan	\$42,100,000
Equipment	8,300,000	Blandin Foundation	20,000,000
Soft Cost & Issuance Fees	8,665,823	Owner Equity	375,000
Clinic Bldg. Sites	4,564,111	City of Grand Rapids TIF	625,000
Infrastructure	435,000	Iron Range Resources	250,000
Old Hospital Reuse and Rehab Cost	1,250,000		
Total	\$63,350,000	Total	\$63,350,000

City of Virginia**Partners:** Virginia Regional Medical Center (VRMC), St. Mary's/Duluth Clinic (SMDC) and Iron Range Rehabilitation Center (IRRC)**Jobs Created:** 44**Total Project Cost:** \$28,262,955**Grant Amount:** \$250,000**Brief Project Description:** Construction of a four-level, 80,773 sq. ft., SMDC Clinic with the extension of SMDC's Regional Heart Center and other specialty centers to the VRMC campus. In addition, the project includes construction of a new building for IRRC. Agency funds will be used for the construction of a helipad on top of the VRMC hospital.

<u>Uses</u>	<u>Amount</u>	<u>Sources</u>	<u>Amount</u>
Construction – Clinic	\$19,583,092	City/VRMC	\$6,109,129
Construction – IRRC	2,500,000	Virginia HRA Bonds	19,403,826
Parking & Infrastructure	1,640,000	Iron Range Resources	250,000
Helipad	1,493,863	IRRC	2,500,000
Equipment	3,046,000		
Total	\$28,262,955	Total	\$28,262,955

White Community Hospital**Partners:** City of Aurora, City of Hoyt Lakes, Town of White and A&L Development**Jobs Created:** 5-10**Total Project Cost:** \$2,620,000**Grant Amount:** \$50,000**Brief Project Description:** Remodeling and expansion of the hospital includes: converting to private nursing home rooms, new emergency room bays, expanding pre and post operative care areas and surgical suites, space for telemedicine, centralizing the nursing home station and providing an area for the mobile medicine truck.

<u>Uses</u>	<u>Amount</u>	<u>Sources</u>	<u>Amount</u>
Construction – Clinic	\$2,225,000	A&L Development	\$2,100,000
Equipment	73,000	Hospital/Cities	370,000
Infrastructure	322,000	Iron Range Resources	50,000
		Office of Rural Health	100,000
		(grant)	
Total	\$2,620,000	Total	\$2,620,000

Grand TotalsTotal Jobs Created: **123**Total Cost of Projects: **\$99,418,455**Total Grant Amount: **\$750,000**

I recommend funding the above projects using FY05 project monies from the Board Account.



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To: Iron Range Resources Board Members

From: Sandy Layman
Commissioner

Date: June 16, 2005

Ely Municipal Airport Expansion Project

The Ely Municipal Airport no longer meets the safety area requirements for a 5,600 foot runway. To correct this safety deficiency, the runway must be extended 400 foot and a 600 foot overrun area must be cleared and graded. The Minnesota Department of Transportation considers the Ely Airport a “Key System Airport”. In addition, the FAA will commit funds to help correct this safety issue. The total estimated cost of the project is \$1,815,000. The local community match is 5% of this amount or \$90,750.

The City of Ely has requested Iron Range Resources funding for \$90,000 for this project, half of which will be repaid from airport operations. The loan will be repaid over a five-year term at our formula rate. The communities of Ely, Babbitt, Winton and Morse Township have committed to repay the loan if airport operations are not sufficient. My recommendation is to provide a \$45,000 grant and a \$45,000 loan for the airport project to the City of Ely using FY 05 Board account project monies.

FY06 Investment Plan

Action required: Project approval requires 8 Votes

FY06 Early Retirement Resolution

Action required: Project approval requires 8 Votes

IRON RANGE RESOURCES AND REHABILITATION BOARD OF THE STATE OF MINNESOTA

Resolution No.: FY05-004

WHEREAS, Laws of Minnesota for 2005, Chapter 156, Article 2, Section 34, contains provisions authorizing the Commissioner of Iron Range Resources (“Commissioner”), in consultation with the State’s Commissioner of Employee Relations, to offer a targeted early separation incentive program (the “Program”) for employees of the Commissioner who have attained the age of 60 years and have at least five years of allowable service credit under Minnesota Statutes Chapter 352, or who have received credit for at least 30 years of allowable service under the provisions of the said Chapter 352; and,

WHEREAS, the Commissioner has requested the Board to approve the expenditure of up to \$881,000 of the funds made available to the Commissioner under the provisions of Minnesota Statutes Section 298.223 (“TEPF Monies”) in State Fiscal Year 2006 (FY06) to provide funding with which to implement the said Program; and,

WHEREAS, on Thursday, June 16, 2005, the Board met in a regular session at the State Capitol in St. Paul to consider the request of the Commissioner for approval to expend the said TEPF Monies to provide the funds with which to implement the said Program; and,

WHEREAS on the basis of the materials submitted by the Commissioner and the discussions at the said public meeting, the Board has concluded that it would be in the best interests of the Taconite Assistance Area defined in Minnesota Statutes Section 297.1341 (“TAA”) and in furtherance of the purposes specified in Laws of Minnesota for 2005, Chapter 156, Article 2, Section 34 and in Minnesota Statutes Section 298.223 to use the said TEPF Monies to implement the said Program on the terms and conditions proposed by the Commissioner.

NOW, THEREFORE, BE IT RESOLVED THAT:

- a. The Board hereby concludes that the proposed expenditure of \$881,000 of TEPF Monies is for a purpose authorized in Laws of Minnesota for 2005, Chapter 156, Article 2, Section 34 and in Minnesota Statutes Section 298.223, and is in the best interests of the TAA; and,
- b. The Board hereby authorizes, pursuant to the provisions of Minnesota Statutes Section 298.223 and Laws of Minnesota for 2005, Chapter 156, Article 2, Section 34, the expenditure by the Commissioner of up to \$881,000 of such TEPF Monies to fund the Commissioner’s proposed Program to offer, in accordance with the provisions of Laws of Minnesota for 2005, Chapter 156, Article 2, Section 34, targeted early separation incentives to certain employees of the Commissioner who have attained the age of 60 years and have at least five years of allowable service credit under Minnesota Statutes Chapter 352, or who have received credit

for at least 30 years of allowable service under the provisions of the said Chapter 352.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 16th DAY OF JUNE, 2005

AYES: _____

NAYS: _____

ABSTENTIONS: _____

ABSENT: _____

Signed: _____

Senator David Tomassoni

Chair of the Board

Exhibit B

**IRON RANGE RESOURCES
AGENCY INTERIM FY 2006 BUDGET**

June 16, 2005

	<u>Interim FY 2006 Budget*</u>
Resources	
Taconite Production Taxes	\$10,886,085
Investment Earnings	1,190,153
Loan Revenues	1,747,269
Contingent Revenue - IRP Funds	750,000
Facilities Revenue	6,960,433
Occupation Tax Region III	467,518
Total Resources Available	<u>\$22,001,458</u>
Estimated Expenditures by Division	
Administrative Services	\$2,311,261
Attorney General	378,962
Marketing, Communications & External Affairs	1,431,599
Development Strategies	1,726,731
Facilities	
Giants Ridge Golf & Ski Resort Operations	5,874,391
Ironworld Operations	1,955,996
Agency Projects	
Development Projects	5,700,000
Operating Projects	2,155,000
Occupation Tax Region III	467,518
TOTAL FY INVESTMENT PLAN	<u>\$22,001,458</u>
Early Separation Incentive Program	881,000
TOTAL FY INTERIM BUDGET	<u>\$22,882,458</u>

**Amounts indicated are identical to amounts approved for the FY 2005 budget allocation*

Exhibit C

**IRON RANGE RESOURCES
AGENCY INTERIM FY 2006 BUDGET
BY FUND TYPE**

June 16, 2005

	Board	TEPF	DJJEFP	Supplemental Tax	IRP Fund	Interim FY 2006 Budget*
Resources						
Taconite Production Taxes	\$3,974,999	\$6,911,086	-	-	-	\$10,886,085
Investment Earnings	217,693	243,080	729,380	-	-	1,190,153
Loan Revenues	38,536	-	1,708,733	-	-	1,747,269
Contingent Revenue - IRP Funds	-	-	-	-	750,000	750,000
Facilities Revenue	6,838,436	-	121,997	-	-	6,960,433
Occupation Tax Region III	-	-	-	467,518	-	467,518
Total Resources Available	\$11,069,664	\$7,154,166	\$2,560,110	\$467,518	\$750,000	\$22,001,458
Estimated Expenditures by Division						
Administrative Services	\$1,971,647	\$339,614	-	-	-	\$2,311,261
Attorney General	276,377	-	102,585	-	-	378,962
Marketing, Communications & External Affairs	283,450	1,148,149	-	-	-	1,431,599
Development Strategies	370,688	527,302	828,741	-	-	1,726,731
Facilities						
Giants Ridge Golf & Ski Resort Operations	5,874,391	-	-	-	-	5,874,391
Ironworld Operations	300,000	1,655,996	-	-	-	1,955,996
Agency Projects						
Development Projects	1,500,000	-	3,450,000	-	750,000	5,700,000
Operating Projects	1,275,000	880,000	-	-	-	2,155,000
Occupation Tax Region III	-	-	-	467,518	-	467,518
TOTAL FY INVESTMENT PLAN	\$11,851,553	\$4,551,061	\$4,381,326	\$467,518	\$750,000	\$22,001,458

*Amounts indicated are identical to amounts approved for the FY 2005 budget allocation