

# Biennial Report

**Fiscal Years  
2009 - 2010**



**IRON RANGE**  
**Resources**  
*Advancing regional growth.™*

*This page left blank intentionally.*



To the Governor and Legislature of the State of Minnesota:

It is with a strong sense of regional collaborative achievement that I submit this, the thirty-fourth Iron Range Resources Biennial Report to the Honorable Tim Pawlenty, Governor of the State of Minnesota, and to the Minnesota State Legislature.

Iron Range Resources was established as a state agency in 1941 in order to develop the remaining resources of the region, following years of depletion of its timber and ore resources. In recent years, the agency has helped finance business and community growth through loans and grants as a means to achieve its mission. As the agency approaches its 70th anniversary, its economic development mission is as vital as ever.

During the 2009-2010 Biennium, the nation and state experienced the most significant economic recession since the Great Depression. Private and public investments made in large scale mining projects, smaller scale manufacturing and growing service industries helped keep hope alive during this difficult period as construction on these projects continued to advance and new jobs were created.

In January 2010, Mesabi Nugget, the world's first commercial-demonstration iron nugget plant, began producing iron nuggets. The \$300 million project required up to 900 construction workers and has hired approximately 100 permanent employees. In the fall of 2010, Essar Steel Minnesota's \$1.6 billion taconite, direct-reduced iron and steel slab facility began pouring concrete for building construction. Up to 1,000 construction workers are expected to be employed on the project in the spring and summer of 2011. In late 2012, the facility, which will employ 500 permanent workers, will begin producing iron ore pellets.

At Minnesota Twist Drill in Chisholm, 80 new employees were hired in 2009 and 2010 to produce drill bits that are sold in all 50 states, Canada, Costa Rica and Mexico. The company hopes to soon begin exporting drill bits to China. Disability Specialist, Inc. in Cook added 20 new jobs and expanded to a new \$2.5 million facility. Silicon Energy LLC, a state of Washington solar photovoltaic module manufacturer, began construction of a \$7.1 million facility in the Mountain Iron Renewable Energy Park, employing 15 initially.

To meet the human resource needs of regional industries, Iron Range Resources partnered with P-12 school districts, Northeast Higher Education District Colleges, four-year institutions and industry to implement a comprehensive talent development strategy. The technology-centered learning approach is being recognized as a national model for its innovative approach to workforce development.

In preparing communities for economic growth the agency, during the biennium, made significant investments in helping rebuild and extend infrastructure, making Taconite Assistance Area communities more attractive to potential new businesses.

By investing resources in human, education, community and business development, Iron Range Resources, during 2009-2010, positioned northeastern Minnesota for a promising future that generates new jobs and wealth for the region and the state.

With respect and regard to Governor Pawlenty, the Legislature, other state agencies and numerous economic development, education, community and business partners with which the agency has successfully collaborated, I truly believe northeastern Minnesota's best days are ahead.

Sincerely,

Sandy Layman, Commissioner



An Equal Opportunity Employer

Iron Range Resources  
P.O. Box 441  
4261 Highway 53 South  
Eveleth, MN 55734-0441  
(218) 735-3000

[www.IronRangeResources.org](http://www.IronRangeResources.org)

*This page left blank intentionally.*

# Biennial Report

## Fiscal Years 2009 - 2010



Hibbing Fabricators, Hibbing



Range Engineering program, Virginia



Minnesota Twist Drill, Chisholm



Mesabi Nugget, Hoyt Lakes

- 1 Commissioner's Letter
- 3 Table of Contents
- 4 About Iron Range Resources
- 6 Biennial Initiatives
- 8 Business Development
- 13 Community Development
- 15 Workforce Development
- 16 Marketing and Communications
- 17 Administrative Services
- 18 Human Resources and Strategic Results
- 19 Giants Ridge®
- 20 Appendices
  - 20 *Douglas J. Johnson Economic Protection Trust Fund*
  - 21 *Investment Plan*
  - 22 *Grants - FY09*
  - 24 *Grants - FY10*
  - 26 *Application Fund Grants*
  - 27 *Taconite Economic Development Fund*
  - 27 *Loans*
  - 28 *2008 Distribution of Taconite Production Tax (FY09)*
  - 28 *2009 Distribution of Taconite Production Tax (FY10)*

# ABOUT IRON RANGE RESOURCES

Sixty-nine years ago, Iron Range Resources was founded by Governor Harold Stassen and the state Legislature to address economic distress and unemployment in northeastern Minnesota.

The new agency's initial goal was to create resource-based jobs. Early initiatives focused on taconite development, mining research, geological, peat and water surveys.

As the agency enters its 70th year, Iron Range Resources' economic development strategies include investing in businesses that create jobs, preparing communities for change and growth, and partnering with education and industry to maintain an educated, well-trained workforce.

Iron Range Resources is funded by a portion of the Taconite Production Tax paid by northeastern Minnesota mining companies in lieu of property taxes. The Taconite Assistance Area (TAA), a 13,000 square-mile geographic area of northeastern Minnesota, is the agency's service territory.

"The impact of Iron Range Resources on northeastern Minnesota is seen and felt across the region," said Commissioner Sandy Layman. "Whether it's investing in new jobs and technology, supporting existing businesses, strengthening communities, building the workforce of the future or promoting culture, tourism and recreation, Iron Range Resources plays an integral role in the region's economy."

Located in Biwabik, Giants Ridge, owned by the agency, is one of the highest-rated golf and ski resorts in the nation. At Chisholm, the agency owns Minnesota Discovery Center, a repository and museum that collects, preserves and exhibits the history of the Iron Range and its people. The center is operated by Ironworld Development Corporation, a non-profit organization.

Commissioner Sandy Layman, appointed by Governor Tim Pawlenty in 2003, oversees agency operations. A 13-member board composed of five state senators, five

state representatives and three citizen appointees approves budget decisions and economic development projects. A majority of the senators and representatives must represent Taconite Assistance Area legislative districts. The citizen members of the board from within the TAA are appointed by the Governor, senate majority leader and speaker of the house.



**IRON RANGE**  
**Resources**  
*Advancing regional growth.™*

## 2009/2010 Iron Range Resources Board Members

Representative Tom Anzelc  
Senator Tom Bakk  
Citizen Joe Begich (Senate appointee)  
Representative David Dill  
Citizen Shelley Robinson (House appointee)  
Representative Tom Rukavina  
Citizen Jack Ryan (Governor appointee)  
Senator Tom Saxhaug  
Representative Tony Sertich  
Senator Rod Skoe  
Representative Loren Solberg  
Senator Yvonne Prettner Solon  
Senator David Tomassoni

## Agency Funding

Iron Range Resources programs and operations are funded by a portion of taconite production taxes assessed on northeastern Minnesota mining companies. Production taxes fund approximately 50 percent of the agency's budget. The remaining 50 percent of the budget is derived from non-mining sources including revenue from agency facilities, interest on investment fund accounts and loan paybacks.

Taconite production tax rates are established by the legislature. Taconite production tax revenues distributed to the agency, other governmental entities and the property tax relief fund, are based on the level of iron ore pellets produced each calendar year by northeastern Minnesota's six taconite facilities. Taxable tonnage is calculated on a three-year average. Mining companies pay the production tax in two installments during the calendar year. For Fiscal Year 2009, the total production tax rate was \$2.364 per taxable ton. For Fiscal Year, 2010, the total production tax rate was \$2.380 per taxable ton. School districts, cities, townships, and counties within the TAA are the primary recipients of production tax revenue. Under Minnesota Statute 298.22, production tax revenue is distributed first to those entities before Iron Range Resources receives funding. Additional information on production tax distribution can be found on page 28.

Iron Range Resources also administers occupation tax funds in a Supplemental Tax Account for Koochiching

and Carlton counties under Minnesota Statute 298.17. Funds from this account are used for economic and environmental projects.

## Iron Range Resources Mission and Strategies

Iron Range Resources is a Minnesota economic and business development agency with a mission of advancing regional growth by stabilizing and enhancing the economy of northeastern Minnesota's TAA.

### The strategies are:

- To invest in businesses growth that creates jobs in the Taconite Assistance Area.
- To prepare Taconite Assistance Area communities for change and growth.
- To invest in an educated and well-trained workforce for the Taconite Assistance Area. ■



Iron Range Resources office building, Eveleth.

# BIENNIAL INITIATIVES

**A** multi-faceted commitment aimed at retaining and expanding existing businesses, developing new business, preparing communities for growth and collaborating in a long-term regional talent development strategy, highlighted agency strategies in Fiscal Years 2009 and 2010.

Major economic development projects supported by the agency began operation and advanced development in 2009 and 2010.

In January 2010, Mesabi Nugget, the world's first iron nugget plant, began production at its \$300 million facility near Aurora and Hoyt Lakes. The project, which required up to 900 construction workers, employs about 100 full-time workers.

Essar Steel Minnesota, in 2009, performed site work at its \$1.6 billion taconite, direct-reduced iron and steel slab mill project near Nashwauk and, in 2010, advanced infrastructure and building development. The project will create 2,000 construction and 500 permanent jobs.

Business development loans supported the creation of new jobs and expansions at manufacturing, technology, logging, human services and value-added mining companies.

Agency grants supported and enhanced infrastructure development and created space for business and housing growth within Taconite Assistance Area (TAA) communities.

Under collaboration with K-12 schools, higher educational institutions, industry, economic development partners and private companies, Iron Range Resources – through the Iron Range Higher Education Committee – created a continuum of new, innovative educational opportunities to learner-workers throughout the region.

One of the new education programs, Iron Range Engineering, allows students who have successfully completed two years of engineering to earn their four-year engineering degree on the Iron Range. A Professional Master of Engineering degree program also began delivering classes on the Iron Range.

## A Future in Renewable Energy

Commissioner Sandy Layman and Iron Range Resources Board members took a leadership role within the region pursuing, recommending and approving wind and renewable energy projects.

A newly-formed Community Development Division now works closely with communities to assess, survey and support community-based renewable energy initiatives.

Commissioner Sandy Layman presented information to key global stakeholders at the American Wind Energy Association conference in 2009 and 2010 highlighting the advantages of locating wind energy manufacturing facilities and wind energy farms in northeastern Minnesota.



Rotary hearth at Mesabi Nugget, near Aurora and Hoyt Lakes.



*Biomass destined for production of steam and electricity in Hibbing and Virginia.*

The Commissioner and Iron Range Resources Board, in June 2010, provided financial support for construction of a solar panel manufacturer at the new renewable energy park in Mountain Iron. Infrastructure within the renewable energy park was also developed with agency funding.

In February 2010, the agency assisted in funding redevelopment of the former Ainsworth oriented strand board plant in Grand Rapids. As the Itasca Eco Industrial Park, the redeveloped facility seeks to attract a wood pellet manufacturer and develop a green business incubator.

Northeastern Minnesota's loggers received agency loans to enter, expand and acquire equipment to conduct business within the biomass industry. An Iron Range Resources grant to the City of Mountain Iron assisted in improving a rail yard, allowing northeastern Minnesota loggers the ability to export a larger volume of logs to Wisconsin and Canada.

### **Range Readiness Initiative Addresses Workforce Housing**

More than 600 homes were developed across the Mesabi Iron Range and 1,500 homes and rental units

rehabilitated and/or weatherized under the guidance of the Range Readiness Initiative Housing Work Team.

The Range Readiness Initiative was launched by the agency in 2007 as a collaboration of regional private and public partners to address the challenges and opportunities associated with large scale economic development.

Beyond housing, Range Readiness Initiative teams focused on workforce development, education, training, business opportunities and communication.

The housing team helped secure more than \$19 million in housing-related public funds to assist Iron Range communities in developing new homes, housing sites and rehabilitating existing neighborhoods. More than 1,500 homes in northern St. Louis and Itasca counties were weatherized or rehabilitated, \$3 million invested in rehabilitating critical functions of 125 homes with new heating systems, siding and windows, \$8.7 million spent on preparing infrastructure to 448 new home sites, \$2.6 million in new housing construction and development and \$1.4 million for technical assistance such as homeowner education, neighborhood revitalization assistance and comprehensive planning. ■

# BUSINESS DEVELOPMENT

**T**he Business Development Division offers a wide range of attractive financing packages to new or expanding businesses within the Taconite Assistance Area (TAA). The division has focused its programs in the areas of light industrial manufacturing, health care, biofuels, forest products, mining, technology initiatives and mineland reclamation.

Business Development Division staff work in partnership with new and existing business within the TAA to assess and address the needs of each business. Division staff matches resources from the agency, other economic development organizations and banks to develop projects and create jobs.

As an example, Tim Bungarden started Cast Corporation, his own tooling, casting and production machining company, with \$2,300 and a dream. With hard work, calculated expansion and assistance from Iron Range Resources, Bungarden's company today provides products and services to companies such as Chrysler, Ford, General Motors, Arctic Cat, Polaris, Caterpillar, Cummins and Detroit Diesel. "If someone wants to start a business or relocate a business

to northern Minnesota, there's an ample amount of technically skilled workers in different fields available and there are a lot of agencies and cities willing to go the extra mile to put them in a facility, whether it be new or an existing facility," says Bungarden.

Cast Corporation was one of 12 business development projects supported by the agency's Business Development Division in 2009-2010.

## Advancing Regional Job Growth

During the biennium, the agency and division supported a major expansion of Minnesota Twist Drill in Chisholm, retaining 61 jobs and generating 50 new full-time jobs by 2015. Expansion of Disability Specialist, Inc. facilities in Cook created 20 new full-time jobs and retained 30 jobs. An expansion of Magnetation, Inc., headquartered in Nashwauk, created 12 new full-time jobs. Business Development Division assistance helped create 27 new full-time jobs at Midwest Manufacturing and Mechanical, Inc. in Nashwauk and 20 new full-time jobs at Northshore Manufacturing in Two Harbors.

Iron Range Resources support for construction of a Silicon Energy MN LLC, solar panel manufacturing facility in Mountain Iron will generate 15 new jobs in 2011 and additional jobs as the facility expands.

A Wage Subsidy Program that began for Fiscal Year 2010 assisted 70 Taconite Assistance Area businesses in hiring 210 employees. Following implementation, the program was expanded for 2010 and 2011.

## Financial Assistance

With financial backing from Iron Range Resources, Wide Open Company, a Grand Rapids fiberglass molding and composites manufacturer to the utility vehicle market, has grown into one of the powersports industry's most successful businesses. The agency provided assistance for building expansion, equipment acquisition and with financial assessments. "I would not be who I am nor have what we have at Wide Open Company without the people involved and who have fostered this business and the infrastructure we have in our buildings," said Kirk Davis, president and chief executive officer of the company.



Tim Bungarden, Cast Corporation, Hibbing.

As a key part of its mission to advance regional growth, Iron Range Resources offers a variety of financial assistance programs to businesses within or locating to the TAA.

The agency provides direct loans, employment incentive grants, training assistance and venture capital investments to qualified customers. A Bank Participation Loan Program offers low interest financing in partnerships between banks and the agency. Iron Range Resources' business financing programs are also aimed at attracting investment from outside the region in manufacturing, assembly and technological innovation. Additional forms of financial assistance such as loan guarantees and grants are also available.

During the biennium, the agency made more than \$12 million in business development loans. The agency's loan portfolio currently contains 92 loans totaling more than \$54 million. More than \$49 million in grants were awarded.

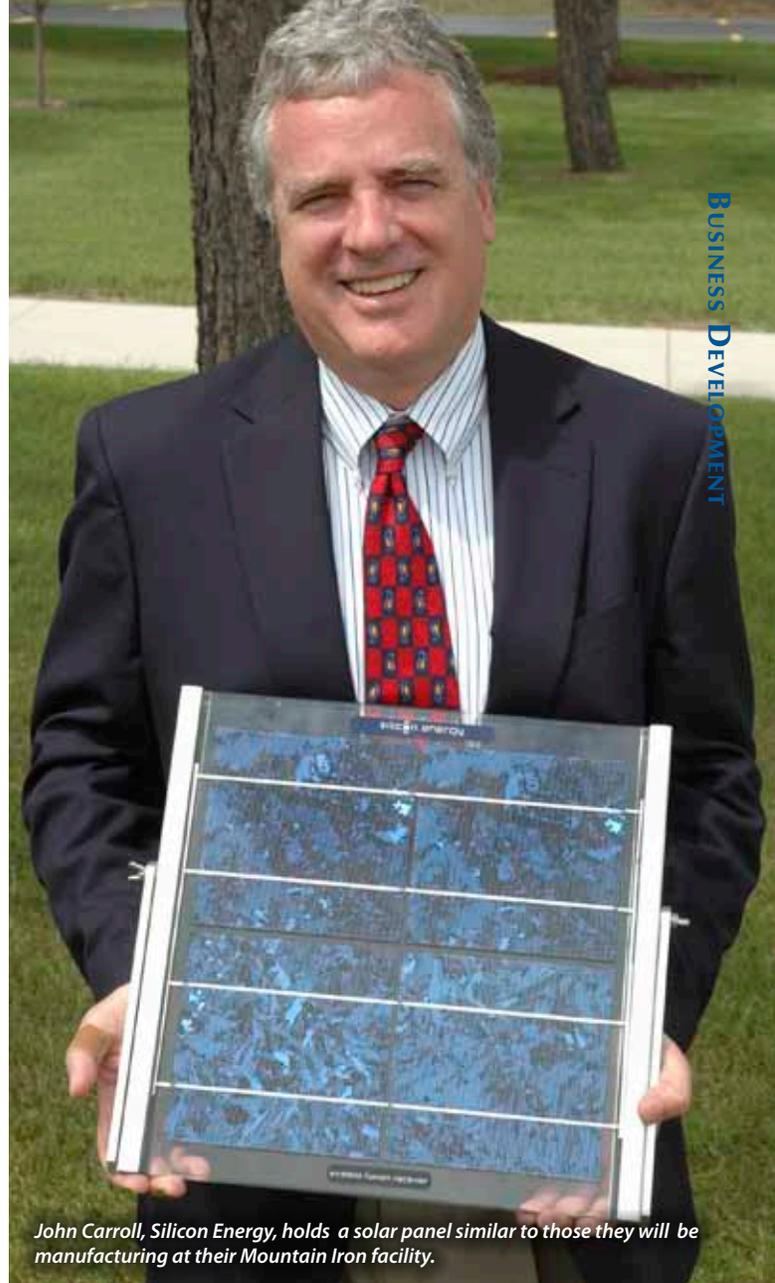
Beyond providing financial support for community infrastructure improvements, Iron Range Resources provided a grant for a health care collaboration study, a nursing home study and an expansion at the Fairview University Medical Center-Mesabi in Hibbing.

A detailed list of Iron Range Resources Business Development projects can be found on page 27.

### Renewable Energy Initiatives

To generate new renewable sources of energy, Iron Range Resources provided financial assistance to area loggers to acquire equipment to enter or expand biomass production. The agency assisted the City of Mountain Iron in improving a logging rail yard, expanding the shipping season and the total volume of log shipments into Wisconsin and Canada.

In June 2010, Iron Range Resources approved a loan package to the Mountain Iron Economic Development Authority and Silicon Energy MN, LLC for construction and equipment acquisition for a \$6.8 million solar panel manufacturing facility in the Mountain Iron Renewable Energy Park. Initially, the project creates 15 new full-time jobs. Another five to seven jobs will be added for each additional production shift. The agency assisted in supporting the development of infrastructure to the renewable energy park.



*John Carroll, Silicon Energy, holds a solar panel similar to those they will be manufacturing at their Mountain Iron facility.*

### Regional and State Partnerships

Iron Range Resources and its Business Development Division collaborate with northeastern Minnesota and statewide partners in seeking to bring new business and jobs to the region. Strategic partners include the Area Partnership for Economic Expansion, Arrowhead Growth Alliance, Arrowhead Regional Development Commission, Arrowhead Business Connection, Blandin Foundation, Minnesota Power, Natural Resources Research Institute, Northeast Entrepreneur Fund, Northland Foundation, Northeast Higher Education District, Northspan Group, University of Minnesota Center for Economic Development, regional communities, K-12 schools, local economic development entities, banks, large industry, private companies and others.

## Mining and Minerals

A global recession and a sharp decline in automobile sales and housing starts devastated northeastern Minnesota's taconite industry in 2009. At one point during 2009, all six northeastern Minnesota taconite producers were idled, resulting in the layoff of a majority of the 3,600-person workforce and impacting employment at vendors and suppliers. Iron ore pellet production in 2009 was 17 million tons, the lowest annual total since 1963. However, as the steel industry began to rebound, the taconite industry came back to life in 2010, recalling laid off workers and at several plants, resuming iron ore pellet production at full capacity.

Northeastern Minnesota's taconite industry contributes about \$1.9 billion annually to the state economy in wages, benefits, taxes and purchases. Royalties paid by the mining industry fund scholarships for students at the University of Minnesota. The taconite production taxes paid by the mining companies benefit Iron Range communities, schools, counties; provide property tax relief; and, help fund Iron Range Resources' operations and programs.

Iron Range Resources supports a healthy taconite industry. Agency objectives are to collaborate in capital investment opportunities within the industry; advance new value-added iron and steel projects that utilize northeastern Minnesota iron ore resources; support development of non-ferrous base and precious metals; and advance minerals research that helps sustain existing and proposed mining activities.

As the taconite industry bounced back in 2010, three new value-added mineral projects supported by Iron Range Resources and the state of Minnesota began production or advanced development.

Mesabi Nugget's iron nugget plant near Aurora and Hoyt Lakes produced its first iron nuggets on January 21, 2010. As the world's first commercial-demonstration iron nugget facility, Mesabi Nugget plans to produce 500,000 metric tons of iron nuggets annually.

Essar Steel Minnesota's taconite, direct-reduced iron and steel slab plant near Nashwauk advanced railroad construction, site and utilities work in 2009 and 2010. By the fall of 2010, Essar Steel Minnesota began to fabricate buildings for its pellet and concentrating facilities. Pellet production is forecast to begin in 2012.

Magnetation, Incorporated, an iron recovery company headquartered in Nashwauk that, in 2009, began using newly-developed technology, operated successfully. In 2010, Magnetation announced plans to develop a second processing plant. Magnetation's first plant employs 54. A second plant will require 200,000 man hours of construction work and will create 50 full-time equivalent jobs at the plant.

Although impacted by the global recession, planned expansions at United States Steel's Minnesota Ore Operations Keetac facility in Keewatin and at Cliffs Natural Resources' United Taconite plant in Forbes, regained momentum in 2010.

In the quest to develop Minnesota's first non-ferrous mining operation, PolyMet Mining Corporation, final work on a draft Environmental Impact Statement moved forward. The \$602 million project would create at least 400 new permanent jobs. Other non-ferrous development projects, including a Duluth Metals project near Ely and Franconia Minerals Corporation



Magnetation, Nashwauk.

near Babbitt, advances exploration and financial backing campaigns. Development of a non-ferrous industry would create a 1,450 projected new permanent jobs, 1,850 construction jobs and through taxes, generate new funding for local, regional and state economies.

### Mining Impact Study

Iron Range Resources assisted in sponsoring a Mining Impact Study completed by the University of Minnesota Labovitz School of Business and Economics Bureau of Business and Economic Research in March 2009. The study found Minnesota's iron ore mining industry to be the single largest contributor to the economy of northeastern Minnesota. With development of all the planned iron ore mining expansions and new iron and non-ferrous mining projects, the statewide economic impact could reach \$8.7 billion and support more than 20,000 jobs.

### Taconite Economic Development Fund (TEDF)

The Taconite Economic Development Fund (TEDF) was established by the 1992 Minnesota Legislature to provide a 30.1 cent-per-ton rebate of the taconite production tax to northeastern Minnesota taconite operations to encourage capital investments in taconite facilities. TEDF monies are to be used for new equipment, facility improvements and the research and development of new mining technologies. In 2009, more than \$8.4 million in TEDF monies were rebated to Iron Range taconite companies and more than \$6.2 million in 2010. Since 1993, more than \$148.5 million in taconite production tax revenue has been rebated through the TEDF for taconite mining company capital investment projects.

### Residential Community Redevelopment Programs

To remove blight from communities within the TAA, the agency's Residential Community Redevelopment program partnered with cities and townships to remove unsightly residential buildings including homes and garages. The program provides for demolition, hazardous waste, material removal and site improvements, creating space for new structures.

In calendar year 2008, the Iron Range Resources Residential Community Redevelopment crew removed 84 structures. In calendar 2009, the program removed an additional 84 structures.



One of the structures removed by the Residential Community Redevelopment crew.

## Mining and Reclamation

Established by the Minnesota Legislature in 1977, the Mineland Reclamation program, in 1978, began reclaiming, restoring and reforesting iron ore mining lands into usable land forms for future generations of recreational and economic development.

Since its inception, more than 300 projects across the TAA have been completed. Among the projects are pit wall and stockpile reshaping and revegetation, the elimination of safety issues surrounding abandoned mining areas, capping old underground mine openings, establishing wildlife habitat, building boat accesses at mine pit lakes, stocking fish in mine pit lakes, constructing campgrounds, hiking trails and recreational areas, environmental education of residents, converting minelands into commercial and residential sites and promoting tourism.



Fish stocking in Lake Ore-Be-Gone.

## Tree Planting and Fish Stocking

Mineland Reclamation growth chambers in Chisholm seeded 83,000 trees in 2009 and 78,000 in 2010 that were planted on TAA lands impacted by mining. Between 1977 and 2010, the growth chambers produced more than 4.8 million tree seedlings, transplants, and tree-spade trees.

A fish stocking program over the biennium planted more than 9,500 pounds of rainbow trout in abandoned mine pits for recreational fishing. Since 1984, the fish stocking program, through a partnership with the Minnesota Department of Natural Resources, planted more than 192,000 pounds of fish in abandoned mine pits across the TAA.

## Laurentian Vision Partnership

A regional coalition of mining, government, business and community leaders, the Laurentian Vision Partnership (LVP) promotes sustainable mining and the reshaping of mining sites into productive landscapes. The LVP's mission is to preserve lands that sustain current and future mining, promote landscape options for post-mining uses, identify and discuss new development opportunities, and provide the tools to achieve these goals. LVP also facilitates decision-making in the identification of lands for economic development, recreation, or resource uses that meet existing and potential mining and community goals.

A reshaping and revegetation project at United Taconite's stockpile along U.S. Highway 53 at Virginia took shape during the biennium as one of several LVP "bricks and mortar" projects. Additional mining landscape projects were undertaken at Hibbing Taconite Company and Keewatin Taconite. ■



Tree planting with seedlings from growth chamber.

# COMMUNITY DEVELOPMENT

**A** new Community Development Division, comprised of existing agency staff, responded to the needs of communities as multiple, large-scale Mesabi Iron Range economic development projects began operation and advanced. The Community Development Division invests in communities through grant making based on criteria including economic impact, job creation or retention, leverage, removing barriers to growth, readiness and need. The division also provides technical assistance for community renewable energy initiatives, Giants Ridge development, Laurentian Vision Partnership and regional tourism initiatives.

With \$6.4 billion in large-scale economic development projects underway and planned within the region, the agency utilized its leadership role to strengthen and invest in communities. Iron Range Resources recognizes the need to be pro-active in building sustainable communities and preparing communities for new business and population expansion through financial assistance programs that provide public infrastructure for business and residential growth.

Community and Business Development grants in FY09 totaled \$18.8 million. In FY10, Community and Business Development grants totaled \$7.37 million. Community Development grants leveraged additional funds on a 5.10 to 1 level in FY09 and 7.9 to 1 level in FY10.

A Renewable Energy Grants Program that solicits and assists in funding renewable energy projects unique to the region was launched by the division. The \$1.3 million program provided funds for city and township projects that strategically utilized locally available renewable resources to stimulate the green economy. The intent of the grant program was to support renewable energy projects which will promote community and economic development in the region. Community-based renewable energy projects and site-specific installations for local units of government among multi-organizational and collaborations were eligible for assistance.

The Community Development Division partnered with the Range Readiness Housing Work Team, in FY09, to generate a total investment of \$61.2 million in the development of infrastructure for the construction of 341 housing units and in FY10 generated \$16.9 million in investment in 67 housing units.

Taconite Assistance Area (TAA) communities received Public Works Grants to support community needs such as wastewater collection and treatment, drinking water, storm sewer, utility extension, street and site improvements.

Grants funded capital expenses for public infrastructure development in the creation of new jobs



Expansion at Fairview University Medical Center-Mesabi, Hibbing.

and retention of existing jobs. Through Community Development investments in health care facilities and manufacturing, 87 new jobs were created within the TAA in FY09 and 114 jobs in FY10.

Through the Community Redevelopment program, the division, supported the demolition of 23 dilapidated structures within the TAA in FY09 and 29 structures in FY10.

The division also partnered with the University of Minnesota Department of Landscape Architecture, College of Design, Minnesota Department of Natural Resources Lands and Minerals Division and Cliffs



Natural Resources in the reshaping and vegetation of a mining stockpile along Highway 53 near Virginia. The project is one of several under which mining, government, business and community interests on the Mesabi Iron Range are demonstrating how the mining process can create land forms to accommodate the residents, the environment, and the economy of the future.

For a complete list of grants see pages 22-26.

### Community Leadership

Iron Range Resources in, April 2009, hosted an Economic Stimulus Resource Workshop at the Mountain Iron Community Center. The workshop brought together hundreds of community leaders and potential partners to prepare for community and economic development. Representatives from a wide variety of federal and state agencies presented information on federal stimulus monies and project priorities.

### Culture and Tourism

The Culture and Tourism Grant program supports initiatives that utilize local cultural resources to stimulate tourism and enrich communities through artistic, heritage-related or recreational activities. In FY09 the program was funded at \$150,000 and in FY10 it was funded at \$100,000. Projects that were funded were those that expanded or enhanced programs to increase participation and availability, implemented capital improvements, engaged in historic preservation, promoted arts, culture and recreation, and attracted visitors and encouraged visitor spending.

In both FY09 and FY10 the agency partnered with destination marketing organizations in TAA communities to promote tourism and travel. Advertising was targeted to reach audiences interested in what the region has to offer including: scenic driving, four seasons of world class outdoor recreation (motor and non-motor), arts and culture, bird and wildlife watching and a variety of lodging, dining and shopping.

Tourism is important to the economy of the region for both immediate and long term impact. Many who live in the region and operate businesses originally came to the area as visitors and decided to stay for the quality of life. ■

# WORKFORCE DEVELOPMENT

Fueled by the start-up and progress of high-technology value-added mining and energy projects, taconite plant expansions and new business growth, the creation of thousands of new jobs and associated economic expansion is underway on the Mesabi Iron Range.

“This could be one of the Range’s great moments,” said Drew Digby, Minnesota Department of Employment and Economic Development regional labor analyst.

To meet the needs of new and growing business, 20,000 to 22,000 new workers will be needed in the region due to new economic development projects, retirements and natural growth over the next decade, according to Digby.

In response, Iron Range Resources and its Workforce Development staff assumed a leadership role in a successful partnership of secondary and post-secondary educational institutions and industries in creating and offering a series of new educational programs specifically designed to meet the workforce requirements of existing and emerging industry.

Collaboration among Iron Range Resources, the Northeast Higher Education District, University of Minnesota Duluth, Minnesota State University, Mankato and regional industries, ignited a comprehensive talent development strategy aimed at creating, retaining and sustaining an educated and well-trained workforce within the region.

Recognized by the Minnesota State Colleges and Universities system with its 2010 Excellence in Curriculum Programming Award, the Iron Range Engineering Program completed its first year in 2010 with 14 students. The program allows engineering students who have successfully completed their first two years of engineering to earn a four-year engineering degree through Minnesota State University, Mankato, on the Iron Range.

A Professional Master of Engineering degree program, through the University of Minnesota Duluth, allows current engineers to receive a master’s education on the Iron Range.

Both the Iron Range Engineering Program and Professional Master of Engineering degree program



*Students from the Iron Range Engineering Program listen to a worker at TriTec in Virginia.*

are funded by the Iron Range Higher Education Committee through a 5 cent-per-ton legislatively allocated appropriation of the Taconite Production Tax. Expenditures from the fund are recommended by the commissioner and approved by the Iron Range Resources Board.

Through the work of the Iron Range Higher Education Committee, five additional new programs will be launched beginning in the fall of 2011 by the Northeast Higher Education District to meet the needs of business and industry in the region. Those programs are: Industrial Technology, Process Automation, Industrial Lab Technician, Industrial Construction and Information Management.

Iron Range Resources also supported development of a Wind Energy Technology Program at the Eveleth campus of Mesabi Range Community & Technical College. Seventeen students enrolled in the program in its first year, 2009-2010.

At the secondary level, the Applied Learning Institute, a hands-on learning training and technology program between area schools and the Northeast Higher Education District, grew to include 17 school districts and about 1,500 students. Applied Learning Institute programs prepare students to be highly-trained, knowledgeable workers equipped with technical and problem-solving skills needed by employers everywhere. ■

# MARKETING AND COMMUNICATIONS

To effectively communicate the advantages of locating a business, living and recreating within northeastern Minnesota, the Marketing and Communications Division implemented new strategies and measurable tools to reach targeted audiences. The division researches, creates, produces and distributes marketing and communication materials to local, state, and national media entities and agency stakeholders. The division also collaborates and provides support and services to agency divisions in the creation, efficient and effective use of informational and promotional materials and maintains the agency website.

[www.ironrangeresources.org](http://www.ironrangeresources.org)

Marketing and Communications created and delivered key agency messages utilizing a professional, collaborative, customer-first, multi-media operating philosophy.

Team members generated written, artistic, photographic and graphic materials for all agency operating divisions. Internal and external communications including the agency's quarterly RangeView publication were prepared in collaboration with other divisions for distribution to media, partners and stakeholders. The division provided audio, video, graphic and technical support to state entities and stakeholders at key public events. Video recordings of these meetings and events were produced and distributed for public record on local access networks.



On a day-to-day basis, communications personnel received and responded to media contacts, inquiries and information requests from daily, weekly and monthly print publications, television, radio and major national news outlets.

During the biennium, communication team members led the launch of a comprehensive business recruitment campaign targeted at the state's top 300 business executives and the metropolitan business community. Within Minnesota's leading business publications, advertising and advertorial content was designed, produced and placed, detailing business incentives available through the agency and the region's human and physical assets. ■

# ADMINISTRATIVE SERVICES

Comprised of Finance, Information Systems and Maintenance and Shop, the Administrative Services Division extends support services and resources to Iron Range Resources' programs and facilities.

Administrative Services provides support to other divisions with contracting, procurement, payroll, accounting, financial reporting and information technology services. Staff also supports and maintains computer hardware, data and telecommunication infrastructure, equipment maintenance, fleet management and buildings and grounds maintenance.

The Finance group performs all aspects of budgeting, internal auditing, financial reporting, payroll, procurement and contracting services.

Information Systems supports and maintains the agency's data, computer hardware, software and

telecommunications infrastructure. This division lends technical support, information access, project management, Internet and telephone services to agency staff and facilities. Over the biennium, information systems installed a Voice Over Internet Protocol telephone service at agency headquarters and consolidated individual email into a new, single statewide inter-agency email system.

Maintenance and Shop provides fleet management, equipment maintenance, and building and grounds maintenance services at Eveleth headquarters. During the biennium, staff coordinated the installation of new energy efficient windows and interior lighting as well as resurfacing parking lots. ■



Workers replaced all of the windows with new energy efficient models.

# HUMAN RESOURCES AND STRATEGIC RESULTS

---

**T**he Human Resources & Strategic Results (HRSR) Division, formed in July 2008, guides and manages all human resources services, policies and programs for the agency. The division also coordinates human resources efforts with organizational development goals by managing the agency's strategic planning, performance and improvement plants.

Over the biennium, HRSR implemented "20-20" Balanced Scorecard software to coordinate measurable performance results from all division workplans.

The division aided in the development of a new employee intranet to improve and distribute internal communications.

In addition, they led the development of an agency-wide pandemic flu plan and provided training to all employees. Additional training conducted included harassment, code of conduct, safe lifting and travel expense. This division also reviewed and updated agency human resource policies. ■



# GIANTS RIDGE®

**R**ecognized as a top year-round Midwest destination resort, Giants Ridge received new accolades from several of the nation's top golf publications, ranking it as one of America's finest resorts.

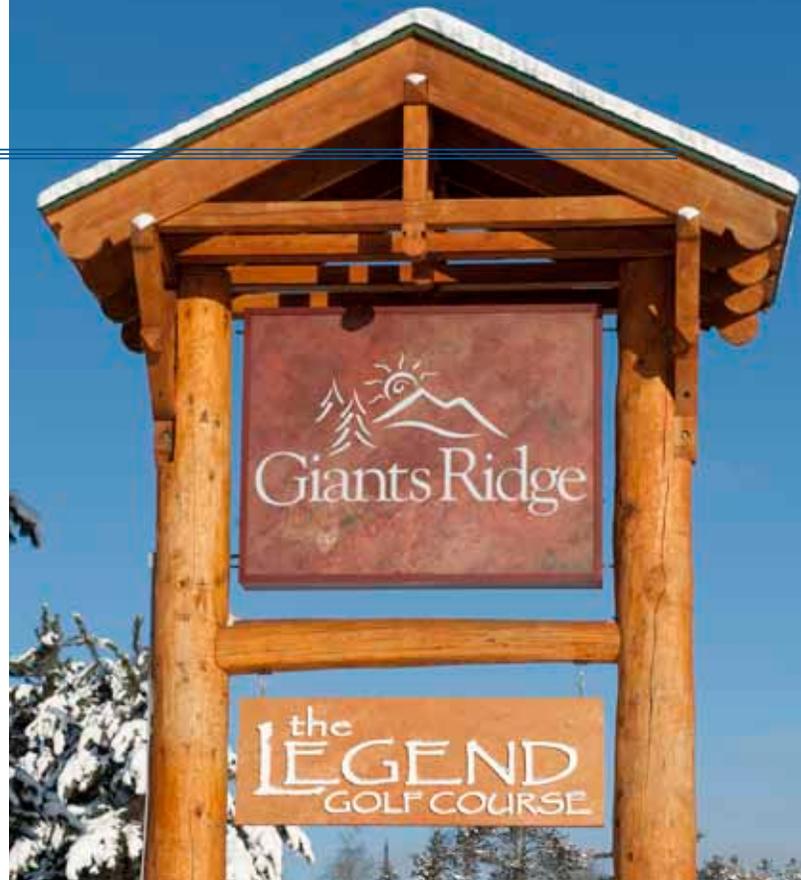
Located in Biwabik and owned by Iron Range Resources, Giants Ridge operates two-award winning 18-hole championship golf courses and a ski complex featuring 35 alpine runs, two terrain parks and more than 60 kilometers of groomed cross country trails.

The primary mission of Giants Ridge is to develop and promote tourism and recreational opportunities for the economic enhancement and diversification of the Taconite Assistance Area.

*Golf Digest* magazine named Giants Ridge to its "Best Golf Resorts in North America" list in 2009, placing the two courses at Giants Ridge in the company of the nation's top 75 golf courses, including the likes of Pebble Beach, Pinehurst, Sandestin and Bandon Dunes. This new ranking also garnered Giants Ridge the highest ranking in Minnesota.

In 2010, *Golf Digest* rated Giants Ridge fifth on a list of the ten most affordable courses in the nation. Giants Ridge, in 2010, also appeared on Golf.com's "Premier Resorts: The Best Destinations in Golf" list, ranking it #2 in the Midwest.

The Legend and The Quarry golf courses attracted 57,600 rounds of golf during FY 09 and FY 10. The Giants Ridge ski complex attracted 169,600 skiers during FY09 and FY10 and hosted major ski events such as the Minnesota State High School League Nordic and Alpine ski championships. Under an agreement with the Minnesota State High School League, Giants Ridge will host both championships through 2013.



In 2009, Giants Ridge completed installation and began operating an upgraded snowmaking system. The system improves water pumping capacity and allows Giants Ridge the ability to make snow at warmer temperatures. The facility also moved toward the creation of a Central Reservation Service that includes area lodging properties.

The natural, north woods beauty of the Giants Ridge property and surrounding forests and lakes boosted regional economic development by attracting tens of thousands of visitors to the Taconite Assistance Area. More than \$64.4 million in lodging units, single-family homes and condominiums have been constructed at Giants Ridge by private developers since the agency acquired the property in 1984.

In 2010, construction began on The Residence Club at Giants Ridge, a 27-unit member-owned fractional ownership community. Buyers will own a 10 percent undivided interest in one of the 27 units, but be able to occupy any available Residence Club home. Construction is underway on a 140-foot long, wooden arch pedestrian and bicycle bridge across the narrows of Wynne and Sabin lakes, connecting the Giants Ridge resort base with Voyageurs Retreat housing developments on the east side of the lakes and the Mesabi Trail.

Giants Ridge continues to work towards attracting private developers to fulfill the potential of residential and commercial growth within the facility's 20-year master plan, including the addition, over time, of 450 residential lodging units in a pedestrian-oriented village at Giants Ridge.

In addition to world class golf and ski experiences, Giants Ridge offers access to paved recreational biking and hiking trails, 2,000 miles of snowmobile trails and water recreation on two wooded lakes. Giants Ridge operates at an exceptional level of customer service standards and product excellence. ■



## APPENDICES

### Douglas J. Johnson Economic Protection Trust Fund (the "2028 Fund") Trust Account

	FY 2009	FY 2010
Beginning Balance	\$89,709,572	\$92,926,046
Taconite Tax receipts	3,197,366	1,024,685
Taconite transfer in	0	1,144,648
Interest on tax receipts prior to county distributions	19,108	2,878
Mesabi Nugget loan payoff	6,045,833	0
Mesabi Nugget transfer out	(6,045,833)	0
<b>Ending Balance</b> <i>(FY Ending Date)</i>	<b>\$92,926,046</b> <i>(June 30, 2009)</i>	<b>\$95,098,257</b> <i>(June 30, 2010)</i>

Note: Mesabi Nugget paid off their loan, and legislation stated the amount deposited into the DJJ Corpus shall be transferred to the TEPF account for Public Works grants.

## AGENCY INVESTMENT PLAN

	FY 2009 Budget	FY 2010 Budget
<b>Resources</b>		
Carryforward In	\$16,331,892	\$11,219,814
<b>Current Resources:</b>		
Taconite Production Taxes	15,583,098	18,201,241
Legislative Reallocation - Renewable Energy	0	5,998,597
Legislative Appropriation - Windmill Blade Factory	0	10,000,000
Investment Earnings	2,031,340	1,450,952
Loan Revenue	2,493,142	1,553,302
Facilities Revenue	5,005,137	4,629,831
Occupation Tax Region III	582,344	580,509
<b>Subtotal Current Resources</b>	<b>\$25,695,061</b>	<b>\$42,414,432</b>
<b>Total Resources Available</b>	<b>\$42,026,953</b>	<b>\$53,634,246</b>
<b>Estimated Expenditures</b>		
<b>Operations:</b>		
Administrative Services	\$2,653,791	\$1,997,833
Human Resources and Strategic Results	0	710,070
Attorney General	374,238	376,121
Marketing and Communications	1,272,817	955,159
Giants Ridge Golf & Ski Resort	8,925,691	8,610,470
Minnesota Discovery Center	1,900,000	1,515,852
Community Development	0	506,239
Business Development	2,109,183	1,633,444
<b>Programs:</b>		
Grants	2,350,000	2,620,000
Occupation Tax Region III	582,344	580,509
<b>Projects:</b>		
Business Development	12,362,299	9,160,999
Public Works	8,035,000	0
Legislative Reallocation - Renewable Energy	0	5,998,597
Legislative Appropriation - Windmill Blade Factory	0	10,000,000
Legislative Transfer - Small Business Fund	0	1,500,000
Early Separation Incentive	0	2,000,000
<b>TOTAL FY INVESTMENT PLAN</b>	<b>\$40,565,363</b>	<b>\$48,165,293</b>
<b>Estimated Carryforward Out</b>	<b>\$1,461,590</b>	<b>\$5,468,953</b>

## GRANTS

## FY09 Grants

APPLICANT	PROJECT DESCRIPTION	AMOUNT
Aitkin, City of	Lakes States Lumber Company Building Demolition	\$75,000
Aitkin, City of	4th Street NW Water and Sewer Infrastructure	100,000
Aitkin, City of	Community Business Partnership	50,000
ARDC	Laurentian GIS Collaborative	30,000
ARDC	Range Readiness Initiative	40,000
Aurora, City of	St. James Pit Wall Reshaping	80,000
Aurora, City of	Water Line Replacement near Hwy 135	250,000
Aurora, City of	5th Street Repairs	180,000
Babbitt, City of	City Garage Construction	350,000
Balkan, Town of	Community Center Construction	250,000
Bigfork, City of	Airport Runway Extension	150,000
Biwabik, City of	Community Business Partnership	20,000
Biwabik, City of	Long Range Strategic Plan	4,387
Biwabik, City of	6 Unit Single Family Housing Infrastructure	60,000
Biwabik, City of	South Side Industrial Site Street/Utility Infrastructure	165,000
Biwabik Area Civic Association	Weihnachtsfest Christmas Lighting	2,500
Bois Forte	36 Unit Duplex Housing Infrastructure	250,000
Boundary Waters Blues Festival	Advertising and Promotion	10,000
Bovey, City of	Jen Guyer Memorial Field Construction	50,000
Bovey, City of	13 Unit Single Family Housing	200,000
Buhl, City of	Residential Lots Adjacent to Stubler Pit Housing Infrastructure	70,000
Buhl, City of	Frantz Street Repairs	200,000
Buhl, City of	Memorial, President, Frantz, and Monroe Street Repairs	250,000
Calumet, City of	Infrastructure Replacement	200,000
Calumet, City of	City Hall & Community Center Construction	50,000
Chisholm, City of	Community Business Partnership	25,000
Chisholm, City of	16 Unit Single Family Longyear Lake Housing	240,000
Chisholm, City of	Northwest Area Street, Water and Sewer Infrastructure	450,000
Chisholm-Hibbing Airport	Strategic and Facility Plan	50,000
Club Mesabi	Cultural Education Along the Great River Energy Bicycle Tour	2,702
Cohasset, City of	Community Business Partnership	20,000
Cohasset, City of	Highway 2/County Road 62 Railroad Crossing Improvements	350,000
Coleraine, City of	Gayley Avenue Street/Water and Sewer Infrastructure Improvements	400,000
Cook, City of	24 Unit Assisted Living Housing Infrastructure	280,000
Cook, City of	Well and Water Plant Construction	280,000
Cook, City of	Well and Water Tower Construction	200,000
Cook, City of	Airport Land Acquisition	75,000
Cook County	Grand Marais Tennis Court Construction	50,000
Cotton Civic Club	Advertising and Promotion	5,000
Crow Wing County	Milford Mine Memorial Park Infrastructure	50,000
Crystal Bay, Town of	Community Business Partnership	20,000
East Range Joint Powers Board	Biodiesel Facility Study	50,000
Ely, City of	Community Business Partnership	25,000
Ely, City of	Captain Dry and Engine Building Demolition	40,000
Ely, City of	2nd Avenue West Reconstruction	200,000
Ely, City of	Iron Range Youth in Action	40,258
Ely Winter Festival	Advertising and Promotion	5,000
Eveleth, City of	Community Business Partnership	20,000
Eveleth, City of	Golden Rule Building Demolition	90,000
Eveleth, City of	Grant Ave Street/Water/Sewer Infrastructure	200,000
Eveleth, City of	Mesabi Trail Head Building Infrastructure for Construction	150,000
Eveleth, City of	Health Services Park Facility Elevator Replacement	30,000
Eveleth, City of	Grant/Park Ave/2 Million Gallon Storage Tank Infrastructure	450,000
Fayal, Town of	South Shore Ely Lake Water Line Infrastructure	100,000

FY09 Grants - *continued*

APPLICANT	PROJECT DESCRIPTION	AMOUNT
Finland MN Historical Society	Heritage Site Improvements	10,000
Giants Ridge Ski Patrol	First Aid Supplies and Equipment	5,650
Gilbert, City of	Lake-Ore-Be-Gone Mine Pit Wall Slope	80,000
Gilbert, City of	16 Unit Single Family Lake Ore-Be-Gone Housing Infrastructure	200,000
Gilbert, City of	MN and MI Ave, Lake Ore-Be-Gone Housing Water/Sewer Infrastructure	400,000
Grand Marais Arts	Art Colony Building Improvements	10,000
Grand Marais, City of	Community Business Partnership	25,000
Grand Rapids Area Comm Foundation	Replacement of Plaques Along Walking Tour	2,733
Grand Rapids, City of	UPM Blandin Site Building Demolition	125,000
Grand Rapids, City of	Airport Industrial Park Infrastructure	300,000
Grand Rapids, City of	Pokegama Golf Course and Park Place Water/Sewer Infrastructure	450,000
Grand Rapids, City of	1st Ave. from River Road to 3rd St. SE Water/Sewer Infrastructure	70,000
Greyhound Bus Origin Center	Exhibit Expansion	10,000
Gunflint Trail Historical Society	Museum Exhibits	10,000
Hibbing, City of	Community Business Partnership	50,000
Hibbing, City of	Downtown Area Building Demolition	70,000
Hibbing, City of	Dom-Ex Site Building Demolition	40,000
Hibbing, City of	55 Unit Single Family-Mesaba Woods Housing	350,000
Hibbing, City of	28 Unit Senior Complex Housing Infrastructure	250,000
Hibbing, City of	34th, Greysher and Brooklyn Infrastructure	750,000
Hibbing Quarterback Club	Cheever Field Locker Room Construction	25,000
Hoyt Lakes, City of	25 Unit Single Family Leeds Road Housing Infrastructure	300,000
Hoyt Lakes, City of	Water/Wastewater Improvements	400,000
Int'l Environmental Research Foundation	Fibrous Particles Publishing	32,200
ISD #2142 St. Louis County Schools	Biomass Boiler Heat System Conversion	300,000
Ironworld Development Corporation	Seal Log Joints on CCC Building	3,000
Ironworld Development Corporation	Financial Subsidy Support	1,261,000
Ironworld Development Corporation	CEO Grant Writer/Planner/Website	250,000
Ironworld Development Corporation	Capital Improvements	100,000
Itasca Community College	Wood Biomass Boiler Study	30,000
Itasca Economic Development Corp	Biomass Fired Energy Study	17,796
Itasca Economic Development Corp	Property Audit and Feasibility Study	11,000
Jaques Art Center	Advertising and Promotion	3,000
Judy Garland Museum	Facility Improvements	50,000
Kabetogama Tourism Bureau	Land of the Lady Slipper Event	2,500
Keewatin, City of	Carlz Mine Shop Area Cleanup	200,000
Keewatin, City of	Community Business Partnership	12,000
Keewatin, City of	20 Unit Single Family Housing Infrastructure	290,000
Keewatin, City of	Depot Street Water/Sewer Infrastructure	400,000
Lake County	Snowmobile Trail Construction	125,000
Laurentian Arts & Culture Alliance	Range of the Arts Celebration	6,275
Laurentian Energy Authority	Biomass Energy Study	150,000
Lutsen, Town of	Superior National Golf Course Improvements	100,000
McKinley, City of	City Administration Facility Construction	150,000
Marble, City of	5 Single Family Lots Housing Infrastructure	100,000
MN DNR	Underground Mine Mapping	50,000
MN DNR	Underground Mine Mapping	50,000
MNSCU	Northeast Higher Education Programs	1,144,700
Minnesota Hwy 38 Leadership Board	Edge of the Wilderness Discovery Center Displays	10,000
Mountain Iron, City of	Community Business Partnership	25,000
Mountain Iron, City of	Energy Park Infrastructure	300,000
Mountain Iron, City of	19 Unit Hwy #102 Housing Infrastructure	100,000
Mountain Iron, City of	Wastewater Plant Infrastructure	300,000
Nashwauk, City of	Community Business Partnership	25,000
Nashwauk, City of	Old City Hall Building Demolition	50,000
Nashwauk, City of	Electrical Substation Replacement	250,000
Nashwauk, City of	RV Campground Site Construction	80,000

FY09 Grants - *continued*

APPLICANT	PROJECT DESCRIPTION	AMOUNT
NE MN Area Health Education Center	Health Care Workshop Development	100,000
Northern Lights Music Festival	Hansel and Gretel Production	10,000
Northspan Group	Ferrous/Non-ferrous Mining Study	15,000
North House Folk School	Capital Improvement Plan	10,000
North Shore Scenic Drive Council	Grand Portage State Park and Scenic Byway Welcome Sign	8,000
Orr, City of	Moose Lake and Pine Drive Water Line Infrastructure	60,000
Orr, City of	Erickson Addition Water Line Infrastructure	50,000
Pike, Town of	Town Hall Improvements Construction	15,000
Range Artists Association	Mines and Pines Art Festival	3,000
St. Louis County	Maintenance Garage Project	1,157,554
St. Louis County	Pike River Road Project	421,223
St. Louis County	Wastewater Treatment Study Voyageurs National Park/Kabetogama Twp	50,000
St. Louis County Agriculture Fair Assoc	MN Trappers Association 50th Anniversary	4,500
Silver Bay, City of	Community Business Partnership	25,000
Silver Bay, City of	Renewable Energy Study	12,500
Silver Bay, City of	Ice Storm Emergency Cleanup	50,000
Squaw Lake, City of	Community Business Partnership	8,000
Tower, City of	Community Business Partnership	30,000
Tower, City of	Poplar, 2nd and Norway Water Infrastructure Upgrades	250,000
Tower Soudan Historical Society	Historic Train Cars Restoration	10,000
Two Harbors Chamber of Commerce	Welcome and Interpretive Center Campaign	5,000
Two Harbors, City of	Community Business Partnership	20,000
Two Harbors, City of	Water Treatment Plant Improvements	120,000
University of Minnesota	2-Day Workshop for Mine Engineers	2,200
University of Minnesota	Reshaping Post Mining Lands	123,640
University of Minnesota	Polymet Gypsum Study	38,400
University Medical Center	Fairview Hospital Expansion Hibbing Infrastructure/Construction	150,000
University Medical Center	Fairview Hospital Expansion Hibbing Infrastructure/Construction	600,000
Vermilion Community College Foundation	Theater Lighting and Sound System	9,790
Virginia, City of	Old South Seppi Site Building Demolition	100,000
Virginia, City of	P & H Mine Pro Infrastructure	300,000
Virginia, City of	Miners Memorial Utility Upgrades and Accessibility Modifications	500,000
Virginia Regional Medical Center	Nursing Home Single Governance Study	100,000
White, Town of	Highway 135 Upgrades	250,000
Wirtanen Pioneer Farm, Friends of	Infrastructure Improvements	25,000
<b>TOTAL</b>		<b>\$21,530,508</b>

## FY10 Grants

APPLICANT	PROJECT DESCRIPTION	AMOUNT
Aitkin, City of	Lakes States Lumber Company Rail Expansion	100,000
Arrowhead Electric Cooperative	Hydro Power Feasibility Study	6,250
ARDC	Energy Assessment	16,595
ARDC	Interpretive Plan for Superior National Forest Scenic Byway	8,000
ARDC	Replenish Revolving Loan Fund	300,000
Biwabik, City of	27 Units at Giants Ridge Housing Infrastructure	350,000
Boundary Waters Blues Festival	Advertising and Promotion	9,500
Breitung, Town of	Soudan Area Water/Sewer/Road Infrastructure	379,294
Cardero Iron Ore Inc.	Drilling Incentive	75,000
Central Iron Range Initiative	Brownfield Cleanup	54,000
Chisholm Beautification Association	Historic Wall Restoration	30,000
Clinton, Township of	Town Hall Roof Improvements	13,000
Club Mesabi	Iron Range Earth Fest 2010	5,000
Cohasset, City of	Old Hwy 8 Bridge Demolition	50,000
Comm. Health Information Collaborative	Recording Equipment for 13 Health Care Facilities	50,000

FY10 Grants - *continued*

APPLICANT	PROJECT DESCRIPTION	AMOUNT
Cook, City of	ICO Restaurant and Motel Building Demolition	25,000
Cook, City of	Disability Specialists Infrastructure	200,000
Cook County Higher Education	North Shore Campus Renovation	20,000
Cotton Civic Club	Advertising and Promotion	5,700
Crosby, City of	Cuyuna Range Community Visioning	10,000
Crow Wing County	Highway 30 Street Infrastructure	2,000
Crystal Bay, Town of	Community Center Septic System	90,000
Cuyuna Range Youth Center	Youth Center Construction	25,000
Dorothy Molter Museum	Signage, Brochure and Document Archiving	5,400
Ely Chamber of Commerce	Visitor Information Center Infrastructure Improvements	9,500
Ely, City of	Biomass Binary Power Study	4,000
Ely, City of	Old Public Works Garage Cleanup	50,000
Ely, City of	Pioneer Mine Site Building Demolition	45,000
Eveleth, City of	Community Health Assessment	25,000
Eveleth, City of	Mitigation of Substance AAD Underground Mine	40,920
Eveleth, City of	Eveleth Health Services Assisted Living Facility Renovation	350,000
Eveleth, City of	110 Unit Hotel Infrastructure	500,000
Giants Ridge Ski Patrol	First Aid Supplies and Equipment	5,650
Goods from the Woods	Advertising and Promotion	4,000
Habitat for Humanity	Storage Building for Restore Program	25,000
Hibbing EDA	Light Emitting Diode Pilot Project	22,000
Hibbing EDA	DMR Expansion	100,000
Hibbing, City of	Old Brooklyn School Area Environmental Study	14,500
Hibbing, City of	Old Water Plant Site Building Demolition	150,000
Hibbing, City of	Reshaping Post Mining Lands	100,000
Hibbing, City of	30 Unit Affordable Housing Complex Infrastructure	350,000
Hoyt Lakes, City of	20 Unit Assisted Living Facility Infrastructure	350,000
Ironworld Development Corporation	FY10 Operations	1,009,000
Ironworld Development Corporation	Capital Improvements	100,000
Ironworld Development Corporation	Capital Expenditures	117,652
Iron Junction, City of	Wastewater Treatment Plant/Sewer Line Extension Improvement	50,000
Iron Range Learning Center	Safety Buffer Zone at Entrance	15,000
Itasca Economic Development Corp	Ainsworth Building Site Environmental Cleanup	250,000
Itasca Economic Development Corp	Ainsworth Building Site Demolition	250,000
Itasca Ski and Outing Club	Mt Itasca Sports Center Operations/Special Events	30,000
Lake County	Fiber to the Premise Network	25,000
Lake Vermilion Fire Brigade	Fire and Rescue Boat Dock Construction	15,000
LaPrairie, City of	City Hall Improvements	7,550
Laurentian Arts & Culture Alliance	Advertising and Promotion	6,900
Leiding, Town of	Ryans Rustic Railings Cleanup After Fire	70,000
Leonidas, City of	Water Line/Storm Sewer Replacement	75,000
Meadowlands, City of	Old Cheese Factory Building Demolition	12,000
Mesabi Community Orchestra	Classical Music Concerts Produce and Promote	4,650
Mesabi Range Comm. & Tech. College	Legacy Software Education and Mentoring Program	20,000
MN Office of Grants Management	Grants Management Assessment Fees	2,497
Minnesota Shooting Sports Center	Development of Long Range Strategic Plan	10,000
Mountain Iron, City of	Parkville Industrial Park Improvements and Cleanup	50,000
Mountain Iron, City of	Rail Yard /Road/Street Infrastructure	\$191,000
Mountain Iron, City of	Relocation of Ball Field for New Clinic Building	\$100,000
Mountain. Iron Civic Association	Weather Protection Canopy over Baldwin Locomotive	\$9,500
Mountain Iron EDA	First Discovery Wind Project	\$1,000,000
Nashwauk, City of	Old City Hall Building Demolition	\$9,000
North House Folk School	Woodworking and Signage, Capital Improvements	\$9,500
NE Higher Education District	Post Secondary Course Work Arrowhead University Program	\$315,000
NE Higher Education District	Mankato Engineering Program	\$800,000
NE Higher Education District	UMD Master of Engineering Program	\$247,398
NE Higher Education District	UMD Master of Engineering Program	\$400,000

FY10 Grants - *continued*

APPLICANT	PROJECT DESCRIPTION	AMOUNT
NE Higher Education District	Wind Energy Technology Program Equipment	\$150,000
NE MN Office of Job Training	Wage Subsidy Program	\$1,000,000
NE MN Office of Job Training	Wage Subsidy Program Increase	\$500,000
Northern Lights Musical Festival	Carmina Burana/Schumann Bicentennial Festival	\$5,000
Northspan	Northland Connection Website	\$30,000
Pike, Town of	Town Hall Improvements	\$10,000
Range Regional Health Services	Virginia and Grand Rapids Health Care Collaborative	\$215,000
St. Louis County	Voyageur National Park/Kabetogama Township Waste Treatment Study	\$50,000
Silver Bay, City of	16 Unit Assisted Living Facility Infrastructure	\$350,000
Taconite, City of	Nelson Street Sewer Pipe Replacement	\$145,000
Tower, City of	Vermilion Credit Union Building Demolition/Infrastructure	\$15,000
Two Harbors, City of	CSAH #26 Business Expansion Site Work Infrastructure	\$175,000
University of Minnesota	Reshaping Post Mining Lands	\$100,000
University of Minnesota-Duluth	Small Business Development Center Operation at Virginia	\$60,000
Vermillion Gold LLC	Drilling Incentive	\$50,000
Virginia, City of	Washington Manor Facility Study	\$4,600
Virginia, City of	Old Troy Building/North Seppi Site Building Demolition	\$220,000
Virginia Regional Medical Center	Orthopedic and Endoscopy Operations Clinic Expansion/Remodel	\$200,000
Virginia Regional Medical Center	Orthopedic and Endoscopy Operations Clinic Expansion/Remodel	\$650,000
Visit Grand Rapids	Advertising and Promotion	\$9,500
White Community Hospital	New Clinic Infrastructure	\$350,000
<b>TOTAL</b>		<b>\$13,466,056</b>

## APPLICATION FUND GRANTS

The purpose of the Application Fund is to provide communities and businesses with funding to defray the costs of grant writing and related proposal development expenses.

## FY09 Application Fund Grants

Bovey, City of	\$3,021
Breitung, Town of	675
Elder Services Network	3,450
Ely Area Development Association	1,250
Lake County HRA	1,000
Lake County HRA	1,500
Range Respite	650
Range Respite	250
Range Respite	1,575
Range Respite	2,100
Silver Bay, City of	1,327
Tower Soudan Historical Society	1,013
<b>TOTAL</b>	<b>\$17,810</b>

## FY10 Application Fund Grants

ARDC	\$2,000
ARDC	1,943
Bois Forte Tribal Council	3,500
Bois Forte Tribal Council	3,500
Chisholm, City of	3,500
Coleraine, City of	2,500
Ely, City of	2,000
Grand Rapids Housing and Redevelopment Authority	3,500
Grand Rapids Housing and Redevelopment Authority	3,500
Hibbing EDA	5,000
Hoyt Lakes, City of	288
Iron Range Learning and Development Center	750
Minnesota Museum of Mining	244
Morse Fall Lake Fire Department	2,250
Mountain Iron, City of	3,500
Mountain Iron, City of	3,500
Northeast Entrepreneur Fund	3,363
North Shore Scenic Drive	958
Orr, City of	750
Range Respite	1,088
Range Respite	2,848
Silver Bay, City of	11,750
Silver Bay, City of	900
Silver Bay, City of	2,250
Tower Soudan Historical Society	600
Two Harbors, City of	2,750
Virginia Housing & Redevelopment Authority	5,000
<b>TOTAL</b>	<b>\$73,731</b>

## TACONITE ECONOMIC DEVELOPMENT FUND GRANTS

The Taconite Economic Development Fund (TEDF) was established by the 1992 Minnesota Legislature to provide a 30.1 cent-per-ton rebate of the taconite production tax to northeastern Minnesota taconite operations to encourage capital investments in taconite facilities. TEDF monies are to be used for new equipment, facility improvements and the research and development of new mining technologies. In 2009, more than \$8.4 million in TEDF monies were rebated to Iron Range taconite companies and more than \$6.2 million in 2010. Since 1993, more than \$148.5 million in taconite production tax revenue has been rebated through the TEDF for taconite mining company capital investment projects.

<b>FY09</b>		<b>FY10</b>	
Arcelormittal	\$581,396	Arcelormittal	\$423,192
Hibbing Taconite Company	1,572,651	Hibbing Taconite Company	1,176,406
Keewatin Taconite	1,217,406	Keewatin Taconite	891,447
Northshore Mining Company	1,138,959	Northshore Mining Company	846,926
US Steel Corporation	2,709,558	US Steel Corporation	2,033,329
United Taconite	1,197,150	United Taconite	862,431
<b>TOTAL</b>	<b>\$8,417,120</b>	<b>TOTAL</b>	<b>\$6,233,731</b>

## LOANS

### FY09 Loans

	<b>Loan Type</b>	<b>Amount</b>
Aitkin Peat Techonology, LLC	Participation	\$150,000
Greg Cook Logging	Participation	84,000
Magnetation, Inc.	Direct	1,000,000
Magnetation, Inc.	Direct	1,485,000
Midwest Manufacturing & Mechanical, Inc	Participation	370,000
Northshore Manufacturing, Inc.	Participation	500,000
<b>TOTAL</b>		<b>\$3,589,000</b>

### FY10 Loans

	<b>Loan Type</b>	<b>Amount</b>
Birchem Logging, Inc	Participation	\$40,000
Disability Specialist, Inc.	Participation	488,750
Disability Specialist, Inc.	Direct	486,250
Haley Logging Company	Participation	150,000
Minnesota Twist Drill Acquisition, Inc.	Participation	500,000
Minnesota Twist Drill Acquisition, Inc.	Direct	1,450,000
Minnesota Twist Drill Acquisition, Inc.	Direct (Forgivable)	750,000
Two Harbors Pet Products	Participation	50,000
Mountain Iron EDA/Silicon Energy MN, LLC	Loan (Non-Recourse)	3,600,000
Silicon Energy MN, LLC	Direct (Forgivable)	1,500,000
<b>TOTAL</b>		<b>\$9,015,000</b>

# 2008 Distribution of Taconite Production Tax

## 2007 Production Year

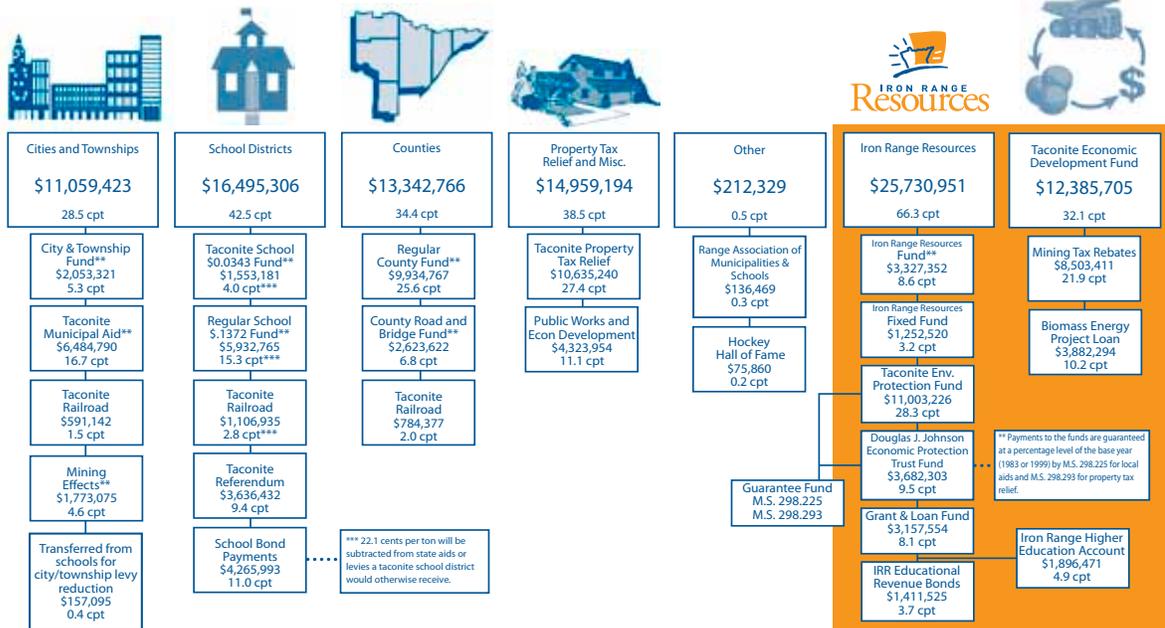
(Fiscal Year 2009)

Total Taconite Production Tax

**\$94,185,674\***

Production Tax is \$2.258 per taxable ton.  
The three-year average taxable tonnage was 38,822,942 tons.

\*Amount is after \$2,017,576 in tax credits have been applied. Also included is \$8,541,047 from the state general fund. (22.0 cpt)



cpt = cents per taxable ton, Source: Minnesota Mining Tax Guide, October 2008

# 2009 Distribution of Taconite Production Tax

## 2008 Production Year

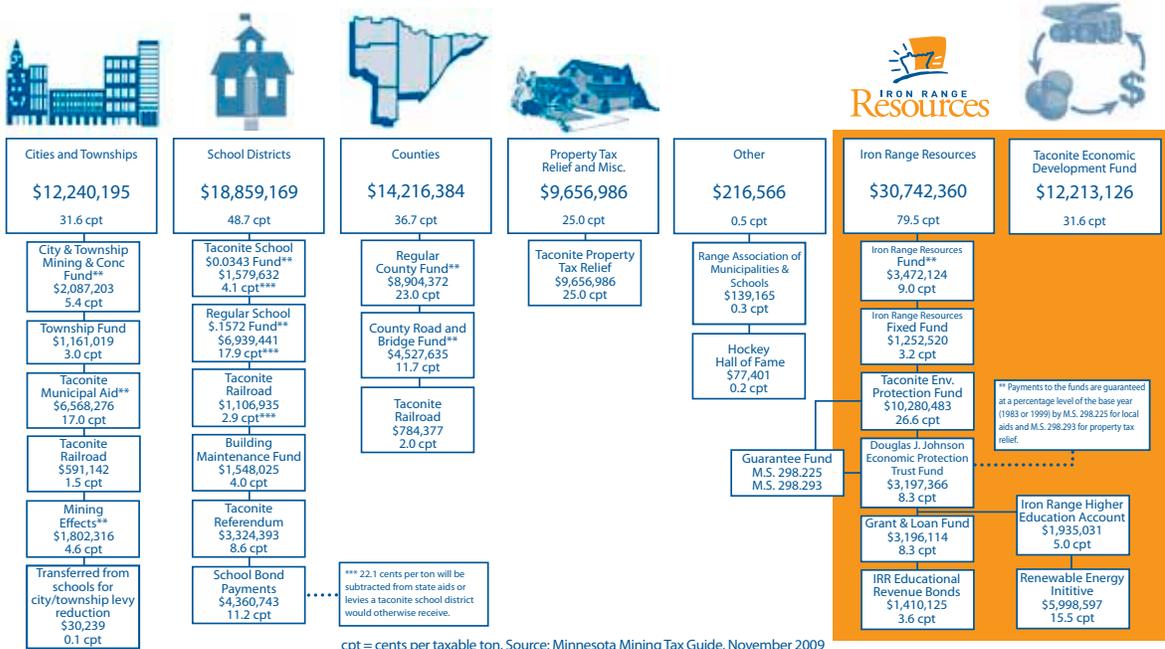
(Fiscal Year 2010)

Total Taconite Production Tax

**\$98,144,786\***

Production Tax is \$2.316 per taxable ton.  
The three-year average taxable tonnage was 38,700,625 tons.

\*Included is \$8,514,138 from the state general fund. (22.0 cpt)



cpt = cents per taxable ton, Source: Minnesota Mining Tax Guide, November 2009

The **2009-2010 Biennial Report to the Legislature** recaps Iron Range Resources activities from July 1, 2009 through June 30, 2010. This report has been prepared in compliance with Minnesota Statutes 1992, Section 298.22, Subdivision 2.

*The report was written and designed by agency staff. Printing costs were \$2,718.*





[www.IronRangeResources.org](http://www.IronRangeResources.org)