

**Meeting of the
Iron Range Resources Board**

Thursday, October 15, 2009

10:00 a.m.

**Iron Range Resources
Eveleth, Minnesota**

1) Roll Call

Senator David Tomassoni, Chair, called the meeting to order at approximately 10:05 a.m. Present: Representative Tom Anzelc, Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Saxhaug, Citizen Joe Begich, Citizen Shelley Robinson, Citizen Jack Ryan. Absent: Senator Tom Bakk; Senator Yvonne Prettner Solon; Senator Rod Skoe. Also present: Sandy Layman, Commissioner; Brian Hiti, Deputy Commissioner; Doug Gregor, Assistant Attorney General; Matt Sjoberg, Development Strategies Director; Marianne Bouska, Director of Human Resources and Strategic Results; Roy Smith, Workforce Development Coordinator; Dan Jordan, Mining Program Supervisor; Dave Hart, Loan Officer Sr. Supervisor; Richard Walsh, Community Development Specialist, Mary Somnis, Community Development Representative; Laureen Hall, Executive Assistant; Kim Anderson, Executive Assistant; Tim Kaminski, Hibbing Rotary Club; Jerry Birchem, Birchem Logging; Scott Allison, Minnesota Twist Drill; John Fedo, John Fedo & Associates; John Monacelli, Spectrum Housing; Craig Wainio, Mt. Iron EDA; Cary Cerkenik; Consultant to Mt. Iron EDA; Riki McManus, Upper Minnesota Film Office; Lucinda Winter, Minnesota Film and TV Board; Michelle Ufford, Northeast Office of Jobs Training.

2) Approval of the August 20, 2009, Minutes

Citizen Shelley Robinson moved approval of the August 20, 2009, minutes. Seconded by Representative Tony Sertich. Motion carried.

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

Voting Against the Motion: None

Abstain: None

Excused: Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Rod Skoe

3) Douglas J. Johnson Economic Protection Trust Fund

Action required: Approval requires 8 votes

a) Birchem Logging, Inc.

Motion by Representative Tom Rukavina to approve the Birchem Logging, Inc. project to purchase equipment to support expansion into the biomass industry, as presented, for an amount not to exceed \$40,000. Seconded by Citizen Joe Begich. Motion carried.

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

Voting Against the Motion: None

Abstain: None

Excused: Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Rod Skoe

b) MTD Acquisition, Inc.

Motion by Representative Tony Sertich to approve the MTD Acquisition, Inc. project to purchase additional equipment and inventory, as presented, for an amount not to exceed \$2.7 million. The project will allow for an expansion and renovation of the MTD facility in Chisholm. Seconded by Citizen Jack Ryan. Motion carried.

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

Voting Against the Motion: None

Abstain: None

Excused: Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Rod Skoe

c) Spectrum Housing with Services, LLC – Resolution No. 10-012

Motion by Representative Tom Rukavina to approve the Spectrum Housing with Services, LLC project as presented in Resolution No. 10-012, in an amount not to exceed \$105,000. Seconded by Representative David Dill. Motion carried.

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

Voting Against the Motion: None

Abstain: None

Excused: Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Rod Skoe

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
SPECTRUM BUILDING LOAN PROJECT
DOUGLAS J JOHNSON NORTHEAST ECONOMIC PROTECTION TRUST FUND**

Resolution No.: 10-012

WHEREAS, the Commissioner is authorized to expend, upon approval of at least eight members of the Board, the Douglas J. Johnson Economic Protection Trust Fund monies made available under Minnesota Statutes Sections 298.291-298.294 and Minnesota Statute Section 298.28, subdivision 11 (“**DJJ Funds**”), to participate with private sources in providing financing for various projects located within the Taconite Assistance Area designated in Minnesota Statutes Section 273.1341 (“**TAA**”); and,

WHEREAS, Spectrum Housing With Services, LLC, a Minnesota limited liability company (“**Spectrum**”), in 2004 made application to the agency for a loan of \$375,000 for the purpose of providing funds for Spectrum to purchase and upgrade a 42,000 square foot commercial building in the TAA that was located in Progress Park (the “**Project**”); and

WHEREAS, the Commissioner, the Board at its March 3, 2004, meeting, and the Governor by his subsequent approval of the Project, each determined in accordance with Minnesota Statutes Section 298.296 that the proposed loan for the Project was authorized under the said statute and approved the expenditure of up to \$375,000 of DJJ Funds for such purposes; and,

WHEREAS, the agency on June 22, 2004, entered into a loan agreement with Spectrum (the “**Loan**”), under the terms of which the agency agreed to lend Spectrum up to \$375,000 for the Project improvements; and,

WHEREAS, Spectrum only borrowed \$266,558 of the available \$375,000 of Loan funds and the agency in FY08, in response to the Borrower’s indication that it was not then in a position to undertake further Project improvements, cancelled the remaining \$108,442 encumbrance of DJJ Funds for the Project and credited those funds into the FY 08 DJJ Fund; and,

WHEREAS, Spectrum now has requested the agency for authorization to borrow \$105,000 of the remaining potential Loan funds under and pursuant to the terms of the original 2004 Loan agreement and its associated promissory note to enable Spectrum to make additional building improvements to the Spectrum building in Progress Park and,

WHEREAS, the Commissioner has requested the Board to re-authorize the loan of up to \$105,000 of FY10 DJJ Funds for the remaining Spectrum building improvements, under and pursuant to the terms of the existing 2004 Loan agreement and associated promissory note (the “**Proposed Re-Allocation**”);

WHEREAS, the Board met in open session at 10:00 a.m. on October 15, 2009, in the Board Room located near Eveleth, Minnesota, to consider, among other matters, the Proposed Re-Allocation request and has determined that the expenditure of up to \$105,000 of DJJ Funds for the Project is consistent with the purposes and approvals of the original 2004 Loan and would promote economic development within the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby approves the expenditure and re-allocation of up to \$105,000 of DJJ Funds from the FY10 Projects Budget for the Spectrum Re-Allocation Project under and pursuant to the terms of the existing 2004 Loan agreement and its associated promissory note.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 15th DAY OF OCTOBER 2009.

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

Signed: _____
 Senator David Tomassoni, Chair

4) Taconite Area Economic Protection Fund
Action required: Approval requires 7 votes

a) Mt. Iron Economic Development Authority – Resolution No. 10-013

Motion by Representative Tom Rukavina to approve the Mt. Iron Economic Development Authority project as presented in Resolution No. 10-013, in an amount not to exceed \$1 million. Seconded by Representative Tom Anzelc. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg,

Senator Tom Saxhaug, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson, Citizen Jack Ryan

Voting Against the Motion: None

Abstain: None

Excused: Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Rod Skoe

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
MOUNTAIN IRON ECONOMIC DEVELOPMENT AUTHORITY
RENEWABLE ENERGY INITIATIVE GRANT**

Resolution No.: 10-013

WHEREAS, the Commissioner is authorized to expend, upon approval of at least seven members of the Iron Range Resources and Rehabilitation Board (“**Board**”), the Taconite Area Environmental Protection Fund monies made available under Minnesota Statutes Section 298.223 (“**TEPF Monies**”) to promote the economic development of the Taconite Assistance Area designated in Minnesota Statutes Section 273.1341 (“**TAA**”), by investing in local economic development projects within the TAA; and

WHEREAS, Minnesota Statutes Section 298.2961, subdivision 6 authorizes and establishes a special account in the TEPF for distributions in 2009 only that would be available for funding cooperative projects between the agency and local governments for renewable energy initiatives; and

WHEREAS, the Mountain Iron Economic Development Authority (“**MIEDA**”) is in the process of developing a wind energy project that will consist of 6 wind turbines expected to generate up to 9 megawatts of electric energy annually at a site located in the Giants Ridge area (“**First Discovery Wind Project**”); and,

WHEREAS, MIEDA has applied for a grant of \$1,000,000 from the agency to fund First Discovery Wind Project development costs, which include engineering, permitting and negotiating power purchase agreements; and

WHEREAS, the Board met in open session at 10:00 a.m. on October 15, 2009, in the Board Room located near Eveleth, Minnesota, to consider, among other matters, the proposed grant for MIEDA to help provide funding for its renewable energy initiative and has determined that it is appropriate and consistent with existing law to provide the grant as requested by MIEDA.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby approves a \$1,000,000 grant to MIEDA from the special account established in the TEPF for renewable energy projects to fund development costs for the First Discovery Wind Project as specified in MIEDA’s grant application.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 15th DAY OF OCTOBER 2009.

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

Signed: _____
 Senator David Tomassoni, Chair

b) Minnesota Film Board Film Making Incentive – Resolution No. 10-014

Motion by Representative Loren Solberg to approve the Minnesota Film Board Film Making Incentive project as presented in Resolution No. 10-014, in an amount not to exceed \$150,000. Seconded by Citizen Shelley Robinson. Motion carried.

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

Voting Against the Motion: None

Abstain: None

Excused: Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Rod Skoe

**IRON RANGE RESOURCES AND REHABILITATION BOARD
 OF THE STATE OF MINNESOTA
 GRANT FOR CONVINCER MOVIE PROJECT
 TACONITE ENVIRONMENTAL PROTECTION FUND**

Resolution No.: 10-014

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

WHEREAS, Minnesota Motion Picture and Television Board, a Minnesota non-profit corporation operating under the assumed name of the Minnesota Film & TV Board (“**MFB**”), has requested a grant from the agency of up to \$150,000 that would be used by the MFB to provide rebate incentives to WercWerkWorks (“**WWW**”) for certain eligible expenditures that WWW would make within the TAA in connection with WWW’s filming of the movie, “The Convincer” (the “**MFB Project**”); and

WHEREAS, the Commissioner has requested that the Board approve the expenditure of up to \$150,000 of TEPF Funds for the proposed MFB Project, subject to the terms and conditions specified in that certain document entitled “Terms of the Convincer Film Making Incentive” that was included in the agenda materials for the Board’s October 15, 2009, meeting and is attached hereto as Exhibit A; and

WHEREAS, the Board met in open session at 10:00 a.m. on October 15, 2009, in the Board Room located near Eveleth, Minnesota, to consider, among other matters, the proposed MFB Project and has determined that the expenditure of up to \$150,000 of TEPF Funds for the Project is consistent with the provisions of Minnesota Statutes Section 298.223, Subd. 1(c) because the funding of the proposed MFB Project would promote economic development within the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby approves the expenditure of up to \$150,000 of TEPF Funds from the Projects portion of the FY10 Agency Budget for a grant to the Minnesota Motion Picture and Television Board for its proposed “Convincer” film rebate Project, on the terms and subject to the conditions stated in the attached “Terms of the Convincer Film Making Incentive” document.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 15th DAY OF OCTOBER 2009.

Member	Aye	Nay	Abstain	Absent
Senator Tom Bakk				X
Senator Tom Saxhaug	X			
Senator Rod Skoe				X
Senator Yvonne Prettner Solon				X
Senator Dave Tomassoni	X			
Representative Tom Anzelc	X			
Representative Dave Dill	X			
Representative Tom Rukavina	X			
Representative Tony Sertich	X			
Representative Loren Solberg	X			

Citizen Joe Begich	X			
Citizen Shelley Robinson	X			
Citizen Jack Ryan	X			
TOTAL	10	0	0	3

Signed: _____
 Senator David Tomassoni, Chair

TERMS OF “THE CONVINCER” FILM MAKING INCENTIVE

Rebate

As an incentive to film the movie “The Convincer” in the Taconite Assistance Area (TAA), Iron Range Resources shall provide a grant to the Minnesota Film & TV Board (MFB), to enable MFB to rebate to WercWerkWorks (WWW), the amount of certain eligible expenditures WWW makes within the TAA. *Only expenditures incurred within the TAA are eligible for the rebate.*

Grant Contract

The funds required to pay the rebate shall be made available to MFB through a grant agreement between the MFB and Iron Range Resources. Therefore, the rebate is dependent upon final execution of that grant agreement between MFB and Iron Range Resources.

Eligible Expenditures

The rebate shall be paid on:

- WWW expenditures for products and services required to film “The Convincer” that are purchased from businesses located within the TAA. Expenditures for individual laborers, trades people or “extras” hired to make the film, provided these persons are residents of the TAA, also shall be eligible for the rebate.
- The rebate shall equal 10% of WWW’s eligible expenditures made during the period November 1, 2009 through June 30, 2010.
- The rebate shall be capped at a maximum of \$150,000. (The maximum rebate of \$150,000 would require eligible expenditures of at least \$1.5 million dollars.)

Ineligible Expenditures

The rebate shall not be paid on:

- WWW expenditures for products or services purchased outside the TAA.
- WWW expenditures for WWW employees, contract laborers who are not residents of the TAA, or the primary actors with whom WWW contracts to make the film.
- MFB costs or expenses in administering the grant.

Documentation

To obtain its rebate, WWW shall supply receipts, invoices or other means of documentation of eligible expenditures to MFB. MFB shall submit such documents to Iron Range Resources which shall independently review such supporting documentation to verify the correct rebate

payment amounts and advance to MFB funds to enable it to reimburse WWW for verified eligible expenditures up to the maximum amount of the grant.

Point-of-Sale Discount Program

In addition, Iron Range Resources will coordinate a voluntary Point-of Sale discount program to be offered by TAA businesses on WWW purchases from participating businesses. Names and contact information for businesses that respond to Iron Range Resources shall be forwarded to WWW for its use in obtaining these discounts.

c) Drilling Incentive Grant Program – Resolution No. 10-015

Motion by Representative David Dill to approve the Drilling Incentive Grant Program as presented in Resolution No. 10-015, in an amount not to exceed \$125,000. Seconded by Representative Tony Sertich. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Saxhaug, Senator David Tomassoni, Citizen Joe Begich, Citizen Jack Ryan

Voting Against the Motion: None

Abstain: None

Excused: Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Rod Skoe, Citizen Shelley Robinson

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
DRILLING INCENTIVE GRANT PROGRAM**

Resolution No.: 10-015

WHEREAS, the Commissioner is authorized to expend, upon approval of at least seven members of the Iron Range Resources and Rehabilitation Board (“**Board**”), the Taconite Area Environmental Protection Fund monies made available under Minnesota Statutes Section 298.223 (“**TEPF Monies**”) to promote the economic development of the Taconite Assistance Area designated in Minnesota Statutes Section 273.1341 (“**TAA**”), by investing in local economic development projects within the TAA; and

WHEREAS, the agency funded a Drilling Incentive Grant program (“**DIG program**”) from 1998 through 2003 by which qualified applicants that conducted exploratory (not development or delineation) drilling within the TAA received matching state funds to offset their exploratory drilling costs up to the amount of their DIG program grant award; and

WHEREAS, the agency believes reconstituting the DIG program will stimulate mineral exploration activity within the TAA and will promote economic activity within the TAA; and,

WHEREAS, the agency has determined that \$125,000 of FY 2010 TEPF monies budgeted for a taxation study of the non-ferrous mining industry within the state is no longer needed for that purpose and is available to fund the DIG program; and,

WHEREAS, the agency proposes the new DIG program will provide matching grants up to 40% of direct drilling costs, not to exceed \$20,000 for any one drill hole, to qualified applicants that hold a state minerals lease issued by the State’s Department of Natural Resources, for exploratory drilling that occurs on or before June 30, 2010; and

WHEREAS, the Board met in open session at 10:00 a.m. on October 15, 2009, in the Board Room located near Eveleth, Minnesota, to consider, among other matters, approving and funding the proposed DIG program and has determined that doing so is consistent with existing law and will promote economic activity within the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby approves the expenditure of up to \$125,000 from TEPF monies, previously designated for a non-ferrous mining industry taxation study, for the DIG program to provide matching grants of up to 40% of direct drilling costs, not to exceed \$20,000 for any one drill hole, to qualified applicants that hold a state minerals lease issued by the State’s Department of Natural Resources, for exploratory mineral drilling within the TAA that occurs on or before June 30, 2010.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 15th DAY OF OCTOBER 2009.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk				X
Senator Tom Saxhaug	X			
Senator Rod Skoe				X
Senator Yvonne Prettner Solon				X
Senator Dave Tomassoni	X			
Representative Tom Anzelc	X			
Representative Dave Dill	X			
Representative Tom Rukavina	X			
Representative Tony Sertich	X			
Representative Loren Solberg	X			
Citizen Joe Begich	X			
Citizen Shelley Robinson	X			X
Citizen Jack Ryan	X			
TOTAL	9	0	0	4

Signed: _____
 Senator David Tomassoni, Chair

d) Minnesota Discovery Center – Resolution No. 10-016

Motion by Representative Tony Sertich to approve the Minnesota Discovery Center proposed capital improvement project, as presented in Resolution No. 10-016, in an amount not to exceed \$117,652. Seconded by Senator Tom Saxhaug. Motion carried.

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

Voting Against the Motion: None

Abstain: None

Excused: Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Rod Skoe

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
APPROVAL OF GRANT FOR MINNESOTA DISCOVERY CENTER CAPITAL
IMPROVEMENTS**

Resolution No.: 10-016

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

WHEREAS, the Commissioner previously prepared, and the Board on June 18, 2009, and the Governor in June 2009 approved a budget for operational expenditures, programs, and projects of the agency for State fiscal year 2010 (the “**Approved FY10 Budget**”); and

WHEREAS, the Approved FY10 Agency Budget includes an allocation of \$100,000 of TEPF Funds for use by the Ironworld Development Corporation, d/b/a Minnesota Discovery Center (“**IDC**”) for Building Capital Improvements; and

WHEREAS, the Commissioner has received a request from IDC for an additional grant of \$117,652 to provide money with which, in combination with \$90,000 of the previously approved FY10 Building Capital Improvement Funds, will be sufficient to enable IDC to pay the estimated \$207,652 of costs for replacing the Discovery Center’s inoperable central boiler with three new gas-fired independent boiler units and five new Lennox Roof Top Units as more specifically described in the attached Addendum A (the “**Proposed Capital Improvement Project**”). IDC has further indicated if its request for these additional funds for the Proposed Capital Improvement Project is approved, IDC will forego making requests in FY11 and FY12 that it had anticipated making for building capital improvement funds in the amounts of \$58,826 in each of those future fiscal years; and

WHEREAS, the Board met in open session at 10:00 a.m. on October 15, 2009, in the Board Room located near Eveleth, Minnesota to consider, among other matters, the Proposed Capital Improvement Project and has determined that the expenditure of up to \$117,652 of TEPF Funds for the Project would be in the public interest and promote economic development within the Taconite Assistance Area.

NOW, THEREFORE, IT IS RESOLVED that the Board hereby approves:

- a) the modification of the Operations portion of the Approved FY10 Agency Budget to reflect the transfer of an additional \$117,652 of TEPF Funds for the Minnesota Discovery Center, thereby authorizing a total of \$217,652 of TEPF Funds to be expended for the Building Capital Improvements line item during State fiscal year 2010; and
- b) the expenditure of up to \$117,652 of such additional TEPF Funds for the Proposed Capital Improvement Project.

BE IT FURTHER RESOLVED, that the expenditure of such FY10 TEPF Funds for the Proposed Capital Improvement Project is intended to be in lieu of expenditures that might otherwise have been approved by the Board for IDC building capital improvement grant funding in FY11 and FY12.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 15th DAY OF OCTOBER 2009.

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

Signed: _____
 Senator David Tomassoni, Chair

ADDENDUM A

**2009 IDC Boiler Replacement Project
Requested Grant Amount: \$117,652**

IDC requests additional FY10 funds to pay for equipment, installation and related construction work to retire the central boiler system and implement independent boiler units for three buildings, the Research Center, Museum and former Admissions building

<u>SOURCES</u>		<u>USES</u>	
Dedicated Portion of Budgeted FY10 Building Capital Improvement Funds	\$90,000	Equipment and Installation	\$154,552
Requested Additional FY10 Building Capital Improvement Funds	\$117,652	Construction and Electrical	\$53,100
TOTAL	\$207,652	TOTAL	\$207,652

5) Board Account

Action required: Approval requires 7 votes

a) Hoyt Lakes Grant Amendment – Resolution No. 10-017

Motion by Representative Tom Rukavina to approve the Hoyt Lakes Grant Amendment as presented in Resolution No. 10-017, in an amount not to exceed \$98,680. Seconded by Representative David Dill. Motion carried.

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

Voting Against the Motion: None

Abstain: None

Excused: Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Rod Skoe

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
AMENDMENT OF CITY OF HOYT LAKES GRANT AGREEMENT**

Resolution No.: 10-017

WHEREAS, on December 21, 2006, the Board met in open session in the Board Room located near Eveleth, Minnesota and approved, among other matters, a \$150,000 grant to the City of

Hoyt Lakes (“City”) from monies made available under Minnesota Statutes Section 298.22 (“Board Account”) for remediation, soil clean-up and site improvements at a maintenance garage area located near the City’s golf course (“Garage Project”); and

WHEREAS, the City completed the Garage Project and only spent \$51,320 of the available grant monies, leaving an unspent balance of \$98,680; and

WHEREAS, the grant agreement between the agency and the City for the Garage Project expired on June 30, 2009; and,

WHEREAS, the unspent balance from the grant agreement for the City’s Garage Project was not canceled and remains encumbered for that purpose in the State’s accounting system; and

WHEREAS, the City is currently working on a project to develop infrastructure and housing on Leeds Road (“Leeds Road Project”); and

WHEREAS, unexpected soil conditions will require the City to perform remediation, soil clean-up and site improvement work for the Leeds Road Project that is very similar to the work that was required for the Garage Project; and

WHEREAS, the City has requested that the agency revive the Garage Project grant agreement and amend it to make the unspent amount from the Garage Project available for unexpected remediation, soil clean-up and site improvement work on the Leeds Road Project; and

WHEREAS, the Board met in open session at 10:00 a.m. on October 15, 2009, in the Board Room located near Eveleth, Minnesota, to consider, among other matters, the request by the City to revive the Garage Project grant agreement and amend it to make the unspent amount from the Garage Project grant available for unexpected remediation, soil clean-up and site improvement work on the Leeds Road Project, and has determined it is in the best interest of the City and the agency to revive the Garage Project grant and amend it to provide the City with the amount it has requested for unexpected remediation, soil clean-up and site improvement work on the Leeds Road Project.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby approves the City’s request to revive the Garage Project grant and amend it to provide the remaining \$98,620 balance of Board Account funds for unexpected remediation, soil clean-up and site improvement work on the City’s Leeds Road Project.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 15th DAY OF OCTOBER 2009.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk				X
Senator Tom Saxhaug	X			
Senator Rod Skoe				X
Senator Yvonne Prettner Solon				X

Senator Dave Tomassoni	X			
Representative Tom Anzelc	X			
Representative Dave Dill	X			
Representative Tom Rukavina	X			
Representative Tony Sertich	X			
Representative Loren Solberg	X			
Citizen Joe Begich	X			
Citizen Shelley Robinson	X			
Citizen Jack Ryan	X			
TOTAL	10	0	0	3

Signed: _____
 Senator David Tomassoni, Chair

6) Iron Range Higher Education Account

Action required: Approval requires 7 votes

a) Arrowhead Institute of Technology Higher Education Programs – Resolution No. 10-018

Motion by Representative Tom Rukavina to approve the Arrowhead Institute of Technology Higher Education Programs as presented in Resolution No. 10-018, in an amount not to exceed \$315,000. Motion carried.

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

Voting Against the Motion: None

Abstain: None

Excused: Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Rod Skoe

**IRON RANGE RESOURCES AND REHABILITATION BOARD
 OF THE STATE OF MINNESOTA
 IRON RANGE HIGHER EDUCATION ACCOUNT EXPENDITURE APPROVAL**

Resolution No.: 10-018

WHEREAS, Minnesota Statutes Section 298.28, subd. 9d allocates 5 cents per taxable ton of taconite taxes to the agency to be deposited in an Iron Range higher education account (“**Higher Education Account**”) to be used for higher education programs conducted at educational institutions in the Taconite Assistance Area designated in Minnesota Statutes Section 297.1341 (“**TAA**”); and,

WHEREAS, Minnesota Statutes Section 298.2214 created the Iron Range Higher Education Committee (“**Committee**”) to advise the commissioner of Iron Range Resources on providing higher education programs within the TAA; and,

WHEREAS, pursuant to 298.28, subd. 9d, both the Iron Range Resources and Rehabilitation Board (“**Board**”) and the Committee must approve all expenditures from the Higher Education Account; and,

WHEREAS, the Committee has approved an expenditure of up to \$315,000 of the Higher Education Account funds to provide a grant to the Northeast Higher Education District (“**NHED**”) for use by the Arrowhead University Consortium (“**AUC**”) to develop, in collaboration with private industry, higher education programs in industrial technology, process automation, industrial lab technician, industrial construction and information management (hereafter referred to as the “**Higher Education Programs**”); and,

WHEREAS, the Committee approved expenditure will cover the first year of costs for the Higher Education Programs; and,

WHEREAS, in order to provide the aforementioned grant to the NHED, it is necessary for the Board to approve an expenditure of funds from the Higher Education Account; and

WHEREAS, the Board met in open session at 10:00 a.m. on October 15, 2009, in the Board Room located near Eveleth, Minnesota, to consider, among other matters, the proposed expenditure of up to \$315,000 of Higher Education Account funds for the purpose of providing a grant to the NHED for use by the AUC to develop the Higher Education Programs and determined that the proposed expenditure would be in the public interest.

NOW, THEREFORE, IT IS RESOLVED that the Board hereby approves the expenditure of up to \$315,000 of Higher Education Account funds for a grant to the NHED to be used by the AUC to develop, in collaboration with private industry, Higher Education Programs.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 15th DAY OF OCTOBER 2009.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk				X
Senator Tom Saxhaug	X			
Senator Rod Skoe				X
Senator Yvonne Prettner Solon				X
Senator Dave Tomassoni	X			
Representative Tom Anzelc	X			
Representative Dave Dill	X			
Representative Tom Rukavina	X			
Representative Tony Sertich	X			
Representative Loren Solberg	X			

Citizen Joe Begich	X			
Citizen Shelley Robinson	X			
Citizen Jack Ryan	X			
TOTAL	10	0	0	3

Signed: _____
 Senator David Tomassoni, Chair

7) Wage Subsidy Account (a special account within the Douglas J. Johnson Economic Protection Trust Fund)

Action required: Approval requires 8 votes

a) Wage Subsidy Program Amendment – Resolution No. 10-019

Motion by Representative Loren Solberg to approve the Wage Subsidy Program Amendment as presented in Resolution No. 10-019. Seconded by Representative Tom Rukavina. Motion carried.

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

Voting Against the Motion: None

Abstain: None

Excused: Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Rod Skoe

**IRON RANGE RESOURCES AND REHABILITATION BOARD
 OF THE STATE OF MINNESOTA
 WAGE SUBSIDY PROGRAM AMENDMENT
 DOUGLAS J. JOHNSON ECONOMIC PROTECTION TRUST FUND**

Resolution No.: 10-019

WHEREAS, Laws of Minnesota for 2009, Chapter 78, Article 7, Section 20 (the “**Wage Subsidy Law**”), amended Minnesota Statutes Section 298.294 by designating the pre-existing provisions of that section as paragraph (a) and by enacting two new subparagraphs that were designated as paragraphs (b) and (c); and

WHEREAS, the paragraphs (b) and (c) of Minnesota Statutes Section 298.294 establish a new special account within the Douglas J. Johnson Economic Protection Trust Fund (the “**Wage Subsidy Account**”) to receive, in State fiscal years 2010 and 2011 only, \$1,000,000 of the net interest, dividends, and other earnings the (“**Wage Subsidy Funds**”) that otherwise would have

been transferred into the Douglas J. Johnson Economic Protection Trust Fund’s primary account; and,

WHEREAS, the Wage Subsidy Law authorizes the Commissioner, upon approval of at least seven Board members, to make loans or grants of the Wage Subsidy Funds, including loans or grants that provide wage subsidies of up to \$5 per hour, to businesses to create additional jobs in the Taconite Assistance Area established under Minnesota Statutes Section 273.1341 (the “TAA”), with priority given to businesses with 25 or fewer employees (the “**Authorized Purposes**”); and

WHEREAS, the Board at its June 15, 2009, meeting passed and adopted its Resolution No. 09-032 authorizing the expenditure of up to \$1,000,000 of FY10 Wage Subsidy Funds, and the Governor thereafter approved the expenditure of such funds, to provide grants to eligible businesses within the TAA in accordance with the Wage Subsidy Program grant guidelines and eligibility standards as then proposed by the Commissioner to the Board; and,

WHEREAS, the Board met in open session at 10:00 a.m. on October 15, 2009, in the Board Room located near Eveleth, Minnesota, to consider, among other matters, a proposal to expand the program’s eligible job qualifications and eligible NAICS job code categories to include full-time, permanent, non-seasonal jobs created in North American Industry Classification System (“NAICS”) all job code categories except NAICS Code No. 92 (Public Administration).

NOW, THEREFORE, IT IS RESOLVED that the Board hereby approves the expansion of the program’s eligible job qualifications and eligible NAICS job code categories to include full-time, permanent, non-seasonal jobs created in North American Industry Classification System (NAICS) all job code categories except NAICS Code No. 92 (Public Administration).

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 15th DAY OF OCTOBER 2009.

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

Signed: _____
Senator Dave Tomassoni, Chair

8) Adjournment

The meeting adjourned at 12:00 p.m.