

IRRRB Meeting Minutes
Monday, February 22, 2016 – 11:00 a.m.
IRRRB Administration Building
Eveleth, Minnesota

1) Roll Call

Representative Tom Anzelc, chair, called the meeting to order at approximately 11:01 a.m. Present: Representative Rob Ecklund, Representative Carly Melin, Representative Jason Metsa, Representative Dale Lueck, Senator Tom Bakk, Senator Tom Saxhaug, Senator David Tomassoni, Senator Rod Skoe. Also present: Mark Phillips, Commissioner; Mary Finnegan, Deputy Commissioner, Al Becicka, IRRRB Legal Counsel; Bob Scuffy, Accounting Director; Dave Hart, Assistant Director of Business Development; Chris Ismil, Community Development Representative, Brian Hiti, Senior Policy Advisor; Dan Jordan, Mineland Reclamation Supervisor, Roy Smith, Director of Workforce Development; Director; Linda Johnson, Managing Director of Giants Ridge; John Filander, Special Events; Sheryl Kochevar, Information Officer 4; Janette Paul, Executive Assistant; Derek Vekich, KMDA; Larry Lehtinen, Matt Lehtinen and Joe Broking, Magnetation; Rolf Weberg, NRRI; Mike Jukovich, City of Chisholm; Desiree Yourczek, Nick Dragisich, Springsted; Gary Cerkenvenik, MIB School; John Klarich, MIB Superintendent; Angie Williams, St. Louis County School District; Greg Krog, Ehlers & Associates; Troy Martinson, MIB School Board Chair.

2) Approval of the December 21, 2015, Minutes

Action required: Approval requires a simple majority of the quorum

Senator David Tomassoni moved approval of the December 21, 2015, minutes. Seconded by Representative Rob Ecklund. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Senator Tom Bakk, Representative Rob Ecklund, Representative Dale Lueck, Representative Carly Melin, Representative Jason Metsa, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

3) FY 16 Budget Amendment – Resolution #16-021

Action required: Approval requires a simple majority of the quorum

Senator Tom Bakk moved approval of amending the FY16 Budget to add \$150,000 of available Board Account carryforward funds to the Commissioner's fund line item in the FY16 Budget, thereby increasing the authorized amount of that line item to \$300,000 as presented in Resolution #16-021. Seconded by Representative Jason Metsa. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Senator Tom Bakk, Representative Rob Ecklund, Representative Dale Lueck, Representative Carly Melin,

Representative Jason Metsa, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
FISCAL YEAR 2016 AGENCY BUDGET AMENDMENT APPROVAL**

Resolution No.: 16-021

WHEREAS, the Board and Governor have previously approved a Fiscal Year 2016 ("FY16") agency budget pursuant to the provisions of Minnesota Statutes Section 298.22, Subd. 11, for the funding of the operational expenditures, programs and projects of the agency, which covered the period of time from July 1, 2015, through June 30, 2016 (the "**FY16 Budget**"); and

WHEREAS, the Commissioner has requested the Board to approve an amendment to the FY16 Budget to add \$150,000 of available Board Account carryforward funds to the Commissioner's fund line item in the FY16 Budget, which action would have the effect of increasing the authorized balance in the FY16 Budget's Commissioner's fund line item by \$150,000 (the "**Proposed Budget Amendment**") to the total sum of \$300,000 for FY16; and

WHEREAS, the Board met in open session at 11:00 a.m. on February 22, 2016, at the agency's Administrative Building located near Eveleth, Minnesota, to consider, among other matters, the Proposed Budget Amendment and determined that amending the FY16 Budget as proposed would help promote economic development within the Taconite Assistance Area, as defined in Minnesota Statutes Section 273.1341.

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Board approves amending the FY16 Budget to add \$150,000 of available Board Account carryforward funds to the Commissioner's fund line item in the FY16 Budget, thereby increasing the authorized amount of that line item to \$300,000.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 22nd DAY OF FEBRUARY 2016.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk	X			
Senator Tom Saxhaug	X			
Senator Rod Skoe	X			
Senator David Tomassoni	X			
Representative Tom Anzelc	X			

Representative Rob Ecklund	X			
Representative Dale Lueck	X			
Representative Carly Melin	X			
Representative Jason Metsa	X			
TOTAL	9			

Signed: _____
Representative Tom Anzelc, Chair

4) KMDA, Inc. – Resolution #16-022

Action required: Approval requires an affirmative vote by 5 members

Senator Tom Saxhaug moved to approve the expenditure of up to \$455,000 of FY16 DJJ Business Development Funds to finance KMDA Inc’s proposed business expansion project as presented in Resolution #16-022. Seconded by Representative Tom Anzelc. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Senator Tom Bakk, Representative Rob Ecklund, Representative Dale Lueck, Representative Carly Melin, Representative Jason Metsa, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
DOUGLAS J JOHNSON ECONOMIC PROTECTION TRUST FUND
FUNDS FOR PURCHASE OF A PARTICIPATION INTEREST IN A LOAN
FOR THE KMDA, INC. PROJECT**

Resolution No.: 16-022

WHEREAS, the Commissioner is authorized to expend, upon approval 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 provide loans and participate with private sources in providing financing for various projects located within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341 (“**TAA**”) which will serve the purposes detailed in Minnesota Statutes Section 298.292, subdivision 1; and

WHEREAS, the agency’s FY16 Budget includes provision for the use of certain DJJ Funds for economic development projects under a budget line item category of DJJ Business Development Projects (“**FY16 DJJ Business Development Funds**”); and

WHEREAS, the Commissioner has received a proposal for financial assistance from KMDA, Inc., a Minnesota business corporation (“**KMDA**”), to expand its hunting and fishing product manufacturing operation that, in combination with funds provided from other sources, will finance its proposed business expansion project, which is more specifically described in the Board packet materials which are attached hereto and incorporated by reference as Exhibit A (the “**Project**”); and

WHEREAS, the Commissioner has requested the Board to approve the expenditure of up to \$455,000 of FY16 DJJ Business Development Funds to purchase a participation interest in two bank loans, which are being made as part of a \$1,566,000 total investment, to enable KMDA to finance the costs of the Project, with the participation interest to be acquired on the terms and subject to the conditions set forth in Board packet materials and as otherwise discussed at the meeting; and

WHEREAS, the technical advisory committee appointed by the Commissioner under the provisions of Minnesota Statutes Section 298.297 to review the terms and conditions of the proposed Project, met on February 16, 2016, and recommended approval of the requested financial assistance for the Project; and

WHEREAS, the Board met in open session at 11:00 a.m. on February 22, 2016, at the agency's Administrative Building located near Eveleth, Minnesota, to consider, among other matters, approval of the requested financial assistance for the Project; and

WHEREAS, the Board has determined that it would be in the public interest to approve the expenditure of DJJ Funds for the Project, and that the granting of the requested financial assistance would promote job creation and economic development in the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Board approves the expenditure of up to \$455,000 of FY16 DJJ Business Development Funds to purchase a participation interest in two bank loans which are being made to enable KMDA to finance a portion of the costs of the Project, with such participation interest to be purchased on the terms and subject to the conditions set forth in the Board packet materials and in the agency’s standard participation loan form, including the provisions customarily contained therein that require the borrowers to pay at least prevailing wages to workers performing work on construction projects.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 22nd DAY OF FEBRUARY 2016.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk	X			
Senator Tom Saxhaug	X			
Senator Rod Skoe	X			
Senator David Tomassoni	X			
Representative Tom Anzelc	X			
Representative Dale Lueck	X			
Representative Rob Ecklund	X			

Representative Carly Melin	X			
Representative Jason Metsa	X			
TOTAL	9			

Signed: _____
Representative Tom Anzelc, Chair

KMDA, Inc.
404 2nd Avenue
Bovey, Minnesota 55709

Bank Participation Loan

Applicant:	KMDA, Inc.	
Project Location:	404 2 nd Avenue Bovey, Minnesota 55709	
Principal(s):	Derek Vekich and Mike Vekich	
Project Description:	KMDA is expanding their hunting and fishing product manufacturing operation with the purchase of Baker Tools, currently located in Pennsylvania. Baker Tools will be relocated to a new facility to be constructed in Bovey to house the existing KMDA operation and Baker Tools.	
Market Opportunity:	The acquisition of Baker Tools will add 70 new customers (including Walmart) to KMDA's existing 200. It also opens up more markets on the east and west coasts.	
Project Investment:		
	Woodland Bank- two loans \$375,000 to purchase Baker Tool, 7 year term \$80,000 to construct building, 20 year term	\$455,000
	IRRRB – two bank participation loans at formula rate \$375,000 to purchase Baker Tool, 7 year term \$80,000 to construct building, 20 year term	455,000
	Bank or ARDC To fund working capital	150,000
	Owner's equity cash \$50,000 to purchase real estate \$50,000 to purchase equipment \$150,000 for working capital \$250,000 for construction	500,000
	TOTAL	\$1,560,000
Jobs:	4 Planned New 5 Retained Wages \$12.50 - \$20.00 per hour plus benefits	

Collateral:	A shared first position on the equipment, inventory, accounts receivable and the new building.
Business History:	KMDA, Inc. was formed in 2002 in Bovey, MN by brothers Derek and Mike Vekich. The company manufactures hunting and fishing products. Customers include sporting goods retailers in all 48 contiguous states and 5 countries. In addition to the products KMDA has developed, they have increased their products through the purchase of other manufacturers, such as: Inhaler, Lakco, Croxton Ice, Dixie Dancer, Opti Tackle, Vibe and Angler's Choice.
Past IRRRB History:	A previous Bank Participation Loan of \$43,000 was paid off in 2010.
Contingencies:	All other financing must be confirmed. Construction is subject to prevailing-wage requirements.
Technical Advisory Committee Recommendation:	Approval recommended February 16, 2016.
Funding Authorization:	Douglas J. Johnson Economic Protection Trust Fund: This project is authorized under the provisions of the Douglas J. Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291-298.298) pertaining to expenditures of Douglas J. Johnson Economic Protection Trust Fund monies for economic development projects in that these statutes authorize small business development loans to private enterprises for the purposes of job creation and economic development within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.

5) Mining Reinvestment Project - Resolution #16-016

Action required: Approval requires a simple majority of the quorum

RESOLUTION 16-016 WAS REMOVED FROM THE TABLE FROM THE DECEMBER 21, 2015, IRRRB MEETING

Representative Tom Anzelc moved to take Resolution 16-016 off the table for discussion. Seconded by Senator Tom Saxhaug. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Senator Tom Bakk, Representative Rob Ecklund, Representative Dale Lueck, Representative Carly Melin, Representative Jason Metsa, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

Senator Tom Saxhaug moved to approve the expenditure of \$736,349 of the Mining Reinvestment Fund for Magnetation, LLC as a rebate from its 2014 production as presented in Resolution #16-016. Seconded by Senator Tom Bakk. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Senator Tom Bakk, Representative Rob Ecklund, Representative Dale Lueck, Representative Carly Melin, Representative Jason Metsa, Senator Tom Saxhaug, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: Senator Rod Skoe

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
TACONITE ECONOMIC DEVELOPMENT FUND EXPENDITURE APPROVAL:
MAGNETATION LLC – PAY 2015 MINING REINVESTMENT FUNDS**

Resolution No.: 16-016

WHEREAS, taconite economic development funds (“**Mining Reinvestment Funds**”) are made available to the Commissioner under the provisions of Minnesota Statutes Section 298.28, Subdivision 9a to provide grants to taconite producers who provide required matching expenditures for projects that involve workforce development and associated public facility improvements, or the acquisition of plant and stationary mining equipment and facilities, or the funding of research and development in Minnesota on new mining or taconite, iron, or steel production technology (“**Eligible Purposes**”), all in accordance with the provisions of Minnesota Statutes Section 298.227 (the “**Mining Reinvestment Statute**”) and for the benefit of the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341 (“**TAA**”); and,

WHEREAS, iron ore producer Magnetation LLC (“**Applicant Producer**”) is eligible to receive up to \$736,349 of Mining Reinvestment Funds for Eligible Purposes based upon its 2014 production (“**Pay 2015 Mining Reinvestment Funds**”); and,

WHEREAS, Applicant Producer made application to the Commissioner to receive Mining Reinvestment Funds for the project described in the attached Addendum A (the “**Proposed Project**”), and has committed to pay at least the required matching share of \$736,349 of the costs of the Proposed Project which the Commissioner has determined is for Eligible Purposes; and,

WHEREAS, the Mining Reinvestment Statute provides that the Mining Reinvestment Funds available to an applicant producer for any proposed project cannot be released by the Commissioner until (a) a joint committee consisting of an equal number of representatives of the salaried employees and the non-salaried production and maintenance employees of that producer

(the “Committee”) has had up to six months to review the Applicant’s proposal for expenditure of the Mining Reinvestment Funds, and (b) the Board has approved the Proposed Projects; and, **WHEREAS**, the Committee of the Applicant Producer on December 9, 2015, indicated to the Commissioner that it has approved the Proposed Project identified in Addendum A; and,

WHEREAS, the Board met in open session at 11:00 a.m. on February 22, 2016, at the agency’s Administrative Building located near Eveleth, Minnesota, to consider the Proposed Project and the Applicant Producer’s request to receive Mining Reinvestment Funds for such project.

NOW, THEREFORE, IT IS RESOLVED that the Board hereby approves the Proposed Project specified in Addendum A.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 22nd DAY OF FEBRUARY 2016.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk	X			
Senator Tom Saxhaug	X			
Senator Rod Skoe				X
Senator David Tomassoni	X			
Representative Tom Anzelc	X			
Representative Rob Ecklund	X			
Representative Dale Lueck	X			
Representative Carly Melin	X			
Representative Jason Metsa	X			
TOTAL	8	0	0	1

Signed: _____
 Representative Tom Anzelc, Chair

Addendum A

Project 1 – Plant 4 Flotation Circuit (Bank 1) - \$1,540,966

This project will involve the purchase and installation of flotation bank #1 in Plant 4. This flotation bank will process WHIMS (Wet High Intensity Magnetic Separator) concentrate. The flotation is performed at a neutral pH of 7, which makes the process environmentally friendly and safe. The flotation cells allow for higher magnetic circuit recoveries – to produce iron ore concentrate and simultaneously reduce the silica percentage. This factor enhances the product’s marketability and enables the plant to effectively process feed from a variety of diverse resources.

6) Natural Resources Research Institute – Resolution #16-023

Action required: Approval requires a simple majority of the quorum

Senator Dave Tomassoni moved to approve the expenditure of up to \$300,000 of FY16 TEPF Business Development Funds to provide a grant to NRRI to fund a pilot-scale demonstration of

ilmenite processing technology as presented in Resolution #16-023. Seconded by Representative Dale Lueck. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Senator Tom Bakk, Representative Rob Ecklund, Representative Dale Lueck, Representative Carly Melin, Representative Jason Metsa, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
TACONITE AREA ENVIRONMENTAL PROTECTION FUND
NATURAL RESOURCES RESEARCH INSTITUTE GRANT APPROVAL**

Resolution No.: 16-023

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

WHEREAS, the agency’s approved FY2016 Budget includes provision for the use of certain TEPF Funds for economic development projects under a budget line item category of TEPF Business Development Projects (“**FY16 TEPF Business Development Funds**”); and

WHEREAS, the University of Minnesota’s Natural Resources Research Institute (“**NRRI**”) has requested a \$300,000 grant from the IRRRB to match \$300,000 from the University to fund a pilot-scale demonstration of ilmenite processing technology (“the **NRRI Project**”) and the Commissioner has requested the Board to approve a grant of up to \$300,000 of TEPF Business Development Funds for that project; and

WHEREAS, the Board met in open session at 11:00 a.m. on February 22, 2016, at the agency’s Administrative Building located near Eveleth, Minnesota, to consider, among other matters, the proposed grant for the NRRI Project and has determined that the expenditure of the requested funds for that purpose would be in the public interest and promote economic development within the TAA.

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Board approves the expenditure of up to \$300,000 of FY16 TEPF Business Development Funds to provide a grant for the NRRI

Project in accordance with the board packet materials and other information provided to the Board at the meeting.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 22nd DAY OF FEBRUARY 2016.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk	X			
Senator Tom Saxhaug	X			
Senator Rod Skoe	X			
Senator David Tomassoni	X			
Representative Tom Anzelc	X			
Representative Rob Ecklund	X			
Representative Dale Lueck	X			
Representative Carly Melin	X			
Representative Jason Metsa	X			
TOTAL	9			

Signed: _____
Representative Tom Anzelc, Chair

Natural Resources Research Institute



**P.O. Box 441
4261 Highway 53 South
Eveleth, Minnesota 55734-0441
(218)735-3000 • 800-765-5043
Fax: (218)735-3047**

To: Iron Range Resources and Rehabilitation Board

From: Mark Phillips
Commissioner

Date: February 15, 2016

Re: Natural Resources Research Institute - \$300,000 Grant for Pilot-Scale Demonstration of Ilmenite Processing Technology

As the attached memo further details, the University of Minnesota Duluth's Natural Resources Research Institute (NRRI) has requested a \$300,000 grant from the IRRRB to match \$300,000 from the University to fund a pilot-scale demonstration of ilmenite processing technology. If successful, this technology could be used to develop the Longnose ilmenite deposit located a few miles northeast of the city of Hoyt Lakes. Successful development of this resource could

diversify Minnesota’s mining industry to deliver high value products and position Minnesota as a strategic supplier to new markets.

Background

Ilmenite is an iron–titanium compound found in a number of deposits located immediately south of the Mesabi iron range. Most of these deposits are located relatively close to the surface and would be easily amenable to open-pit mining with minimal stripping of overburden. Titanium is a metal used mostly in jet engines, airframes and space and missile applications. In powdered form, titanium is used as a white pigment for paints, paper, plastics, rubber and other materials. The table below displays a dollar-per-ton value comparison between the average iron ore product (pellets) and various products derived from mining and processing ilmenite.

Product	2015 Price (Dollar per Ton)
Average Iron Ore Product	84
Titanium Mineral Concentrate	110
Titanium Dioxide (Pigment Grade)**	3,090
Titanium Sponge Metal	9,930
Iron Oxide (Pigment Grade)	1,650
Magnesium Metal	4,740

**Note: Year 2013 value

The difficulty in processing the region’s ilmenite deposits has been removal of impurities such as magnesium oxide, which has stood in the way of further refining the ore for higher value applications. NRRI, in partnership with a Canadian company, Process Research Ortech (PRO), has identified a proprietary technology that allows them to overcome these limitations and produce an ultra-pure titanium dioxide product that can be directly used as a high value pigment or alternatively used as a feedstock for titanium metal production.

Research to Date

NRRI secured 50 tons of ilmenite ore from the Longnose deposit and conducted mineral processing testing at its Coleraine Minerals Research Laboratory (CMRL) over the years 1992 – 2002. By 2014, they had developed a mineral processing flowsheet that allowed them to conduct a prefeasibility bench test program. In the time between the completion of this test work and acquiring permission to begin hydrometallurgical testing at PRO, PRO sold 51% of the titanium testing technology to a third party which was able to complete small scale testing of the concentrate produced at CMRL. The results of this study indicated good initial success but the need for pilot-scale work.

Future Testing and Timeline

The goals of the current proposal are to generate a bulk sample for pilot hydrometallurgical testing as well as to improve the iron-to-titanium ratio in the concentrate through mineral processing research. The \$600,000 will allow the preparation of 3 tons of concentrate and subsequent separation. The time required for this work at CMRL is approximately 6 months to

prepare the concentrate and an additional 4-6 months to complete pilot demonstration of separation techniques to improve the iron-to-titanium ratio. Upon successful completion of the pilot-scale study, it is recommended that full feasibility costing \$1.5 – 2.5 million be completed. A full feasibility study will include the following components:

- Full characterization of the ore body and surrounding region
- Characterization of impacts and controls
- Confirmation of processes
- Engagement of engineering and planning consultants
- Investment modeling and economic analysis
- Preparations for investor attraction

Potential for Ilmenite Processing at Existing Iron Processing Facilities

Utilization of existing mineral processing assets in the region to allow processing of ilmenite ore into titanium oxide is not immediately feasible without extensive modifications. Alternative technology, such as the ITmk3 technology used at Mesabi Nugget or the NuIron Reduced Iron process developed by NRRI could potentially be used to produce a high purity iron nugget as well as a high-titanium slag. The initial pilot-scale work will better define such opportunities.

Intellectual Property Concerns

The ilmenite ore processing and concentrate production flowsheets developed over the past years is the intellectual property (IP) of the University of Minnesota, although it is the practice of known art and not patentable in and of itself but rather enabling technology which will support hydrometallurgical technology that is proprietary to PRO and another external party. As such, any joint development between parties to adapt the technology to Minnesota ilmenite will be covered by future legal agreements which deal with licensing, royalties and other IP matters.

Request for Funding

4 February, 2016

To: Mark Phillips, Commissioner – IRRRB
Brian Herman, Vice President for Research – University of Minnesota
Andrea Schokker, Executive Vice Chancellor for Academic Affairs – University of Minnesota Duluth

From: Rolf Weberg, Director – Natural Resources Research Institute
Re: Pilot of Titanium Recovery from Minnesota Ilmenite

The Minnesota mining region possesses vast quantities of mineral resources ranging from iron ore to non-ferrous metals. While copper/nickel non-ferrous metals have driven much of the recent exploration/development activity in Minnesota, the state also has favorable geology for hosting valuable deposits of other metallic minerals such as ilmenite. Ilmenite is an iron-titanium oxide mineral found in significant deposits, many easily accessible in existing mining areas, that can be a strategic source of titanium dioxide for pigment production and titanium metal recovery. Past difficulty in processing Minnesota ilmenite deposits has been associated with impurities, such as magnesium oxide, in the ore. Successful development of this resource could diversify Minnesota's mining industry, deliver high value products and position Minnesota as a strategic supplier to new markets.

The University of Minnesota Duluth Natural Resources Research Institute (NRRI) has identified a process technology that overcomes the challenges posed by the presence of magnesium oxide to allow successful processing of Minnesota's ilmenite resources. This process has been under development by NRRI partner Process Research Ortech (PRO) located in Mississauga, Ontario, Canada. It involves an atmospheric mixed chloride leaching technology that produces an ultra-pure titanium dioxide product that can be directly used as a high value pigment or alternatively used as a feedstock for titanium metal production. In addition, clean separation of magnesium and iron products can also be realized.

NRRI secured over 50 tons of material from the Longnose titanium deposit in northeastern Minnesota and has developed concentrates to be processed using the PRO technology. Lab-scale testing of an NRRI ilmenite concentrate was performed under confidential agreement by a third-party PRO customer. The conclusions from this study included digestion efficiencies between 89 to 91%, iron-to-titanium ratios of 1.36 to 1.47, and high magnesium levels in the concentrate. It was concluded that this processing scheme shows very promising initial success and supports feasibility demonstrations.

The next step to continue development of this resource is a pilot-scale demonstration. NRRI will generate a 3-ton bulk sample of concentrate for pilot-scale hydrometallurgical testing using the PRO technology to reproduce the earlier results and attempt to improve the iron-to-titanium

ratio. This work will require \$600,000 in funding to cover NRRI and development partner costs. Assuming that this pilot-scale pre-feasibility study is successful, a full feasibility study will follow to provide the final basic data set to be used to attract investment.

NRRI does not have the funding to pursue the next phase of development. In light of the needs of the mining industry to diversify and generate higher value products, this investment is timely and necessary. In previous discussions, verbal support has been given for the following funding scheme:

UMN OVPR	\$150,000
UMD EVCAA	\$150,000
IRRRB	\$300,000

This memo is meant to confirm this commitment to allow NRRI to pursue this work on behalf of the State of Minnesota and in keeping with the University of Minnesota's land grant status and mission.

I look forward to your confirmation and to working with you to deliver this opportunity to Minnesota.

Best Regards,

Rolf

7) FY16 Public Works Stimulus Projects – Resolution #16-024

Action required: Approval requires an affirmative vote by 6 members

Representative Jason Metsa moved to approve \$2,388,188 of DJJ 20% Corpus Funds to assist cities and townships in funding shovel ready public works projects to support community and economic development as presented in Resolution #16-024. Seconded by Representative Dale Lueck. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Senator Tom Bakk, Representative Rob Ecklund, Representative Dale Lueck, Representative Carly Melin, Representative Jason Metsa, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
DOUGLAS J. JOHNSON ECONOMIC PROTECTION TRUST FUND
PUBLIC WORKS STIMULUS PROJECTS APPROVAL**

Resolution No.: 16-024

WHEREAS, Minnesota Statutes Section 298.296, Subdivision 2 (c) entitles the Commissioner to expend, within or for the benefit of the Taconite Assistance Area as defined in Minnesota Statutes Section 273.1341 (“**TAA**”) and upon prior approval by the affirmative vote of at least six members of the Board, up to 20% of the corpus of the Douglas J Johnson Economic Protection Trust Fund, valued as of the date of May 18, 2002, plus certain additional accrual sums (the “**DJJ 20% Corpus Funds**”), for projects and programs described in Minnesota Statutes Section 298.292, subdivision 1 that either (a) are designed to create and maintain productive, permanent, skilled employment, including employment in technologically innovative businesses; or (b) encourage diversification of the economy and promote the development of certain sectors of the TAA economy, specifically including tourism; and

WHEREAS, the amount of DJJ 20% Corpus Funds available for expenditure as of February 22, 2016, is the sum of \$4,129,620; and

WHEREAS, the Commissioner is proposing the expenditure of up to \$2,388,188 of DJJ 20% Corpus Funds to assist cities and townships in funding shovel ready public works projects to support community and economic development (“**Public Works Stimulus Grant Program**”); and

WHEREAS, the Commissioner has received proposals for Public Works Stimulus Grant Program projects for those certain community and economic development projects that are more specifically described in Exhibit A, which is attached hereto and incorporated by reference (“**Proposed Projects**”); and

WHEREAS, the Board met in open session at 11:00 a.m. on February 22, 2016, in the agency's Administrative Building located near Eveleth, Minnesota, to consider, among other matters, the Proposed Projects and has determined that the proposed expenditure of up to \$2,388,188 of DJJ 20% Corpus Fund monies for the purposes and in the amounts specified below would be in the public interest and promote productive and permanent employment within the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby approves the expenditure of up to \$2,388,188 of DJJ 20% Corpus Fund monies to provide grants for the Proposed Projects in the amounts and for the purposes set forth in Exhibit A.

BE IT FURTHER RESOLVED that the Board’s approval for all Proposed Projects, including those Proposed Projects which may have associated private development work, is contingent upon the agency, in its grant contracts, requiring each such grantee entity to commit to the

payment of prevailing wages for the funded project as required by law, or to the extent required in the Board's Resolution 96-005.

BE IT FURTHER RESOLVED that the Board's approval for the Proposed Projects is further contingent upon all such project financing being in place before the agency's funds are released.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 22nd DAY OF FEBRUARY 2016.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk	X			
Senator Tom Saxhaug	X			
Senator Rod Skoe	X			
Senator David Tomassoni	X			
Representative Tom Anzelc	X			
Representative Rob Ecklund	X			
Representative Dale Lueck	X			
Representative Carly Melin	X			
Representative Jason Metsa	X			
TOTAL	9			

Signed: _____
 Representative Tom Anzelc, Chair

City of Aitkin

Grant Amount: \$99,000

Water, sewer, road and site work for the construction of a new 1,245 sq. ft. dental clinic. This project will provide new development, increase in tax base, and 4 additional jobs in the community of Aitkin. The project is projected to create 5 construction jobs and 4 permanent jobs.

<u>USES</u>		<u>SOURCES</u>	
Site Development	\$114,294	IRRRB	\$99,000
Building	600,325	Private (SBA)	639,842
A&E	21,223		
Contingency	3,000		
TOTAL	\$738,842	TOTAL	\$738,842

City of Aurora

Grant Amount: \$250,000

Water, sewer, storm sewer, and road reconstruction for the Maple Drive redevelopment project. The city of Aurora spent \$3.7 million in 2015 as part of citywide street improvements and is moving forward with an additional \$1.4 million in utility/infrastructure/road improvements for 2016. The Maple Drive reconstruction project is projected to create 9 construction jobs.

<u>USES</u>		<u>SOURCES</u>	
Street reconstruction	\$1,003,600	IRRRB	\$250,000
A&E	300,000	City	1,204,600
Contingency	240,000		
TOTAL	\$1,454,600	TOTAL	\$1,454,600

City of Chisholm

Grant Amount: \$250,000

Building efficiency and handicap accessibility upgrades and remodel of the city hall. The city of Chisholm has a new business tenant, which requires 1,000 sq. ft. of office space. The Chisholm City Hall is need of utility upgrades to accommodate the new business tenant. The project is projected to create 3 construction jobs.

<u>USES</u>		<u>SOURCES</u>	
Building upgrades	\$425,000	IRRRB	\$250,000
		City	175,000
TOTAL	\$425,000	TOTAL	\$425,000

City of Cook

Grant Amount: \$103,000

Water, sewer and road reconstruction for Vermilion Blvd. and 5th Street. The Cook Hospital and Nursing Home has a six-million dollar shovel ready expansion project, and is working with the city collaboratively to address the reconstruction of city streets, which impact the hospital. The project is projected to create 40 construction jobs.

<u>USES</u>		<u>SOURCES</u>	
Street reconstruction	161,455	IRRRB	\$103,000
A&E	29,062	City	103,662
Contingency	16,145	Hospital	6,000,000
Hospital expansion	6,000,000		
TOTAL	\$6,206,662	TOTAL	\$6,206,662

City of Crosby

Grant Amount: \$250,000

Sewer, water and road reconstruction across 10 city blocks in a Northeast section of Crosby. The city of Crosby has a shovel ready comprehensive housing rehabilitation and public infrastructure project, which has partner funding from DEED and PFA. The project has been bid and will begin in the Spring of 2016. The project is projected to create 17 construction jobs.

<u>USES</u>		<u>SOURCES</u>	
Water, sewer and roads	1,750,000	IRRRB	\$250,000
A&E	350,000	PFA	1,850,000
Build Rehab	435,100	DEED	435,100
TOTAL	\$2,535,100	TOTAL	\$2,535,100

City of Ely

Grant Amount: \$250,000

Water, sewer and street reconstruction of several city streets to include: Conan/Harvey Alley, 5th Avenue East and 6th Avenue East. This citywide street water/sewer project is shovel ready and is planned to begin in June 2016. The project is expected to create 7 construction jobs.

<u>USES</u>		<u>SOURCES</u>	
Water, sewer and roads	\$831,160	IRRRB	\$250,000
A & E	83,116	CDBG	85,000
Contingency	149,609	City	729,000
TOTAL	\$1,064,000	TOTAL	\$1,064,000

City of Gilbert

Grant Amount: \$40,000

Soil correction and site development for a new building for Northstar Specialized Services (NHS). NHS provides services in Northeastern Minnesota to persons having developmental disabilities and persons with mental illness. The proposed facility in Gilbert would provide residential based services for the elderly. The project is expected to create 12 permanent jobs and 2 construction jobs.

<u>USES</u>		<u>SOURCES</u>	
Site Development	\$30,000	IRRRB	\$40,000
Utility Extension	10,000	Private	300,000
Building	300,000		
TOTAL	\$340,000	TOTAL	\$340,000

City of Grand Marais

Grant Amount: \$100,000

Water, sewer, road and site development for a new public works facility. The new 14,500 sq. ft. facility will be located off of Highway 61. The former current public works garage will be removed and will make way for a DNR planned project to improve access on Lake Superior, a \$2.2 million project. The new road and utility extension will open access to available undeveloped commercial property for future development. The project is expected to create 25 construction jobs.

<u>USES</u>		<u>SOURCES</u>	
Water, sewer and roads	850,000	IRRRB	\$100,000
Buildings	2,250,000	City	3,750,000
A&E	300,000		
Contingency	450,000		
TOTAL	\$3,850,000	TOTAL	\$3,850,000

City of Grand Rapids

Grant Amount: \$100,000

Sanitary sewer improvements and road reconstruction for 5th Street North and 8th Avenue Northeast. The proposed improvement project is located in the City's Central Business District and also near two highways with adjacent developed and undeveloped commercial properties. The improvements will provide updated service to the existing business owners. This project is shovel ready and will be bid in March 2016. The project is expected to create 23 construction jobs.

<u>USES</u>		<u>SOURCES</u>	
Street Reconstruction	2,790,366	IRRRB	\$100,000
A&E	730,495	City (GO Bond)	1,097,968
		City	816,534
		SRTS Grant	261,000
		MSAS	745,359
		FHWA	500,000
TOTAL	\$3,520,861	TOTAL	\$3,520,861

City of Hoyt Lakes

Grant Amount: \$250,000

Upgrades to the Primary and Secondary Clarifiers, Control Structure, and Site Dewatering System at the wastewater treatment facility. The city of Hoyt Lakes is working with Public Facilities Authority and the MPCA to provide funding for improvements to their wastewater treatment facility. The project is expected to create 14 construction jobs.

<u>USES</u>		<u>SOURCES</u>	
Treatment Facility Upgrade	\$2,065,708	IRRRB	\$250,000
A&E	95,000	PFA	1,815,708
Contingency	50,000	City	145,000
TOTAL	\$2,210,708	TOTAL	\$2,210,708

City of Marble

Grant Amount: \$163,000

The project consists of replacement of waterline at five locations throughout the city. The existing infrastructure is deteriorated and has numerous breaks, which is limiting the capacity for the city to provide households with quality drinking water.

<u>USES</u>		<u>SOURCES</u>	
Water & road reconstruction	\$585,657	IRRRB	\$163,000
A&E	88,300	Morse Township	290,557
Contingency	29,600	IRRRB (FY15)	250,000
TOTAL	\$703,557	TOTAL	\$703,557

City of Taconite

Grant Amount: \$120,000

Water and sewer line casing pipe placement under Highway 169. MNDOT is expanding a 1.55-mile section of Highway 169 adjacent to Taconite from two-lane to four-lane and the city of Taconite would like to perform updates to their existing infrastructure that runs under Highway 169. The project is expected to create 62 construction jobs.

<u>USES</u>		<u>SOURCES</u>	
Road & site development	\$120,000	IRRRB	\$100,000
Building	770,000	Morse Township	400,000
A&E	10,000	Fall Lake Township	400,000
TOTAL	\$9,600,000	TOTAL	\$9,600,000

City of Two Harbors

Grant Amount: \$100,000

Infrastructure, site development and construction of a new Two Harbors campground facility. The city recently expanded its municipal campground to 34 campsites to accommodate the high demand from tourism. With the increased number of winter campers, the proposed facility is designed for year-round camping. The project is expected to create 5 construction jobs.

<u>USES</u>		<u>SOURCES</u>	
Site work & construction	\$700,000	IRRRB	\$100,000
A&E	58,000	City	658,000
TOTAL	\$758,000	TOTAL	\$758,000

City of Virginia

Grant Amount: \$213,188

Water, sewer and site work for the construction of a new 9,000 sq. ft. facility. The City of Virginia is developing lots on the former Seppi Brothers site on Silver Lake in their downtown, to make the site ready for the expansion of an existing business. The project is expected to create 20 permanent jobs and 23 construction jobs.

<u>USES</u>		<u>SOURCES</u>	
Infrastructure & site work	\$373,332	IRRRB	\$213,188
Building	1,800,000	City	50,000
Equipment	850,000	USDA	\$500,000
A&E	300,000	Private	2,760,144
Contingency	200,000		
TOTAL	\$3,523,332	TOTAL	\$3,523,332

City of Winton

Grant Amount: \$100,000

Infrastructure, site work, and construction of a new city hall/community center for the city of Winton. The project is expected to create 3 construction jobs.

<u>USES</u>		<u>SOURCES</u>	
Infrastructure & site work	\$100,000	IRRRB	\$100,000
Building	275,000	Winton	300,000
A&E	25,000		
TOTAL	\$400,000	TOTAL	\$400,000

8) Giants Ridge New Amenities Proposal – Resolution #16-025

Action required: Approval requires an affirmative vote by 7 members

Senator Dave Tomassoni moved to approve the expenditure of up to \$500,000 of Giants Ridge Amenities Tax revenues for three amenities projects that are more specifically described in Exhibit A and as presented in Resolution #16-025. Seconded by Representative Rob Ecklund. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Senator Tom Bakk, Representative Rob Ecklund, Representative Dale Lueck, Representative Carly Melin, Representative Jason Metsa, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
GIANTS RIDGE RECREATION AREA TAXING AUTHORITY
GIANTS RIDGE AMENITIES**

Resolution No.: 16-025

WHEREAS, pursuant to 2010 Laws of Minnesota, Chapter 389, Article 5, Section 7, the City of Biwabik (“**Biwabik**”), upon approval both by its governing body and by the vote of at least seven members of the Iron Range Resources and Rehabilitation Board (“**Board**”), was authorized to impose lodging taxes, admissions and recreation taxes, and food and beverage taxes for the purpose of collecting tax revenues to invest in public amenities as provided in such law (collectively the “**Giants Ridge Amenities Tax**”); and

WHEREAS, the Board authorized the imposition of such taxes at its meeting on December 16, 2010, by passing Board Resolution No. 11-020; and

WHEREAS, Biwabik subsequently passed ordinances to impose such taxes; and

WHEREAS, such taxes were imposed and to date \$596,000 has been collected and deposited into the Iron Range Resources and Rehabilitation Board account enterprise fund created under the provisions of Minnesota Statutes, section 298.221, paragraph (c); and

WHEREAS, the proceeds of these taxes are dedicated to and must be expended by the commissioner of the Iron Range Resources and Rehabilitation Board, upon approval by the vote of at least seven members of the Iron Range Resources and Rehabilitation Board, to pay costs for the construction, renovation, improvement, expansion, and maintenance of public recreational facilities located in those portions of the city within the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22, subdivision 7 (“**GRRRA**”); and

WHEREAS, the Commissioner has received a proposal for the expenditure of up to \$500,000 of Giants Ridge Amenities Tax revenues for three GRRRA amenities projects that are more specifically described in Exhibit A, which is attached hereto and incorporated by reference (“**Proposed Projects**”); and

WHEREAS, the Board met in open session at 11:00 a.m. on February 22, 2016, in the agency's Administrative Building located near Eveleth, Minnesota, to consider, among other matters, the Proposed Projects and has determined that the proposed expenditure of up to \$500,000 of Giants Ridge Amenities Tax revenue monies for the purposes and in the amounts specified below would be in the public interest and promote economic development within the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby approves the expenditure of up to \$500,000 of Giants Ridge Amenities Tax revenue monies for the Proposed Projects in the amounts and for the purposes set forth in Exhibit A.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 22nd DAY OF FEBRUARY 2016.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk	X			
Senator Tom Saxhaug	X			
Senator Rod Skoe	X			
Senator David Tomassoni	X			
Representative Tom Anzelc	X			
Representative Rob Ecklund	X			
Representative Dale Lueck	X			
Representative Carly Melin	X			
Representative Jason Metsa	X			
TOTAL	9			

Signed: _____
 Representative Tom Anzelc, Chair

EXHIBIT A
Giants Ridge New Amenities Proposal

Project 1 – Trails - \$250,000

Purpose Built Mountain Bike Trails: 5 miles of purpose built beginner and intermediate mountain bike trails, both single track and flow.

Multi-Use Nature Trails: 1.5 miles of looped trails interconnecting the lodging properties with the recreation facilities.

Project 2 – Climbing Wall - \$150,000

A 30-35’ foot climbing wall at the mountain base.

Project 3 – Kids’ Playground - \$100,000

An adventure experience for kids, located at the mountain base. A natural playground (as opposed to a traditional playground), will be innovative and environmentally sensitive, allowing kids to experience natural play that may incorporate embankments slides built into hills, realistic caves, and other outdoor elements.

9) Iron Range School Collaboration Fund Amendment Proposal– Resolution #16-026

Action required: Approval requires an affirmative vote by 7 members

Motion by Representative Melin to Amend Resolution No. 16-026 to include guaranties, documentation and reporting of education and curriculum improvements as a part of the school

collaboration for the Mountain Iron-Buhl School District. Seconded by Representative Anzelc. Motion did not pass. Roll call vote.

Voting in Favor of the Motion: Representative Carly Melin

Voting Against the Motion: Representative Tom Anzelc, Senator Tom Bakk, Representative Rob Ecklund, Representative Dale Lueck, Representative Jason Metsa, Senator Tom Saxhaug, Senator Rod Skoe, Senator Dave Tomassoni

Abstain: None

Excused: None

- a) **Iron Range School Collaboration Fund – Resolution #16-026**
Action required: Approval requires an affirmative vote by 7 members

Senator Tom Bakk moved to approve the expenditure of up to \$4,277,694 from the School Account for the payment of bonds that are more specifically described in Exhibit A and as presented in Resolution #16-026. Seconded by Representative Jason Metsa. Motion carried.

Voting in Favor of the Motion: Representative Tom Anzelc, Senator Tom Bakk, Representative Rob Ecklund, Representative Dale Lueck, Representative Carly Melin, Representative Jason Metsa, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
IRON RANGE SCHOOL CONSOLIDATION AND COOPERATIVELY OPERATED
SCHOOL ACCOUNT EXPENDITURES**

Resolution No.: 16-026

WHEREAS, in 2014 the Minnesota Legislature enacted, and the Governor approved, multiple session laws that were codified as Minnesota Statutes Section 298.28, subd. 7a, which created a new Iron Range school consolidation and cooperatively operated school account (“**School Account**”) for the purpose of providing disbursements to assist certain statutorily identified school districts with the payment of bonds that were issued for qualified school projects, or for any other school disbursement to school districts that are located within the taconite assistance area as defined in Minnesota Statutes Section 273.1341 (“**TAA**”) as approved by the Board; and

WHEREAS, all expenditures from the School Account require the approval of seven Board members; and

WHEREAS, the Board has received proposals for the expenditure of up to \$4,277,694 for the payment of bonds that are more specifically described in Exhibit A, which is attached hereto and incorporated by reference (“**Proposed Disbursements**”); and

WHEREAS, the Board met in open session starting at 11:00 a.m. on February 22, 2016, at the agency’s Administration Building near Eveleth, Minnesota, to consider, among other matters, Proposed Disbursements from the School Account, and has determined that such expenditures would be in the public interest and promote the advancement of the schools within the TAA.

NOW, THEREFORE, IT IS RESOLVED that the Board hereby adopts the Proposed Disbursements presented at the Board meeting from the School Account, and further intends to make the Proposed Disbursements on an ongoing basis as provided in Exhibit A.

BE IT FURTHER RESOLVED that the Board delegates responsibility for all approved School Account expenditures to the agency.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 22nd DAY OF FEBRUARY 2016.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk	X			
Senator Tom Saxhaug	X			
Senator Rod Skoe	X			
Senator David Tomassoni	X			
Representative Tom Anzelc	X			
Representative Rob Ecklund	X			
Representative Dale Lueck	X			
Representative Carly Melin	X			
Representative Jason Metsa	X			
TOTAL	9			

Signed: _____
Representative Tom Anzelc, Chair

Exhibit A

Iron Range School Collaboration – Bond Payments

Project 1 - Mesabi East School District - \$500,000

Annual bond payments to the Mesabi East School District for ten years.

Project 2 - St Louis County School District - \$2,000,000

Annual bond payments to the St Louis County School District for the remaining years of the bond.

Project 3 - Mountain Iron Buhl School District - \$1,777,694

Annual bond payments for a building project in Mountain Iron until such bonds are paid in full, contingent upon:

- Approval of a voter referendum.
- Collaboration with one additional school district.

b) Iron Range School Collaboration Fund – Resolution #16-027

Action required: Approval requires an affirmative vote by 7 members

Senator Tom Saxhaug moved to approve the expenditure of up to \$3,005,000 for school district disbursements as described in Exhibit A of Resolution #16-027. Seconded by Representative Dale Lueck. Motion carried. Unanimous vote

Voting unanimously in Favor of the Motion: Representative Tom Anzelc, Senator Tom Bakk, Representative Rob Ecklund, Representative Dale Lueck, Representative Carly Melin, Representative Jason Metsa, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
IRON RANGE SCHOOL CONSOLIDATION AND COOPERATIVELY OPERATED
SCHOOL ACCOUNT EXPENDITURES**

Resolution No.: 16-027

WHEREAS, in 2014 the Minnesota Legislature enacted, and the Governor approved, multiple session laws that were codified as Minnesota Statutes Section 298.28, subd. 7a, which created a new Iron Range school consolidation and cooperatively operated school account (“**School Account**”) for the purpose of providing disbursements to assist certain statutorily identified school districts with the payment of bonds that were issued for qualified school projects, or for any other school disbursement to school districts that are located within the taconite assistance area as defined in Minnesota Statutes Section 273.1341 (“**TAA**”) as approved by the Board; and

WHEREAS, all expenditures from the School Account require the approval of seven Board members; and

WHEREAS, the Board has received proposals for the expenditure of up to \$3,005,000 for certain school district disbursements that are more specifically described in Exhibit A, which is attached hereto and incorporated by reference (“**Proposed Disbursements**”); and

WHEREAS, the Board met in open session starting at 11:00 a.m. on February 22, 2016, at the agency’s Administration Building near Eveleth, Minnesota, to consider, among other matters, Proposed Disbursements from the School Account, and has determined that such expenditures would be in the public interest and promote the advancement of the schools within the TAA.

NOW, THEREFORE, IT IS RESOLVED that the Board hereby adopts the Proposed Disbursements presented at the Board meeting from the School Account.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 22nd DAY OF FEBRUARY 2016.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk	X			
Senator Tom Saxhaug	X			
Senator Rod Skoe	X			
Senator David Tomassoni	X			
Representative Tom Anzelc	X			
Representative Rob Ecklund	X			
Representative Dale Lueck	X			
Representative Carly Melin	X			
Representative Jason Metsa	X			
TOTAL	9			

Signed: _____
 Representative Tom Anzelc, Chair

Exhibit A

Iron Range School Collaboration – Innovative Academic Programming

Project 1 – Expansion of the Applied Learning Institute to Aitkin, Crosby-Ironton, & Cook County School Districts - \$500,000

Expansion of the Applied Learning Institute (ALI) to the TAA school districts of Aitkin, Crosby-Ironton, and Cook County. The funding will allow for the equipment necessary to complete the expansion of the ALI program to the remaining school districts in the TAA.

Project 2 – West Range STEM Program – Up to \$2,505,000

A new STEM collaborative in the TAA school districts of Nashwauk-Keewatin, Greenway, & Grand Rapids and post-secondary partner Itasca Community College. The funding will partially fund programming, equipment, technology, career pathways, and staff development.

10) Adjournment

The meeting adjourned at 2:25 p.m.