

Addendum B
IRRRB Meeting Minutes

Tuesday, April 5, 2022 – 6:00 p.m.

(A special meeting was held via interactive technology and live-streamed through YouTube for public viewing as authorized by MN Statute 13D.015.)

1) Roll Call

Representative Rob Ecklund, vice chair, who was present at the Minnesota State Capitol, Room 328, called the meeting to order at approximately 6:02 p.m. Laureen Hall, who also was present in Room 328, State Capitol, took roll call. Present in Room 328, State Capitol: Representative Dave Lislegard, Present via ZOOM video: Representative Spencer Igo, Representative Dale Lueck, Representative Julie Sandstede, Senator Tom Bakk, Senator Justine Eichorn, Senator Carrie Ruud and Senator David Tomassoni. Excused: None. Minute Taker: Laureen Hall, Executive Aide. Also present via ZOOM video: Mark Phillips, Commissioner; Jason Metsa, Deputy Commissioner, Matt Sjoberg, Executive Director of Development; Linda Johnson, Director of Mining & Reclamation; Al Becicka, Legal Counsel; Scott Sundvall, Loan Officer; Ryan Malich, Research Analyst, Chris Ismil, Community Development Representative; Jim Plummer, Trails Coordinator; Janelle Greschner, Director of Business Recruitment, Bob Scuffy, Accounting Director; Roy Smith, Director of Talent Development; Sheryl Kochevar, Communications Director; Janette Godec, Executive Assistant; Barrett Ziemer, Chisholm-Hibbing Airport Authority; Lana Fralich and John Anderson, City of Silver Bay.

2) December 14, 2021, Meeting Minutes

Representative Dave Lislegard moved approval of the December 14, 2021, meeting minutes. Motion carried.

3) Chisholm-Hibbing Airport Authority (CHAA) – Resolution No. 22-017

Senator David Tomassoni moved that the Board recommend an expenditure of up to \$10,500,000 in funding from the DJJ Fund Corpus which, in conjunction with a \$5,000,000 investment from the Minnesota 21st Century Fund by DEED, will provide financing to CHAA for the Detroit Diesel Remanufacturing, LLC (DMR) project. CHAA intends to construct a 60,000 square foot addition to the building DMR is leasing to allow DMR to expand its manufacturing capacity, as presented in Resolution No. 22-017. Second by Representative Julie Sandstede. Motion carried.

Laureen Hall took a roll call vote

Voting in Favor of the Motion: Representative Rob Ecklund, Representative Spencer Igo, Representative Dave Lislegard, Representative Dale Lueck, Representative Julie Sandstede, Senator Tom Bakk, Senator Justin Eichorn, Senator Carrie Ruud, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

**IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD
OF THE STATE OF MINNESOTA
DOUGLAS J. JOHNSON ECONOMIC PROTECTION TRUST FUND
CHISHOLM-HIBBING AIRPORT AUTHORITY'S DMR PROJECT RECOMMENDATION**

Resolution No.: 22-017

WHEREAS, Minnesota Statutes Section 298.296, Subdivision 2 (c) authorizes the Commissioner to expend, within or for the benefit of the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341 ("**TAA**"), and after consultation with the advisory board, the corpus of the Douglas J Johnson Economic Protection Trust Fund (the "**DJJ Fund Corpus**") 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; or (c) for which technological and economic feasibility have been demonstrated; and

WHEREAS, Detroit Diesel Remanufacturing, LLC ("**DMR**") is an established remanufacturer of electronic components and is currently operating an electronic components remanufacturing business in a building it is leasing that is owned by the Chisholm-Hibbing Airport Authority ("**CHAA**"); and

WHEREAS, CHAA intends to construct a 60,000 square foot addition to the building DMR is leasing to allow DMR to expand its manufacturing capacity, which is expected to result in the creation of 18 new jobs (the "**DMR Project**"), which is more specifically described in the Board packet materials which are attached hereto and incorporated by reference as Exhibit A; and

WHEREAS, the agency, in partnership with the Minnesota Department of Employment and Economic Development ("**DEED**"), has been in negotiations with CHAA and DMR to provide financial incentives to entice DMR to undertake the DMR Project at the building owned by CHAA, which is located within the TAA; and

WHEREAS, the parties have reached an agreement whereby the agency will provide CHAA with up to \$10,500,000 in funding from the DJJ Fund Corpus which, in conjunction with a \$5,000,000 investment from the Minnesota 21st Century Fund by DEED, as authorized under Minnesota Statutes Sections 116J.423-116J.424, will provide financing to CHAA for the DMR Project, as more fully described in Exhibit A and as otherwise discussed at the board meeting; and

WHEREAS, the technical advisory committee appointed pursuant to Minnesota Statutes Section 298.297 met on March 29, 2022, and recommended that the Board approve the DMR Project; and

WHEREAS, the Board met in open session via electronic technology on April 5, 2022, at 6:00 p.m. in accordance with the authority for such method of meeting provided under Minnesota Statutes Section 13D.015, to consider, among other matters, the DMR Project and has determined that the proposed expenditure of funds for the DMR Project will create and maintain productive, permanent skilled employment and will diversify and promote the development of the economy of the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Iron Range Resources and Rehabilitation Board recommends the expenditure of up to \$10,500,000 from the DJJ Fund Corpus in support of the DMR Project, as authorized under the provisions of the Douglas J. Johnson Economic Protection Trust Fund Act under Minnesota Statutes Sections 298.291-298.297.

BE IT FURTHER RESOLVED that, to the extent Board recommendation is necessary, the Board hereby recommends the proposed expenditure of up to \$5,000,000 of DEED's Minnesota 21st Century Minerals Fund monies.

BE IT FURTHER RESOLVED that the Board's recommendation of all expenditures for the DMR Project is subject to the conditions set forth in the Board packet materials and the provisions customarily contained in agency financing documents and Board Resolution 96-005 that require the recipient of financial assistance to pay at least prevailing wages to workers performing work on Board recommended projects.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 5TH DAY OF APRIL 2022.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk	X			
Senator Justin Eichorn	X			
Senator Carrie Ruud	X			
Senator David Tomassoni	X			
Representative Rob Ecklund	X			
Representative Spencer Igo	X			
Representative Dave Lislegard	X			
Representative Dale Lueck	X			
Representative Julie Sandstede	X			
TOTAL	9	0	0	0



Signed: _____
Senator David Tomassoni, Chair

**Chisholm-Hibbing Airport Authority
11038 Highway 37
Hibbing, MN 55746**

**Department of Iron Range Resources and Rehabilitation
Non-Recourse Direct Loan**

Applicant:	Chisholm-Hibbing Airport Authority
Project Location:	11038 Highway 37, Hibbing, MN 55746

Applicant:	Chisholm-Hibbing Airport Authority	
Principal(s):	Barrett Ziemer, Executive Director	
Project Description:	Following an extensive internal North American site selection search to facilitate the tremendous current and future growth of their electrification business, Aftermarket Solutions has chosen to increase production at their Detroit Diesel Remanufacturing, LLC (DMR) location owned by the Hibbing-Chisholm Airport Authority. This 60,000 square foot addition will provide the space to support DMR's remanufactured and manufactured solutions for the microchip shortage, EV batteries, power inverters and corelated recycling within the electric (EV), hybrid-electric (HV) and combustion engine vehicle market.	
Market Opportunity:	Electric vehicles (EV) are about to experience an extended period of unparalleled growth and are expected to take over half of the auto market sales in the United States by 2035. In order to source this demand, EV battery manufacturing needs to deliver the lowest cost, highest capacity and proven stability which the DMR location has been able to provide within the Aftermarket Solutions fleet. The unique highly skilled electrical engineering and technical expertise of the staff at DMR is the driving factor on the award and subsequent launch of this EV battery manufacturing growth and continued remanufactured chip shortage solutions.	
Project Investment:	IRRR – Non-Recourse Direct loan – negotiated rate	\$10,000,000.00
	DEED (21 st Century Minerals Fund) – Non-Recourse Direct loan – negotiated rate	\$5,000,000.00
	IRRR – Infrastructure Grant	\$500,000.00
	Other to be determined	\$2,000,000.00
	TOTAL	\$17,500,000.00
Jobs:	<u>18</u> Planned New <u>170</u> Retained Wages <u>\$17 to \$28/hr</u> - <u>\$38,000 to \$64,000</u> per year plus benefits. 62 Jobs have been added since the start of 2021 in preparation of this growth opportunity.	
Collateral:	This is a non-recourse loan secured by a first position real estate mortgage on the expanded facility.	
Business History:	The Hibbing Municipal Airport was dedicated on July 4th, 1931 following the Department of Commerce listing the Minnesota Flying Service as its first choice for a municipal field and the Hibbing Village Council purchasing the tract and making improvements. In 1958, Hibbing and Chisholm established a governing body of six commissioners. In 1994, State Legislature approved the governing body. In 2010 the airport	

Applicant:	Chisholm-Hibbing Airport Authority			
	started doing business as The Range Regional Airport. In 2015, the current commercial terminal was completed.			
	DMR was founded in 1987 servicing the truck, bus, heavy-duty equipment and light rail industries. It was acquired by Detroit Diesel Remanufacturing Corporation in 2007. In August of 2013, Detroit Diesel Remanufacturing, LLC signed the lease with the Chisholm/Hibbing Airport Authority for the 30,000 square foot spec building. Just 2 months later, the request came in for an additional 30,000 square foot expansion. Today, Detroit Reman dba Aftermarket Solutions Hibbing remanufactures electronic components such as complex engine controllers and mechatronic components for heavy and light duty trucks, passenger cars, construction equipment, agriculture and hybrid vehicles.			
Past Agency History:	Date	Loans	Balance	Status
	1/10/2007	\$1,625,000		
	12/14/2013	\$2,500,000		
	2/25/2014	\$5,035,000		
	12/14/2021	\$2,500,000		
	Total loans	\$11,660,000	\$10,587,199	Current
Contingencies:	A long-term lease agreement between Detroit Reman and the Chisholm-Hibbing Airport Authority has been executed. Additional Funding to be secured.			
Technical Advisory Committee Recommendation:	The TAC recommended approval at its March 29, 2022 meeting.			
Funding Authorization:	Douglas J. Johnson Economic Protection Trust Fund Corpus: This project is authorized under the provision of the Douglas J Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291 – 298.297) pertaining to expenditures of Douglas J Johnson Economic Protection Trust Fund Corpus monies for economic development projects in that these statutes authorize the expenditure of corpus funds for projects and programs that are designed to create and maintain productive, permanent and skilled employment and that encourage diversification of the economy within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.			

4) ASV Holdings, Inc. – Resolution No. 22-018

Senator Justin Eichorn moved that the Board recommend an expenditure of up to \$1,000,000 of the DJJ Business Development Project Funds to provide a direct loan to ASV to expand its Grand Rapids

production facility, as presented in Resolution No. 22-018. Seconded by Representative Spencer Igo. Motion carried.

Laureen Hall took a roll call vote.

Voting in Favor of the Motion: Representative Rob Ecklund, Representative Spencer Igo, Representative Dave Lislegard, Representative Dale Lueck, Representative Julie Sandstede, Senator Tom Bakk, Senator Justin Eichorn, Senator Carrie Ruud, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

**IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD
OF THE STATE OF MINNESOTA
DOUGLAS J. JOHNSON ECONOMIC PROTECTION TRUST FUND
ASV HOLDINGS, INC. PROJECT RECOMMENDATION**

Resolution No.: 22-018

WHEREAS, the Commissioner is authorized to expend, after consultation with the Iron Range Resources and Rehabilitation Advisory Board (“**Board**”), the Douglas J. Johnson Economic Protection Trust Fund monies made available under Minnesota Statutes Sections 298.291 – 298.297 and Minnesota Statutes 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 (“**TAA**”) as that term is defined in Minnesota Statutes Section 273.1341, which will serve the purposes detailed in Minnesota Statutes Section 298.292, subdivision 1; and

WHEREAS, the agency’s fiscal year 2022 budget includes a provision for the use of certain DJJ Funds for economic development projects under a budget line item category for DJJ Business Development Projects (“**DJJ Business Development Project Funds**”); and

WHEREAS, in order to ramp up production of certain products and launch new product lines, ASV Holdings, Inc. (“**ASV**”) intends to expand its Grand Rapids production facility (the “**ASV Project**”), which is more specifically described in the Board packet materials which are attached hereto and incorporated by reference as Exhibit A; and

WHEREAS, the Commissioner has requested the Board to recommend the expenditure of up to \$1,000,000 of the DJJ Business Development Project Funds to provide a direct loan to ASV in support of the ASV Project; and

WHEREAS, the technical advisory committee appointed pursuant to Minnesota Statutes Section 298.297 met on March 29, 2022, and recommended that the Board approve the ASV Project as presented in accordance with the information provided in the board packet materials; and

WHEREAS, the Board met in open session via interactive technology on April 5, 2022, at 6:00 p.m. in accordance with the authority for such method of meeting provided under Minnesota Statutes Section 13D.015, to consider, among other matters, the ASV Project and has determined that it would be in the public interest to recommend the expenditure of DJJ Business Development Project Funds for the ASV Project, and that the granting of the requested financial assistance would promote economic development in the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Iron Range Resources and Rehabilitation Board recommends the expenditure of up to \$1,000,000 from the DJJ Business Development Project Funds in support of the ASV Project, as authorized under the provisions of the Douglas J. Johnson Economic Protection Trust Fund Act under Minnesota Statutes Sections 298.291-298.297.

BE IT FURTHER RESOLVED that the Board's recommendation of all expenditures for the ASV Project is subject to the conditions set forth in the Board packet materials and the provisions customarily contained in agency financing documents and Board Resolution 96-005 that require the recipient of financial assistance to pay at least prevailing wages to workers performing work on Board recommended projects.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 5TH DAY OF APRIL 2022.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk	X			
Senator Justin Eichorn	X			
Senator Carrie Ruud	X			
Senator David Tomassoni	X			
Representative Rob Ecklund	X			
Representative Spencer Igo	X			
Representative Dave Lislegard	X			
Representative Dale Lueck	X			
Representative Julie Sandstede	X			
TOTAL	9	0	0	0



Signed: _____
Senator David Tomassoni, Chair

ASV Holdings, Inc.
840 Lily Lane
Grand Rapids, Minnesota 55744

Department of Iron Range Resources and Rehabilitation
Direct Loan

Applicant:	ASV Holdings, Inc.	
Project Location:	840 Lily Lane Grand Rapids, Minnesota 55744	
Principal(s):	Tate Johnson, President Tom Foster, VP of Operations Missi How, CFO	
Project Description:	<p>In order to meet a significant ramp-up in production of Compact Track Loaders and planned launching of new products to keep pace with the growing North American demand, ASV/Yanmar is moving forward with a significant expansion of their Grand Rapids production facility consisting of:</p> <ul style="list-style-type: none"> - Construction of a 60,000 square feet high-bay warehouse - Site improvements - Assembly layout modifications - Additional equipment 	
Market Opportunity:	The merger of ASV and Yanmar provides significant opportunities in the North American market for both brands. As a result, dealer network coverage enhancement occurs in major North American markets which ASV does not particularly have a large market share.	
Project Investment:	IRRR – Direct Loan, up to 120 months	\$1,000,000*
	IRRR – Infrastructure Grant	\$350,000
	DEED – Minnesota Investment Fund (MIF)	\$450,000
	City of Grand Rapids	\$234,000
	Itasca County	\$186,000
	Private Funding	\$6,789,500
	TOTAL	<u>\$ 9,409,500</u>
	* The proposed IRRR financing may include forgiveness features assuming the company meets agreed upon criteria including job creation goals	
Jobs:	363 Planned New 224 Retained Wages \$19.82/hr to \$21.43/hr - plus benefits	
Collateral:		

Applicant:	ASV Holdings, Inc.				
Business History:	<p>Founded in a small garage in Marcel, MN in 1983, ASV has grown to become an industry leader in compact equipment production, sales and parts distribution.</p> <p>In 1995, with support from the IRRRB, the City of Grand Rapids and the Grand Rapids EDA, ASV moved to a new facility in Grand Rapids.</p> <p>In September 2019, ASV was acquired by the Yanmar Group. Upon completion of the transaction, ASV's independent dealer network throughout North America, Australia and New Zealand joined Yanmar's global construction equipment operations. Yanmar Compact Equipment North America (YCENA) brings together the stand-out strengths of YANMAR and ASV to champion a shared perspective of product excellence and customer service. As one organization, YCENA is poised to become a leader in compact equipment, giving everyone the power to shape a better world.</p>				
Past IRRRB History:	Date Originated	Initial Balance	Current Balance	Status	
	10/16/2017	\$300,000	\$300,000	Current	
	*anticipated forgiveness occurring in 2022 and 2027				
Contingencies:	Alternative financing structures may be considered, as long as the position of the IRRR is not materially compromised.				
Technical Advisory Committee Recommendation:	The TAC recommended approval at its March 29, 2022 meeting.				
Funding Authorization:	<p>Douglas J. Johnson Economic Protection Trust Fund: This project is authorized under the provision of the Douglas J Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291 – 298.297) 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 purpose of job creation and economic development within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.</p>				

5) Highland Holdings, LLC dba MNStar Group – Resolution No. 22-019

Representative Spencer Igo moved that the Board recommend an expenditure of up to \$230,592 of DJJ Business Development Project Funds to purchase a participation interest in a bank loan to Highland Holdings LLC, that provides financing towards the purchase of equipment, as presented in Resolution No. 22-019. Seconded by Senator Carrie Ruud. Motion carried.

Laureen Hall took a roll call vote.

Voting in Favor of the Motion: Representative Rob Ecklund, Representative Spencer Igo, Representative Dave Lislegard, Representative Dale Lueck, Representative Julie Sandstede, Senator Tom Bakk, Senator Justin Eichorn, Senator Carrie Ruud, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

**IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD
OF THE STATE OF MINNESOTA
DOUGLAS J JOHNSON ECONOMIC PROTECTION TRUST FUND
PURCHASE OF A PARTICIPATION INTEREST IN A LOAN
FOR HIGHLAND HOLDINGS LLC, DBA MNSTAR GROUP PROJECT**

Resolution No.: 22-019

WHEREAS, the Commissioner is authorized to expend, after consultation with the Iron Range Resources and Rehabilitation Advisory Board (“**Board**”), the Douglas J. Johnson Economic Protection Trust Fund monies made available under Minnesota Statutes Sections 298.291-298.297 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 (“**TAA**”), as that term is defined in Minnesota Statutes Section 273.1341, which satisfy the purposes detailed in Minnesota Statutes Section 298.292, subdivision 1; and

WHEREAS, the agency’s fiscal year 2022 budget includes provision for the use of certain DJJ Funds for economic development projects under a budget line item category for DJJ Business Development Projects (“**DJJ Business Development Project Funds**”); and

WHEREAS, the Commissioner has received a proposal for financial assistance from Highland Holdings LLC, dba MNSTAR Group (“**Highland Holdings**”) that, in combination with funds provided from other sources, will provide financing for the purchase of equipment that will allow Highland Holdings to expand its business and improve its operating efficiency (the “**Project**”), which is more specifically described in the Board packet materials which are attached hereto and incorporated by reference as Exhibit A; and

WHEREAS, the Commissioner has requested the Board to recommend the expenditure of up to \$230,592 of DJJ Business Development Project Funds to purchase a participation interest in a bank loan to Highland Holdings, which is being made as part of a \$461,185 total investment to finance the cost of the Project, with the participation interest to be acquired on the terms and subject to the conditions set forth in Exhibit A and as otherwise discussed at the board 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 March 29, 2022, and recommended approval of the requested financial assistance for the Project; and

WHEREAS, the Board met in open session via interactive technology on April 5, 2022, at 6:00 p.m. in accordance with the authority for such method of meeting provided under Minnesota Statutes Section 13D.015, to consider, among other matters, Highland Holdings' request for financial assistance for the Project and has determined that it would be in the public interest to recommend the expenditure of DJJ Development Project Funds for the Project, and that the granting of the requested financial assistance would promote economic development in the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby recommends the expenditure of up to \$230,592 of DJJ Business Development Project Funds to purchase a participation interest in a bank loan to Highland Holdings to finance a portion of the cost of the Project, with such participation interest to be purchased on the terms and subject to the conditions set forth in Exhibit A and in the agency's standard participation loan forms, including the provisions customarily contained therein that require 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 ADVISORY BOARD THIS 5TH DAY OF APRIL 2022.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk	X			
Senator Justin Eichorn	X			
Senator Carrie Ruud	X			
Senator David Tomassoni	X			
Representative Rob Ecklund	X			
Representative Spencer Igo	X			
Representative Dave Lislegard	X			
Representative Dale Lueck	X			
Representative Julie Sandstede	X			
TOTAL	9	0	0	0



Signed: _____
 Senator David Tomassoni, Chair

**Highland Holdings LLC, dba MNSTAR Group
 1251 Autumn Lane
 Bovey, Minnesota 55709**

**Department of Iron Range Resources and Rehabilitation
 Participation Loan**

Applicant:	Highland Holdings LLC, dba MNSTAR Group
Project Location:	1251 Autumn Lane Bovey, Minnesota 55709

Applicant:	Highland Holdings LLC, dba MNSTAR Group	
Principal(s):	George W. Klus, CEO	
Project Description:	<p>This \$461,185 project will allow MNSTAR Group to purchase 3 pieces of equipment:</p> <ol style="list-style-type: none"> 1. Komax Alpha 530- Wire Processing Machine 2. Komax Kappa 350- Cable Process Machine 3. Komax DPS 272- Double Pot Cable Coiler 	
Market Opportunity:	Purchase of equipment will allow MNSTAR to offer a full line of automated wire cutting/assembly equipment to meet customer needs. Equipment will improve efficiency, which in turn will improve company margins.	
Project Investment:	CorTrust Bank	\$230,593
	120-month amortization	
	IRRRB Formula rate 120-month amortization	\$230,592
	TOTAL	\$ <u>461,185</u>
Jobs:	<p>10 Planned New 40 Retained Wages \$14 - \$43.27 per hour or \$29,120 to \$90,000 per year plus benefits</p>	
Collateral:	Shared first position lien on the equipment financed, blanket lien on assets of the borrower, and the personal guarantee of George Klus.	
Business History:	<p>Purchased by George Klus and Highland Holdings LLC in September of 2020, MNSTAR Technologies was founded in 1993 in Grand Rapids, MN. MNSTAR has grown to be the industry leader in custom wire harness and electrical system solutions. MNSTAR Group serves a wide range of industries and manufacturers across the US and is known for delivering high-quality products, customer-focused solutions, and unparalleled customer service and reliability.</p>	
Past IRRRB History:	None	
Contingencies:	None	
Technical Advisory Committee Recommendation:	The TAC recommended approval at its March 29, 2022 meeting.	
Funding Authorization:	<p>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 298.291-298.297) pertaining to expenditures</p>	

Applicant:	Highland Holdings LLC, dba MNSTAR Group
	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 as defined in Minnesota Statutes Section 273.1341.

6) Reynolds Manufacturing, Inc. dba Northland Machine, Inc./Reynolds Enterprises, LLC – Resolution No. 22-020

Representative Julie Sandstede moved that the Board recommended an expenditure of up to \$450,000 of DJJ Business Development Project Funds to purchase a participation interest in a bank loan to Reynolds Manufacturing and to recommend the expenditure of \$560,000 of DJJ Business Development Project Funds to purchase a participation interest in a bank loan to Reynolds Enterprises, as presented in Resolution No. 22-020. Seconded by Representative Dale Lueck. Motion carried.

Laureen Hall took a roll call vote.

Voting in Favor of the Motion: Representative Rob Ecklund, Representative Spencer Igo, Representative Dave Lislegard, Representative Dale Lueck, Representative Julie Sandstede, Senator Tom Bakk, Senator Justin Eichorn, Senator Carrie Ruud, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

**IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD
OF THE STATE OF MINNESOTA
DOUGLAS J JOHNSON ECONOMIC PROTECTION TRUST FUND
PURCHASE OF PARTICIPATION INTERESTS IN LOANS
FOR THE REYNOLDS PROJECTS**

Resolution No.: 22-020

WHEREAS, the Commissioner is authorized to expend, after consultation with the Iron Range Resources and Rehabilitation Advisory Board (“**Board**”), the Douglas J. Johnson Economic Protection Trust Fund monies made available under Minnesota Statutes Sections 298.291-298.297 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 (“**TAA**”), as that term is defined in Minnesota Statutes Section 273.1341, which satisfy the purposes detailed in Minnesota Statutes Section 298.292, subdivision 1; and

WHEREAS, the agency’s fiscal year 2022 budget includes provision for the use of certain DJJ Funds for economic development projects under a budget line item category for DJJ Business Development Projects (“**DJJ Business Development Project Funds**”); and

WHEREAS, the Commissioner has received a proposal for financial assistance from Reynolds Manufacturing, Inc., dba Northland Machine, Inc. ("**Reynolds Manufacturing**") that, in combination with funds provided from other sources, will providing financing for the purchase of 100% of the assets of Northland Machine, Inc. (the "**Reynolds Manufacturing Project**"), which is more specifically described in the Board packet materials which are attached hereto and incorporated by reference as Exhibit A; and

WHEREAS, the Commissioner has also received a proposal for financial assistance from Reynolds Enterprises LLC ("**Reynolds Enterprises**") that, in combination with funds provided from other sources, will providing financing to purchase the real estate of Northland Machine, Inc. (the "**Reynolds Enterprises Project**"), which is more specifically described in the Board packet materials which are attached hereto and incorporated by reference as Exhibit B; and

WHEREAS, the Commissioner has requested the Board to recommend the expenditure of up to \$450,000 of DJJ Business Development Project Funds to purchase a participation interest in a bank loan to Reynolds Manufacturing, which is being made as part of a \$1,400,000 total investment to finance the cost of the Reynolds Manufacturing Project, with the participation interest to be acquired on the terms and subject to the conditions set forth in Exhibit A and as otherwise discussed at the board meeting; and

WHEREAS, the Commissioner has requested the Board to recommend the expenditure of up to \$560,000 of DJJ Business Development Project Funds to purchase a participation interest in a bank loan to Reynolds Enterprises, which is being made as part of a \$1,720,000 total investment to finance the cost of the Reynolds Enterprises Project, with the participation interest to be acquired on the terms and subject to the conditions set forth in Exhibit B and as otherwise discussed at the board meeting; and

WHEREAS, the Reynolds Manufacturing Project and the Reynolds Enterprises Project shall be collectively referenced hereafter as the "Reynolds Projects"; 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 proposed projects, met on March 29, 2022, and recommended approval of the requested financial assistance for the Reynolds Projects; and

WHEREAS, the Board met in open session via interactive technology on April 5, 2022, at 6:00 p.m. in accordance with the authority for such method of meeting provided under Minnesota Statutes Section 13D.015, to consider, among other matters, the Reynolds Projects' request for financial assistance and has determined that it would be in the public interest to recommend the expenditure of DJJ Business Development Project Funds for the Reynolds Projects, and that the granting of the requested financial assistance would promote economic development in the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby recommends the expenditure of up to \$1,010,000 of DJJ Business Development Project Funds to purchase participation interests in bank loans in support of the Reynolds Projects, with such participation interest to be purchased on the terms and subject to the conditions set forth in Exhibit A and Exhibit B and in the agency's standard participation loan forms, including the provisions customarily contained therein that require 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 ADVISORY BOARD THIS 5TH DAY OF APRIL 2022.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk	X			
Senator Justin Eichorn	X			
Senator Carrie Ruud	X			
Senator David Tomassoni	X			
Representative Rob Ecklund	X			
Representative Spencer Igo	X			
Representative Dave Lislegard	X			
Representative Dale Lueck	X			
Representative Julie Sandstede	X			
TOTAL	9	0	0	0



Signed: _____
Senator David Tomassoni, Chair

Reynolds Manufacturing, Inc. DBA Northland Machine, Inc.
5539 Cameron Ave NE
Buffalo, MN 55313

**Department of Iron Range Resources and Rehabilitation
Participation Loan**

Applicant:	Reynolds Manufacturing, Inc.	
Project Location:	35234 US Hwy 2, Grand Rapids, MN 55744	
Principal(s):	John Reynolds	
Project Description:	John Reynolds (Reynolds Manufacturing, Inc.) is purchasing 100% of the assets of Northland Machine, and Reynolds Enterprises, LLC is purchasing the real estate. New ownership will secure the retention of the existing staff. Without this new ownership, one option was to liquidate the assets.	
Market Opportunity:	The industry demand for precision machined parts remains strong. New experienced ownership in the industry combined with a seasoned staff has great growth potential for the company.	
Project Investment:	IRRR- 120-month amortization – Negotiated rate	\$450,000.00
	Security State Bank - 120-month amortization – Negotiated rate	\$450,000.00

Applicant:	Reynolds Manufacturing, Inc.	
	John Reynolds – Equity	\$300,000.00
	Security State Bank – LOC	\$200,000.00
	TOTAL	<u>\$1,400,000.00</u>
Jobs:	<u>7-9 over two years</u> Planned New <u>29</u> Retained Wages <u>\$18 to \$38 /hr</u> - <u>\$38,000 to \$80,000</u> per year plus benefits	
Collateral:	Secured by all accounts, inventory and equipment, and the personal guarantee of John Reynolds.	
Business History:	In 1980 on the edge of Grand Rapids, the first machine for was purchased and parts started their journey from raw steel to usable product. The next nine years saw steady growth and steady demand for machining services. The business venture was a success and Northland Machine became incorporated in 1989. As the word spread and sales continued to increase, Northland Machine was quickly outgrowing its walls. A perfect piece of land on the bluffs of the Mississippi was available and purchased by Northland Machine, Inc. in 1994 and is their current home today. New owner - Reynolds Manufacturing, Inc. was incorporated on 12/15/21.	
Past Agency History:	None.	
Contingencies:	None	
Technical Advisory Committee Recommendation:	The TAC recommended approval at its March 29, 2022.	
Funding Authorization:	Douglas J. Johnson Economic Protection Trust Fund: This project is authorized under the provision of the Douglas J Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291 – 298.297) 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 purpose of job creation and economic development within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.	

**Reynolds Enterprises, LLC
5539 Cameron Ave NE
Buffalo, MN 55313**

**Department of Iron Range Resources and Rehabilitation
Participation Loan**

Applicant:	Reynolds Enterprises, LLC	
Project Location:	35234 US Hwy 2, Grand Rapids, MN 55744	
Principal(s):	John Reynolds	
Project Description:	John Reynolds (Reynolds Manufacturing, Inc.) is purchasing 100% of the assets of Northland Machine, and Reynolds Enterprises, LLC is purchasing the real estate. New ownership will secure the retention of the existing staff. Without this new ownership, one option was to liquidate the assets.	
Market Opportunity:	The industry demand for precision machined parts remains strong. New experienced ownership in the industry combined with a seasoned staff has great growth potential for the company.	
Project Investment:	IRRR- 240-month amortization – Negotiated rate	\$560,000.00
	Security State Bank - 240-month amortization – Negotiated rate	\$560,000.00
	Seller carry – subordinate position	\$600,000.00
	TOTAL	<u>\$1,720,000.00</u>
Jobs:	7-9 over two years Planned New <u>29</u> Retained Wages <u>\$18 to \$38 /hr</u> - <u>\$38,000 to \$80,000</u> per year plus benefits	
Collateral:	Secured by a shared first position commercial real estate mortgage and the personal guarantee of John Reynolds.	
Business History:	In 1980 on the edge of Grand Rapids, the first machine for was purchased and parts started their journey from raw steel to usable product. The next nine years saw steady growth and steady demand for machining services. The business venture was a success and Northland Machine became incorporated in 1989. As the word spread and sales continued to increase, Northland Machine was quickly outgrowing its walls. A perfect piece of land on the bluffs of the Mississippi was available and purchased by Northland Machine, Inc. in 1994 and is their current home today. New owner - Reynolds Enterprises, LLC was organized on 6/3/2020.	

Applicant:	Reynolds Enterprises, LLC
Past Agency History:	None.
Contingencies:	None
Technical Advisory Committee Recommendation:	The TAC recommended approval at its March 29, 2022 meeting.
Funding Authorization:	Douglas J. Johnson Economic Protection Trust Fund: This project is authorized under the provision of the Douglas J Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291 – 298.297) 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 purpose of job creation and economic development within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.

a) FY22 Development and Community Infrastructure Projects – Resolution No. 22-021

Senator Tom Bakk moved that the Board recommended an expenditure of up to \$2,603,689 for ten community and development infrastructure projects; \$1,346,689 for the proposed projects would be expended from Public Works-TEPF Funds and \$1,257,000 for the proposed projects would be expended from Public Works-DJJ Corpus Funds, as presented in Resolution No. 22-021. Seconded by Representative Dave Lislegard. Motion carried.

Laureen Hall took a roll call vote.

Voting in Favor of the Motion: Representative Rob Ecklund, Representative Spencer Igo, Representative Dave Lislegard, Representative Dale Lueck, Representative Julie Sandstede, Senator Tom Bakk, Senator Justin Eichorn, Senator Carrie Ruud, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

**IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD
OF THE STATE OF MINNESOTA
FY22 PUBLIC WORKS PROJECT RECOMMENDATIONS**

Resolution No.: 22-021

WHEREAS, pursuant to the agency's approved fiscal year 2022 ("FY22") budget, the Commissioner is authorized to expend up to \$6,500,000 for development and community infrastructure projects, for the benefit of the Taconite Assistance Area as defined in Minnesota Statutes Section 273.1341 ("**TAA**"), from the line item for Public Works funded through the Taconite Area Environmental Protection Fund as authorized by Minnesota Statutes Section 298.223 ("**Public Works-TEPF Funds**"), of which \$5,153,311 has already been obligated for projects by prior Board actions, leaving \$1,346,689 that has not yet been recommended by the Board for expenditure during FY22; and

WHEREAS, pursuant to the agency's approved fiscal year 2022 ("FY22") budget, the Commissioner is authorized to expend up to \$2,000,000 for the benefit of the TAA for development and community infrastructure projects from the corpus of the Douglas J. Johnson Economic Protection Trust Fund as authorized by Minnesota Statutes Sections 298.292, subdivision 1, and 298.296, subdivision 2(d) ("**Public Works-DJJ Corpus Trust Funds**"), of which \$742,850 has already been obligated for projects by prior Board actions, leaving \$1,257,150 that has not yet been recommended by the Board for expenditure during FY22; and

WHEREAS, the Commissioner has received proposals for the expenditure of up to \$2,603,689 for ten community and development infrastructure projects, which are more fully described in Exhibit A, which is attached hereto and incorporated by reference (collectively the "**Proposed Projects**"); and

WHEREAS, \$1,346,689 for the Proposed Projects would be expended from Public Works- TEPF Funds and \$1,257,000 for the Proposed Projects would be expended from Public Works-DJJ Corpus Funds as provided in Exhibit A; and

WHEREAS, the Board met in open session via interactive technology on April 5, 2022, at 6:00 p.m. in accordance with the authority for such method of meeting provided under Minnesota Statutes Section 13D.015 to consider, among other matters, the Proposed Projects and has determined that the expenditure of Public Works-TEPF Funds and Public Works-DJJ Corpus Trust Funds for the purposes and in the amounts specified in Exhibit A would be in the public interest and promote economic development within the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby recommends the expenditure of up to \$1,346,689 of FY22 Public Works-TEPF Funds and \$1,257,000 of FY22 Public Works-DJJ Corpus Trust Funds 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 recommendation for the expenditure of funds for all of the Proposed Projects, including those Proposed Projects which 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 recommendation for the expenditure of all funds 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 ADVISORY BOARD THIS 5TH DAY OF APRIL 2022.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk	X			
Senator Justin Eichorn	X			
Senator Carrie Ruud	X			
Senator David Tomassoni	X			
Representative Rob Ecklund	X			
Representative Spencer Igo	X			
Representative Dave Lislegard	X			
Representative Dale Lueck	X			
Representative Julie Sandstede	X			
TOTAL	9	0	0	0



Signed: _____
Senator David Tomassoni, Chair

DEVELOPMENT INFRASTRUCTURE

City of Grand Rapids

Grant Amount: \$350,000

The project consists of infrastructure, sitework and facility expansion for All Season Vehicles (ASV) located in Grand Rapids. ASV is an industry leader in compact equipment production, sales and parts distribution. ASV currently occupies 300,000 square feet of production and warehouse space on a 27-acre campus. The proposed project involves a significant expansion of the Grand Rapids production facility with the addition of a 60,000-square-foot high-bay warehouse, site improvements, assembly layout modifications, additional equipment and staffing. The project is expected to create 363 permanent jobs and 32 construction jobs.

USES		SOURCES	
Infrastructure and site work	\$589,000	Iron Range Resources & Rehabilitation (DJJ)	\$350,000
Facility construction	4,183,000	DEED	400,000
Equipment	3,886,000	Iron Range Resources & Rehabilitation (loan)	1,000,000
Contingency	244,000	City of Grand Rapids	234,000

A&E	107,500	Itasca County	186,000
Training	400,000	Minnesota Investment Fund	450,000
		Private	6,789,500
TOTAL	\$9,409,500	TOTAL	\$9,409,500

City of LaPrairie

Grant Amount: \$312,000

The project consists of water, sewer and roads for a new recreational vehicle park and campground in LaPrairie. The development located on the Prairie and Mississippi Rivers will include 49 new campsites with access to water, electricity and sanitary sewer. The sewer and water extension into the undeveloped property will enable a future phase of residential housing development. The project is expected to create two permanent jobs and 13 construction jobs.

USES		SOURCES	
Infrastructure	\$495,124	Iron Range Resources & Rehabilitation (DJJ)	\$312,000
RV and campground construction	844,679	Private	1,635,303
A&E	276,000		
Land acquisition	193,500		
Contingency	138,000		
TOTAL	\$1,947,303	TOTAL	\$1,947,303

City of Silver Bay

Grant Amount: \$700,000

The project consists of infrastructure and roads for a planned housing and resort development. Sawtooth 16, LLC and the city of Silver Bay have entered into a development agreement to develop land into a planned unit development that will create up to 53 units of residential housing, including single-family lots, town home and tiny house rentals, approximately 110 units of commercial storage and a 2,200-square-foot event and wellness center. The overall development is estimated just under \$19 million with a 60-month build-out period. The project is expected to create three permanent jobs and 111 construction jobs.

USES		SOURCES	
Infrastructure and roads	1,323,600	Iron Range Resources & Rehabilitation (TEPF)	\$700,000
Building construction	13,139,000	Private	1,6385,860
A&E	1,218,420		
Contingency	1,000,000		
TOTAL	\$17,085,860	TOTAL	\$17,085,860

City of Virginia

Grant Amount: \$176,894

The project consists of Highway 53 intersection alignment and reconstruction at the entrance of P&H Road in Virginia. The current intersection access to P&H Road from Highway 53 is a serious safety risk. This intersection was in existence prior to the building of a new facility in 2011, which is owned by Komatsu. Mining haul trucks cross the intersection from US Steel Minntac to access Komatsu. Frequent traffic also

includes outbound oversized/heavy loads going both north and south bound from Komatsu such as electric mining shovel dippers, shovel booms and shovel frames. Employees of Komatsu (70 FTE's) and employees of Cleveland Cliffs Minorca (350 FTE's) also use the intersection. Komatsu is a manufacturer of large mining equipment for the Iron Range region of Minnesota and Michigan. Komatsu also manufactures large structure components that ship out of the Virginia, Minnesota facility to Canada and the Western United States. The project is expected to create three construction jobs.

USES		SOURCES	
Intersection reconstruction	\$469,404	Iron Range Resources & Rehabilitation (TEPF)	\$176,894
		MNDOT	277,510
		City of Virginia	5,000
		Komatsu	10,000
TOTAL	\$469,404	TOTAL	\$469,404

COMMUNITY INFRASTRUCTURE

Goodland Township

Grant Amount: \$20,000

The project consists of replacement of the heating and cooling system in the Goodland Community Center. The center was built in 1990 and has the original HVAC system. The system has had numerous repairs and is beyond its useful life. The community center serves as the hub for Goodland Township and provides space for government business, community gatherings, election polling and voting, and emergency disaster relief shelter. The project is expected to create one construction job.

USES		SOURCES	
HVAC and facility upgrades	\$68,880	Iron Range Resources & Rehabilitation (DJJ)	\$20,000
		Goodland Township	48,880
TOTAL	\$68,880	TOTAL	\$68,880

City of Ely

Grant Amount: \$250,000

The project consists of water line relocation and replacement for Ely School District's campus reconstruction project. The water mains that serve the campus are over one hundred years old and inadequate to meet the campus's fire protection and demand needs. During the planning of the school project, it was discovered that there are unacceptable levels of lead in the drinking water servicing the campus students and staff. With additional testing it was determined that the source may be the existing water lines on campus that serve the buildings. The city of Ely and ISD 696 have worked with the Minnesota Department of Health to identify a solution to address the health concern. They have determined that the best resolution is to replace the cast iron water line servicing the campus with new larger ductile iron lines that will provide adequate water supply as well as correct the current lead issues. The project is expected to create four construction jobs.

USES		SOURCES	
Water main relocation	\$613,759	Iron Range Resources & Rehabilitation (DJJ)	\$250,000
Contingency	74,849	ISD 696	331,345
A&E	137,737	Federal	245,000
TOTAL	\$826,345	TOTAL	\$826,345

City of Keewatin**Grant Amount: \$180,734**

The project consists of the construction of a new sewer line from Keewatin to Nashwauk. The city of Keewatin's existing mechanical wastewater facility requires significant upgrades. As a more cost-effective and viable alternative to rehabilitating the existing facility, Keewatin's flows will be routed to a regional expanded wastewater facility in the city of Nashwauk. The project is expected to create 16 construction jobs.

USES		SOURCES	
Sewer line construction	2,107,329	Iron Range Resources & Rehabilitation (TEPF)	\$180,734
Contingency	90,386	PFA PSIG	1,844,481
A&E	407,500	DEED	580,000
TOTAL	\$2,605,215	TOTAL	\$2,605,215

City of Marble**Grant Amount: \$325,000**

The project consists of construction of a new water tower. This includes the design and construction of a 75,000-gallon elevated water tank, removal of the existing tank, associated site work (including water main modifications, tree clearing, foundation work and access road construction), and the installation of a city-wide metering system. The project is expected to create 10 construction jobs.

USES		SOURCES	
Water tank construction	\$1,047,010	Iron Range Resources & Rehabilitation (DJJ)	\$325,000
Water meters	250,000	USDA (loan)	944,711
Contingency	129,701	USDA (grant)	325,000
A&E	168,000		
TOTAL	\$1,594,711	TOTAL	\$1,594,711

City of Orr**Grant Amount: \$74,859**

The project consists of lift station rehabilitation to improve service to residents and replacement of a force main to reduce inflow and infiltration issues. Replacement of the lift station and force main will provide a more stable flow to the wastewater treatment plant. During a high flow event, a slower pumping rate but longer pumping time would make the treatment of wastewater more consistent and less likely to violate required treatments limits. Failure of the lift station will contaminate ground water and cause a sewage backup in the homes it services. The plan is to replace the pumps and convert the dry well to a wet well. The project is expected to create two construction jobs.

USES		SOURCES	
Lift station and force main construction	\$172,750	Iron Range Resources & Rehabilitation (TEPF)	\$74,859
Contingency	17,275	CDBG	90,000
A&E	34,550	City of Orr	59,716
TOTAL	\$224,575	TOTAL	\$224,575

City of Silver Bay**Grant Amount: \$214,202**

The project consists of excavation, installation of a water main, hydrants, curb stops, sanitary sewer main, sanitary lift station, gravel and site work. The extension of public infrastructure to Bayview Park will provide the opportunity for a housing development project. The project is expected to create 10 construction jobs.

USES		SOURCES	
Infrastructure and site work	\$1,145,125	Iron Range Resources & Rehabilitation (TEPF)	\$214,202
Contingency	114,512	City	1,226,435
A&E	181,000		
TOTAL	\$1,440,637	TOTAL	\$1,440,637

7) FY22 Regional Trails Projects – Resolution #22-022

Representative Dale Lueck moved that the Board recommend an expenditure of up to \$281,115 of Regional Trails Program Project Funds for 5 regional trails projects, as presented in Resolution No. 22-022. Seconded by Senator Carrie Ruud. Motion carried.

Laureen Hall took a roll call vote.

Voting in Favor of the Motion: Representative Rob Ecklund, Representative Spencer Igo, Representative Dave Lislegard, Representative Dale Lueck, Representative Julie Sandstede, Senator Tom Bakk, Senator Justin Eichorn, Senator Carrie Ruud, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

**IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD
OF THE STATE OF MINNESOTA
DOUGLAS J. JOHNSON ECONOMIC PROTECTION TRUST FUND
FY22 REGIONAL TRAILS PROJECT RECOMMENDATIONS**

Resolution No.: 22-022

WHEREAS, pursuant to the agency's approved fiscal year 2022 ("FY22") budget, the Commissioner is authorized to expend up to \$3,500,000 for regional trails projects from the corpus of the Douglas J. Johnson Economic Protection Trust Fund as authorized by Minnesota Statutes Sections 298.292, subdivision 1, and 298.296, subdivision 2(c) ("**Regional Trails Program Funds**") for the benefit of the Taconite Assistance Area as defined in Minnesota Statutes Section 273.1341 ("**TAA**"); and

WHEREAS, \$2,390,861 of Regional Trails Program Funds have already been obligated for projects by prior Board recommendations, leaving \$1,109,139 available for expenditure on additional projects during FY22; and

WHEREAS, the Commissioner has received proposals for the expenditure of up to \$281,115 for 5 regional trails projects, which are more fully described in Exhibit A, which is attached hereto and incorporated by reference (collectively the “**Proposed Projects**”); and

WHEREAS, the Board met in open session via interactive technology on April 5, 2022, at 6:00 p.m. in accordance with the authority for such method of meeting provided under Minnesota Statutes Section 13D.015, to consider, among other matters, the Proposed Projects and has determined that the expenditure of Regional Trails Program Funds for the purposes and in the amounts specified would be in the public interest and promote economic development within the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby recommends the expenditure of up to \$281,115 of Regional Trails Program Funds 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 recommendation for the expenditure of all funds for the Proposed Projects, including those Proposed Projects which 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 recommendation for the expenditure of all funds 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 ADVISORY BOARD THIS 5TH DAY OF APRIL 2022.

Member	Aye	Nay	Abstain	Excused
Senator Tom Bakk	X			
Senator Justin Eichorn	X			
Senator Carrie Ruud	X			
Senator David Tomassoni	X			
Representative Rob Ecklund	X			
Representative Spencer Igo	X			
Representative Dave Lislegard	X			
Representative Dale Lueck	X			
Representative Julie Sandstede	X			
TOTAL	9	0	0	0



Signed: _____
Senator David Tomassoni, Chair

REGIONAL TRAILS PROJECTS

Iron Range Tourism Bureau

Grant Amount: \$100,000

This grant is for funding the Northern St. Louis County Trails Task Force Small Trail Projects grant program, which is administered by the Iron Range Tourism Bureau (IRTB). Grants were formerly awarded to fund this program in fiscal years 2020 for \$50,000, and 2021 for \$50,000. The IRTB has done a commendable job in leveraging and administering their grant dollars and have provided grant support to 22 small trail projects. The IRTB small trail grants have been crucial in funding projects that are often not eligible for other larger and complicated grants, and have supported ATV, snowmobile, hiking, nordic skiing, and biking projects.

USES		SOURCES	
Costs relating to trail and trail facility/amenity projects	\$200,000	Iron Range Resources & Rehabilitation	\$100,000
		Applicant	\$100,000
TOTAL	\$200,000	TOTAL	\$200,000

City of Eveleth

Grant Amount: \$21,378

This grant is for phase one of the Fayal Pond trail project. This phase is to reroute, redesign and construct a new trail on the southeast side of the pond. The current trail is in disrepair and during certain times of the year this section is completely under water and cannot be utilized. The new trail will be relocated to higher and more stable ground. This section also has subgrade issues due to the poor original subgrade construction, with rocks pushing through the bituminous surface, making the trail unsafe. The new design and construction of the trail will be engineered to modern day engineering best practices. The City of Eveleth's Fayal Pond area is a popular attraction for the residents and travelers to utilize the restrooms, walk a pet, have a picnic, exercise, or hiking around Fayal Pond along the blacktop trails and the floating bridge that connects the northside to the southeast side of the park.

USES		SOURCES	
Construction & Engineering Costs	\$42,575	Iron Range Resources & Rehabilitation	\$21,378
		Applicant	\$21,379
TOTAL	\$42,757	TOTAL	\$42,757

Blackberry Township

Grant Amount: \$29,737

Blackberry Township is located along Highway 2, just west of the City of Warba and east of LaPrairie. The grant is to develop a three-quarter mile long walking and hiking trail throughout a heavily wooded and under-used area in the township park. The township park is used by residents and adjacent communities, and the trail will provide a safe environment for hikers opposed to walking along Highway 2 or other high-traffic roads in the township. The creation of the new trail adds to the current amenities in the park which includes a town hall, pavilion, playground, ball field, and hockey rink.

USES		SOURCES	
Trail Construction	\$59,475	Iron Range Resources & Rehabilitation	\$29,737
		Blandin Foundation	\$29,738
TOTAL	\$59,475	TOTAL	\$59,475

Northern ATV Joint Powers Board

Grant Amount: \$50,000

The newly formed Northeast Regional ATV Joint Powers Board is an effort by St. Louis, Koochiching, and Lake Counties to create a comprehensive regional approach to planning and funding of ATV trail projects. The project is to create a master plan aimed to improve connectivity to local destinations, close gaps in the trail system, increase safety and accessibility for all trail users, support economic development, and enhance the quality of life for area residents. The master plan will help to provide clear direction to the joint powers board, ATV community and our elected officials to invest in future trail connections while fostering additional opportunities to extend and expand the trail network. This process will highlight environmental and economic benefits, as well as ATV trail connectivity for the region.

USES		SOURCES	
Master Planning	\$100,000	Iron Range Resources & Rehabilitation	\$50,000
		St. Louis County/ATV JPB	\$50,000
TOTAL	\$100,000	TOTAL	\$100,000

Itasca County

Grant Amount: \$80,000

This project is a collaboration of Itasca County, the Leach Lake Band of Ojibwe and the City of S. Lake. This is the second phase of the project. The first phase was constructed in 2016 and included the development of the Alvwood to S. Lake ATV and pedestrian trail. The current project is a non-motorized bituminous trail located within the right-of-way of Trunk Highway 46 within the city of S. Lake. The new trail will establish a much-needed safe route for pedestrians that provides a connection to businesses and other community services. This phase of the project is partially funded by a Federal Regional Trails Program grant (F RTP), and due to environmental delays, must be completed by June 30, 2022 to utilize the F RTP funding.

USES		SOURCES	
Trail Construction	\$200,000	Iron Range Resources & Rehabilitation	\$80,000
		Federal Recreational Trails Program	\$120,000
TOTAL	\$200,000	TOTAL	\$200,000

8) Adjournment

The meeting adjourned at 7:02 p.m.