

# **Meeting of the Iron Range Resources and Rehabilitation Board**

**Monday, August 15, 2022 – 1:00 p.m.**

**A special meeting of the Iron Range Resources & Rehabilitation Board will be held at the Minnesota Department of Iron Range Resources and Rehabilitation's Administration Building at 4261 Hwy 53 South in Eveleth. Pursuant to Minnesota Statutes Section 13D.015, some Board members may participate by interactive technology.**

***Access to view the meeting via interactive technology along with the written materials provided to Board members will be made available on the Department of Iron Range Resources and Rehabilitation's website:  
MN.GOV/IRRRB.***

**Meeting of the Iron Range Resources and Rehabilitation Board**  
**Iron Range Resources and Rehabilitation – Eveleth, MN**  
**Monday, August 15, 2022 – 1:00 p.m.**

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**MEETING OF THE IRON RANGE RESOURCES  
AND REHABILITATION BOARD**  
**Iron Range Resources and Rehabilitation – Eveleth, MN**  
**Monday, August 15, 2022 – 1:00 p.m.**

*Pursuant to Minnesota Statutes Section 13D.015, some Board members may participate by interactive technology.*

**AGENDA**

- 1) Call to Order
- 2) Roll Call
- 3) Election of Chair
- 4) Approval of June 7, 2022, Minutes  
*See Addendum A*
- 5) Commissioner's Comments
- 6) FY23 Budget Amendment/Canisteo Pit
- 7) Other
- 8) Adjournment

## Canisteo Pit



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

Date: 8/15/2022

To: Iron Range Resources and Rehabilitation Board

From: Mark Phillips  
Commissioner

RE: **CANISTEO PIT**

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### Project:

The Canisteo Pit located on the west end of the Mesabi Iron Range is at risk of rising water and poses a threat to local residences in Bovey. The Minnesota Department of Natural Resources (DNR) and Iron Range Resources and Rehabilitation (IRRR) recognized the risks posed with the rising water and therefore have supported legislative efforts to fund the construction and operation of a water management project to solve the issue.

House File 4423 and its companion bill Senate File 4052, both of which were introduced in the legislature by many IRRR board members, would have provided the necessary funding for the real estate costs, permitting and construction of a managed outlet to address the rising water at the Canisteo Pit. The bill would have established a fund for ongoing operation and maintenance to the outlet into the future. The legislature adjourned prior to completion on the bill, leaving the Canisteo Pit project unfunded.

### Proposal:

The current proposal is for IRRR funding to establish and implement contingency pumping on or before October 1 at the Canisteo Pit to prevent flooding until the permanent solution is funded and implemented. The pumping will help prepare the pit for future construction of a permanent outlet solution which will require legislative funding to construct, operate, and manage the outlet.

### Cost Breakdown:

- 1) Estimated expenses, including installation and operations \$710,000 (includes purchase of screens and contingency).

Total Request: \$710,000

The project will be managed by the DNR in conjunction with IRRR. The agency will work with the Governor's Office and seek reimbursement of the funding from the legislature when the overall project is completed.

**ADDENDUM A**  
**IRRRB Meeting Minutes**  
**Monday, June 7, 2022 – 1:00 p.m.**  
**(Pursuant to Minnesota Statutes Section 13D.015, some Board members participated by interactive technology.)**

**1) Roll Call**

Representative Rob Ecklund, Vice Chair, called the meeting to order at approximately 1:03 p.m. Laureen Hall took roll call. Present: Senator Tom Bakk, Representative Dale Lueck, Representative Julie Sandstede, Representative Spencer Igo. Present via ZOOM video: Representative Dave Lislegard, Senator Carrie Ruud, Senator Justin Eichorn, Senator David Tomassoni. Excused: None. Minute Taker: Laureen Hall, Executive Aide. Also present: Mark Phillips, Commissioner; Jason Metsa, Deputy Commissioner (via ZOOM); Matt Sjoberg, Executive Director of Development; Chris Ismil, Community Development Representative; Roy Smith, Talent Development Director; Bob Scuffy, Accounting Director; Whitney Ridlon, Community Development Representative, Sheryl Kochevar, Communications Director; Linda Johnson, Mining and Reclamation Director; Jim Plummer, Trails Coordinator; Janette Godec, Executive Assistant.

**2) Approval of the April 5, 2022, Minutes**

Representative Julie Sandstede moved approval of the April 5, 2022, meeting minutes. Seconded by Representative Spencer Igo. Motion carried.

**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 David Tomassoni

**Voting Against the Motion:** None

**Abstain:** None

**Excused:** Senator Carrie Ruud

**3) FY22 Budget Amendment – Resolution No. 22-023**

Representative Dale Lueck moved to approve an amendment to the Fiscal Year 2022 Budget to add \$5,650,000 from the corpus of the Douglas J. Johnson Economic Protection Trust Fund to the line item for Public Works-DJJ Corpus, which would increase the line item for Public works-DJJ Corpus Trust from \$2,000,000 to \$7,650,000 as presented in Resolution No. 22-023. Seconded 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 David Tomassoni

**Voting Against the Motion:** None

**Abstain:** None

Excused: Senator Carrie Ruud

**IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD  
OF THE STATE OF MINNESOTA  
FISCAL YEAR 2022 AGENCY BUDGET AMENDMENT APPROVAL**

**Resolution No.: 22-023**

**WHEREAS**, the Board and Governor have previously approved a Fiscal Year 2022 ("FY22") Department of Iron Range Resources and Rehabilitation agency budget pursuant to the provisions of Minnesota Statutes Section 298.22, subdivision 11, for the funding of the operational expenditures, programs and projects of the agency, which covered the period of time from July 1, 2021 through June 30, 2022 (the "FY22 Budget"); and

**WHEREAS**, the Commissioner has requested the Board to approve an amendment to the FY22 Budget to add \$5,650,000 from the corpus of the Douglas J. Johnson Economic Protection Trust Fund to the line item for Public Works-DJJ Corpus, which would increase the line item for Public Works-DJJ Corpus Trust from \$2,000,000 to \$7,650,000 (the "Proposed Budget Amendment"); and

**WHEREAS**, the Board met in open session at 1:00 p.m. on June 7, 2022, at the agency's Administration Building located near Eveleth, Minnesota, with some members participating via interactive technology as authorized by Minnesota Statutes Section 13D.015, to consider, among other matters, the Proposed Budget Amendment and determined that amending the FY22 Budget as proposed would be in the best interest of and help promote the mission of the agency.

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, that the Board approves the Proposed Budget Amendment.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 7<sup>TH</sup> DAY OF JUNE 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			
<b>TOTAL</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>1</b>



Signed: \_\_\_\_\_  
Senator David Tomassoni, Chair

**4) FY22 Development, Broadband and Community Infrastructure Projects – Resolution No. 22-024**

Senator David Tomassoni moved that the Board recommend an expenditure of up to \$5,650,000 of FY22 Public Works-DJJ Corpus Trust Funds to provide grants for development, broadband and community infrastructure projects, as detailed in Exhibit A of Resolution No. 22-024. 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  
FY22 PUBLIC WORKS PROJECT RECOMMENDATIONS**

**Resolution No.: 22-024**

**WHEREAS**, pursuant to the agency’s approved fiscal year 2022 (“FY22”) budget, as amended pursuant to Board Resolution No. 22-023, the Commissioner is authorized to expend up to \$7,650,000 for the benefit of the TAA for broadband, 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 \$2,000,000 has already been obligated for projects by prior Board actions, leaving \$5,650,000 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 \$5,650,000 for broadband, 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**, the Board met in open session at 1:00 p.m. on June 7, 2022, at the agency’s Administration Building located near Eveleth, Minnesota, with some members participating via interactive technology as authorized by Minnesota Statutes Section 13D.015, to consider, among other matters, the Proposed Projects and has determined that the expenditure of 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 \$5,650,000 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 7<sup>TH</sup> DAY OF JUNE 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			
<b>TOTAL</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>



Signed: \_\_\_\_\_  
Senator David Tomassoni, Chair

#### **EXHIBIT A**

#### **DEVELOPMENT INFRASTRUCTURE**

##### **City of Grand Rapids**

##### **Grant Amount: \$150,000**

The project consists of infrastructure and site work for Cambium Development. The Cambium Development project will utilize a cleared downtown parcel resulting from a fire in March of 2020, to construct a five-story mixed use commercial building with a restaurant and lobby on the street level, four stories (39-rooms) of boutique hotel and an arts venue in the basement level. The project is expected to create 24 permanent jobs and 77 construction jobs.

USES		SOURCES	
Infrastructure and site work	\$256,600	Iron Range Resources & Rehabilitation	\$150,000
Facility construction	9,773,000	City (tax abatement)	650,000
Equipment	759,000	Private	11,222,460
Contingency	403,360		
A&E	681,000		
Land Acquisition	149,500		
<b>TOTAL</b>	<b>\$12,022,460</b>	<b>TOTAL</b>	<b>\$12,022,460</b>

#### Itasca County

##### Grant Amount: \$100,000

The project consists of electric, water, sewer and roads for a campground redevelopment. The Itasca County Campground is located at the County Fairgrounds and has been in existence for years as a rudimentary RV and camping site. The redevelopment will allow for the construction of 41 RV sites with full pads. Thirty-seven sites will have electric, water and sewer, while four additional sites will have water and electric. The project is expected to create three construction jobs.

USES		SOURCES	
Infrastructure and campground construction	\$532,897	Iron Range Resources & Rehabilitation	\$100,000
Contingency	58,600	Itasca County	544,597
A&E	53,100		
<b>TOTAL</b>	<b>\$644,597</b>	<b>TOTAL</b>	<b>\$644,597</b>

#### City of Keewatin

##### Grant Amount: \$279,000

The project consists of infrastructure and site work for two redeveloped main street sites. Included in the redevelopment is soil contamination cleanup from a former gas station. Spire Credit Union intends to construct a new 3,000-square-foot facility in downtown Keewatin. The new modern building and drive-thru will allow for increased tax base for the city. The project is expected to create three permanent jobs and 17 construction jobs.

USES		SOURCES	
Infrastructure and roads	256,196	Iron Range Resources & Rehabilitation	\$279,000
Building construction	1,922,000	Private	2,228,522
A&E	23,057	City	41,950
Contingency	25,619	Iron Range Resources & Rehabilitation (demolition)	68,000
Land acquisition	41,100		
FF&E	280,000		
Demolition and soil contamination clean up	69,500		
<b>TOTAL</b>	<b>\$2,617,472</b>	<b>TOTAL</b>	<b>\$2,617,472</b>

**City of Virginia****Grant Amount: \$1,500,000**

The project consists of infrastructure, site work and structural reinforcement for the development of a new hotel in Virginia. The newly constructed 166,000-square-foot hotel and extended stay facility will feature 132 rooms with future development potential. The property is adjacent to the recently established 130,000-square-foot Iron Trail Motors Event Center (ITMEC). The project will help support and enhance the long-term viability of the ITMEC as a regional venue for public, business, social and recreational events. The proposed hotel will adhere to Marriott franchise requirements. The project is expected to create 19 permanent jobs and 195 construction jobs.

USES		SOURCES	
Infrastructure, site work and structural reinforcement	\$1,517,100	Iron Range Resources & Rehabilitation	\$1,500,000
Concrete and asphalt paving	2,879,500	City	635,000
Facility construction	23,258,786	City (TIF – 15 years)	4,697,340
A&E	741,214	DEED (grant)	750,000
Contingency	1,636,342	DEED (loan guaranty)	2,000,000
Land	635,000	Private	23,085,602
<b>TOTAL</b>	<b>\$30,667,942</b>	<b>TOTAL</b>	<b>\$30,667,942</b>

**BROADBAND INFRASTRUCTURE****White Township – Wynne Ridge & Rock N Pines Roads (Giants Ridge Area)****Grant Amount: \$65,000**

The project consists of expanding Mediacom fiber optic to serve up to 25 unserved households in White Township. The project is capable of speeds that will far exceed the State of Minnesota 2026 Speed Goal of 100 megabits per second download and 20 megabits per second upload. This project secured a Saint Louis County broadband grant in May of 2022. Construction is planned for completion in the fall of 2022.

USES		SOURCES	
Fiber construction	\$149,465	Iron Range Resources & Rehabilitation	\$65,000
Electronics	\$30,700	Saint Louis County	\$65,000
		Mediacom Communications	\$50,165
<b>TOTAL</b>	<b>\$180,165</b>	<b>TOTAL</b>	<b>\$180,165</b>

**Paul Bunyan Communications – Unorganized Township/Ash Lake Area (North of Orr)****Grant Amount: \$101,000**

This project consists of expanding Paul Bunyan Communication fiber optic to serve up to 75 unserved households in the Ash Lake area. The project is capable of speeds that will far exceed the State of Minnesota 2026 Speed Goal of 100 megabits per second download and 20 megabits per second upload. An application is currently under submission for a Saint Louis County broadband grant. Construction is planned for completion in the summer of 2023.

USES		SOURCES	
Fiber construction	\$212,800	Iron Range Resources & Rehabilitation	\$101,000
Electronics	\$57,200	Saint Louis County	\$101,250
		Paul Bunyan Communications	\$67,750
<b>TOTAL</b>	<b>\$270,000</b>	<b>TOTAL</b>	<b>\$270,000</b>

## COMMUNITY INFRASTRUCTURE

### City of Babbitt

#### Grant Amount: \$250,000

The project consists of phase II construction of a new wastewater treatment facility. Many components of the existing plant are more than 50 years old, and some portions of the facility are 68 years old. The facility has reached the end of its useful life, and it is not economically or technologically viable to renovate. The MPCA indicated that a new low-level mercury limit will be added to the next Babbitt plant operation permit. As such the existing wastewater treatment facility will need to be replaced and rehabilitated to be upgraded to meet the new permit limits. The project also includes lining or replacement of old sewer collection system piping. The project is expected to create 45 construction jobs.

USES		SOURCES	
Wastewater treatment facility construction	\$9,011,500	Iron Range Resources & Rehabilitation	\$250,000
Contingency	175,500	City (PFA loan)	3,700,000
A&E	1,163,000	PSIG grant	3,900,000
		WIF grant	2,500,000
<b>TOTAL</b>	<b>\$10,350,000</b>	<b>TOTAL</b>	<b>\$10,350,000</b>

### City of Bigfork

#### Grant Amount: \$250,000

The project consists of infrastructure, site work and facility construction for a community wellness center addition to the Bigfork School. The project entails adding locker room space, a community fitness and wellness room, ADA accessible public restrooms within reach from the Bigfork RiverWalk Trail and storage space for the Edge Center for the Arts. Independent School District 318 will also repurpose some of their academic/education space. The project is expected to create 19 construction jobs.

USES		SOURCES	
Facility construction	\$2,251,360	Iron Range Resources & Rehabilitation	\$250,000
Contingency	225,136	ISD 318	1,822,735
A&E	396,239	Blandin Foundation	400,000
		Itasca County	300,000
		Community Contributions	100,000
<b>TOTAL</b>	<b>\$2,872,735</b>	<b>TOTAL</b>	<b>\$2,872,735</b>

**Breitung Township****Grant Amount: \$200,000**

The project consists of water and sewer infrastructure and road reconstruction for several areas that include First Avenue/Stunz Bay Road, Poplar Street, Main Street, Church Street and Spring Road. Water meter upgrades will also be made within the community. The project is expected to create 16 construction jobs.

<b>USES</b>		<b>SOURCES</b>	
Infrastructure and road reconstruction	701,000	Iron Range Resources & Rehabilitation	\$200,000
Contingency	70,000	DNR	418,000
A&E	108,000	CDBG	90,000
Water meters	131,000	Township	302,000
<b>TOTAL</b>	<b>\$1,010,000</b>	<b>TOTAL</b>	<b>\$1,010,000</b>

**City of Chisholm****Grant Amount: \$400,000**

The project consists of phase I infrastructure and site work for the construction of a new public safety building. The current police and fire facility was built in 1908 and is not equipped to hold the existing vehicles, equipment and personnel. The new 23,000-square-foot public safety building will house fire, police and ambulance services. The facility will serve 63 emergency personnel staff and provide services to the city and the surrounding townships. The project is expected to create 26 construction jobs.

<b>USES</b>		<b>SOURCES</b>	
Infrastructure and site work	\$1,100,000	Iron Range Resources & Rehabilitation	\$400,000
Facility construction	2,246,526	City	900,000
Contingency	337,974	State bonding	950,000
A&E	315,500	Congressional earmark	1,750,000
<b>TOTAL</b>	<b>\$4,000,000</b>	<b>TOTAL</b>	<b>\$4,000,000</b>

**City of Chisholm****Grant Amount: \$400,000**

The project consists of utility replacement and road reconstruction for 5<sup>th</sup> Street SE and road re-pavement on several streets throughout the city. In addition to the street work, the city is restoring portions of the library with tuckpointing and replacing the city hall roof. The project is expected to create 16 construction jobs.

<b>USES</b>		<b>SOURCES</b>	
Infrastructure and road reconstruction	\$1,442,682	Iron Range Resources & Rehabilitation	\$400,000
Library restoration	365,383	City	1,606,615
City Hall roof	92,000	City assessments	340,410
Contingency	252,355	Department of Education	110,000
A&E	304,605		
<b>TOTAL</b>	<b>\$2,457,025</b>	<b>TOTAL</b>	<b>\$2,457,025</b>

**Chisholm HRA****Grant Amount: \$210,000**

The project consists of renovation of eight apartments. The Mapleview Apartments were constructed in 1960 and need major improvements to meet current code. The interior improvements include new heating infrastructure, insulation, sheetrock, kitchen cabinets, bath cabinets, bath and kitchen fixtures, electrical panel and wiring, plumbing and countertops. The exterior improvements include roof upgrades, insulation and venting. The project is expected to create four construction jobs.

USES		SOURCES	
Facility construction	\$565,000	Iron Range Resources & Rehabilitation	\$210,000
Contingency	57,000	Chisholm HRA	327,000
A&E	88,000	CDBG	38,000
		St. Louis County HRA	135,000
<b>TOTAL</b>	<b>\$710,000</b>	<b>TOTAL</b>	<b>\$710,000</b>

**Crane Lake Township****Grant Amount: \$250,000**

The project consists of reconstruction of Bayside Drive from Handberg Road (CR 425) to the existing Minnesota Department of Natural Resources (MNDNR) boat access point on Crane Lake. The town of Crane Lake is designating Bayside Drive as an official township road, and the reconstruction will be to county and township standards. The improvements will allow greater public access to the MNDNR boat access serving Crane Lake, Voyageurs National Park, Quetico Provincial Park and BWCAW. The safety considerations are critical with the planned increase in usage of the MNDNR boat access as a result of the new campground development and Voyageurs National Park Visitor Center development adjacent to the boat access. Crane Lake is constructing the new visitor center along the shoreline of Crane Lake. The visitor center project is fully funded at \$2.7 million, achieved by a state environmental trust fund grant awarded to the township. The land at the site was purchased by the town of Crane Lake with the assistance of a \$950,000 LCCMR grant with matching funds provided by the town. Crane Lake is also moving forward with a new RV campground adjacent to the project area. The campground project is fully funded at \$3.1 million, achieved by a grant from the environmental trust fund. The project is expected to create 16 construction jobs.

USES		SOURCES	
Road reconstruction	\$556,000	Iron Range Resources & Rehabilitation	\$250,000
Campground	3,100,000	LCCMR	3,100,000
Wetland	55,000	DNR	487,000
A&E	126,000		
<b>TOTAL</b>	<b>\$3,837,000</b>	<b>TOTAL</b>	<b>\$3,837,000</b>

**City of Ely****Grant Amount: \$150,000**

The project consists of utility work and reconstruction of Pattison Street, 9<sup>th</sup> Avenue East and 10<sup>th</sup> Avenue East. It also entails a utility extension for the new housing development (Spaulding Phase III) which includes construction of a new roadway (Sibley Court Drive) and new sanitary sewer and water mains to serve the 11 residential lots located on the cul-de-sac. The project will meet the community's needs by

providing affordable housing lots which will increase the city's tax base and reduce the overall tax burden. The project is expected to create eight construction jobs.

USES		SOURCES	
Infrastructure and street reconstruction	\$490,478	Iron Range Resources & Rehabilitation	\$150,000
Spaulding utilities and road construction	514,881	City	1,154,892
Contingency	106,976		
A&E	192,557		
<b>TOTAL</b>	<b>\$1,304,892</b>	<b>TOTAL</b>	<b>\$1,304,892</b>

### Greenway Township

#### Grant Amount: \$70,000

The project consists of ADA accessibility compliance site upgrades for the Pengilly Swan Lake Country Club and Community Center. The upgrades include a handicap accessible parking lot, restrooms and facility entrance. The project will also provide water and sewer infrastructure updates to bring the maintenance facility into OSHA compliance. The facilities serve the community of Pengilly and the surrounding area as a hub for hosting fundraisers, youth activities, social functions, and senior leagues. It is also the local food shelf site. The project is expected to create two construction jobs.

USES		SOURCES	
Infrastructure, site work and facility ADA upgrades	\$140,250	Iron Range Resources & Rehabilitation	\$70,000
		Grand Rapids Area Foundation	5,600
		Pengilly Swan Lake Country Club	64,650
<b>TOTAL</b>	<b>\$140,250</b>	<b>TOTAL</b>	<b>\$140,250</b>

### Lake Vermilion Fire Brigade

#### Grant Amount: \$165,000

The project consists of helipad development and a new docking system for Lake Vermilion Fire Brigade's emergency response. Lake Vermilion Fire Brigade provides emergency EMS and fire response on Lake Vermilion and the properties and residences comprising the shoreline surrounding the lake. The lake covers 61 square miles, has approximately 3,000 residents and hosts thousands of tourists annually. The project is expected to create one construction job.

USES		SOURCES	
Helipad construction	\$125,000	Iron Range Resources & Rehabilitation	\$165,000
Docks	80,000	Lake Vermilion Fire Brigade	40,000
<b>TOTAL</b>	<b>\$205,000</b>	<b>TOTAL</b>	<b>\$205,000</b>

### City of Mountain Iron

#### Grant Amount: \$360,000

The project consists of facility modifications to each of the Quad Cities wastewater treatment facilities. In exchange for 100 acres, Saint Louis County will provide funding for a portable belt press to be used by Eveleth, Gilbert, Mountain Iron and Virginia. Each community's wastewater treatment facilities need the modifications in order to use the portable belt press. The modifications include containment areas to

protect the environment as well as piping and electrical service to supply the belt press during operation. This project provides for regional PFOS reduction and allows the regional landfill to expand. The project is expected to create eight construction jobs.

USES		SOURCES	
Wastewater treatment facilities modifications	\$367,000	Iron Range Resources & Rehabilitation	\$360,000
Portable belt press	930,000	St. Louis County	922,000
		Quad Cities	15,000
<b>TOTAL</b>	<b>\$1,297,000</b>	<b>TOTAL</b>	<b>\$1,297,000</b>

#### City of Silver Bay

##### Grant Amount: \$250,000

The project consists of road reconstruction to East Lakeview Drive and serves the newly developed Black Beach park and campground. The project will transform a low maintenance dirt road that was not designed for intense public use into a public street with a bike lane built in accordance with Minnesota Department of Transportation standards. The project is expected to create 15 construction jobs.

USES		SOURCES	
Infrastructure and street reconstruction	\$1,792,000	Iron Range Resources & Rehabilitation	\$250,000
A&E	388,000	City	558,200
Contingency	220,000	MNDOT	1,250,000
		DNR	341,800
<b>TOTAL</b>	<b>\$2,400,000</b>	<b>TOTAL</b>	<b>\$2,400,000</b>

#### City of Virginia

##### Grant Amount: \$500,000

The project consists of phase II city-wide street reconstruction and infrastructure replacement, sidewalks, and water and sewer service lines. In November 2019 the city updated its capital improvement plan (CIP) to evaluate city-wide infrastructure and to identify short- and long-term capital improvement projects. The city's CIP identified over \$10 million in city-wide water, sewer and street improvements. The project is expected to create 39 construction jobs.

USES		SOURCES	
Infrastructure and street reconstruction	\$3,218,760	Iron Range Resources & Rehabilitation	\$500,000
A&E	563,283	City	3,603,919
Contingency	321,876		
<b>TOTAL</b>	<b>\$4,103,919</b>	<b>TOTAL</b>	<b>\$4,103,919</b>

#### 4) FY22 Regional Trails Projects – Resolution No. 22-025

Representative Dale Lueck moved that the Board recommend an expenditure of up to \$828,024 from the Regional Trails Program Funds for seven regional trails projects, as presented in Exhibit A of Resolution No. 22-025. 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 David Tomassoni

**Voting Against the Motion:** Senator Carrie Ruud

**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.: 22-025**

**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**, \$2,671,976 of Regional Trails Program Funds have already been obligated for projects by prior Board recommendations, leaving \$828,024 available for expenditure on additional projects during FY22; and

**WHEREAS**, the Commissioner has received proposals for the expenditure of up to \$828,024 for seven 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 at 1:00 p.m. on June 7, 2022, at the agency’s Administration Building near Eveleth, Minnesota, with some members participating via interactive technology as authorized by 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 \$828,024 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 7<sup>TH</sup> DAY OF JUNE 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			
<b>TOTAL</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>0</b>



Signed: \_\_\_\_\_  
Senator David Tomassoni, Chair

#### EXHIBIT A

#### **Cook County/Grand Marais Joint Economic Development Authority Grant \$25,000**

This project will rebuild old trails and create new trails within the Pincushion Mountain Bike Trail System, which is located two miles from Grand Marais, and was developed with partnerships between local cycle organizations, the Superior National Forest, and Cook County. These trails are between nine and sixteen years old, and need to be rebuilt to meet modern single-track design standards. The proposed project will improve tread drainage and traffic flow and add beginner-friendly trails. Riders will benefit from the proposed project's increased sustainability which will create more rideable days, fewer wet trail closures, and reduce maintenance due to wet trail and vegetation encroachment. The MTB trails at Pincushion Mountain Trail System are open for year-round use for biking and hiking in the summer and fat-tire biking and snowshoeing in the winter.

USES		SOURCES	
Trail construction & reconstruction	\$100,000	Iron Range Resources & Rehabilitation	\$25,000
		DNR FRTP Grant	\$75,000
<b>TOTAL</b>	<b>\$100,000</b>	<b>TOTAL</b>	<b>\$100,000</b>

**Crow Wing County****Grant \$15,000**

This project is to create a master plan to create an established and agreed upon ATV route to connect the Miller Black Bear Grant-In-Aid ATV Trail to Crosby and Ironton. The Miller Black Bear ATV Trail is a 20-mile-long trail that currently has no connections to any communities, fuel, food, lodging or any other services. Given the large scale, land use complexity, variety of ownership types and multiple route options, Crow Wing County has hired a planning firm to research and include all types of users and stakeholders, form a committee based on those user groups and stakeholders, identify as many safe routes as possible, and present all feasible routes to Crow Wing County's Natural Resource Advisory Committee, the County Board, and the Department of Natural Resources Parks and Trails Supervisor.

USES		SOURCES	
Trail master planning	\$30,000	Iron Range Resources & Rehabilitation	\$15,000
		Applicant	\$15,000
<b>TOTAL</b>	<b>\$30,000</b>	<b>TOTAL</b>	<b>\$30,000</b>

**City of Ely****Grant \$130,755**

This project is to construct part of the Bear Run Trail, which will connect to the Taconite State Trail west of Ely, head northwesterly on public lands, crossing Highway 169 and then connecting to both the Wolf Lake Road and Tamarack Resort, and to the Mud Creek Road and the resort. This will provide a positive impact to both private resorts as well as providing an important connection for the ATV riders. The funding will also allow environmental planning and design work to continue along other segments of the Prospector trail system, which is necessary before construction can begin.

USES		SOURCES	
ATV trail construction, environmental planning and design	\$280,755	Iron Range Resources & Rehabilitation	\$130,755
		State dedicated fund account	\$150,000
<b>TOTAL</b>	<b>\$280,755</b>	<b>TOTAL</b>	<b>\$280,755</b>

**Lawron Trail Riders Snowmobile Club****Grant \$40,000**

The Lawron Trail Riders Snowmobile Club is responsible for trail operation and maintenance in the Nashwauk, Taconite, Lawrence Township and Balsam Township area. The club purchased 6.8 acres of land on their trail system in 2020, and plans to develop a trailhead on the land in Lawrence Township. The trailhead will consist of a parking lot, safety training course, pavilion and signage. The inclusion of the training course is unique, and will allow new riders of all ages from throughout the area to obtain their safety training certificate.

USES		SOURCES	
Trailhead design and construction	\$139,080	Iron Range Resources & Rehabilitation	\$40,000
		DNR Trails Improvement Grant	\$99,080
<b>TOTAL</b>	<b>\$139,080</b>	<b>TOTAL</b>	<b>\$139,080</b>

**Lutsen Trailbreakers Snowmobile Club****Grant \$12,500**

This project is to rebuild several segments along the 50 miles of trails that the Lutsen Trailbreakers Snowmobile Club operates and maintains. These trails are all connected to the state trail system and provide important access to the commercial and service hub in Lutsen. The trail segments leading to and from Lutsen are critical to providing access to the larger trail system and must be rebuilt before next snowmobile season. The rebuilding of the damaged trails are beyond the capability of the local club, and requires the hiring of a professional contractor to perform the work.

USES		SOURCES	
Trail construction and reconstruction	\$25,000	Iron Range Resources & Rehabilitation	\$12,500
		Applicant	\$12,500
<b>TOTAL</b>	<b>\$25,000</b>	<b>TOTAL</b>	<b>\$25,000</b>

**City of Tower****Grant \$461,900**

This project includes expanding trail connections to and from the Tower Harbor with construction of a trailhead and parking area at the harbor and construction of an access road which incorporates a pedestrian/bike trail connection from the trailhead to the Mesabi Trail. Included is construction of a restroom, trailhead amenities and signage, and site work/landscaping. A comprehensive site plan of the Depot/Harbor area will be completed to support future construction of connecting trails from the harbor to the Mesabi Trail. This project is based upon the recently completed comprehensive Tower Area Trails Plan.

USES		SOURCES	
Design and construction of trail, trailhead, access road, restrooms and amenities	\$1,061,900	Iron Range Resources & Rehabilitation	\$461,900
		LCCMR	\$600,000
<b>TOTAL</b>	<b>\$1,061,900</b>	<b>TOTAL</b>	<b>\$1,061,900</b>

**City of Virginia****Grant \$142,869**

The Silver Lake Trail Improvement Project will focus on redesigning and rebuilding the southern and the eastern portions of the trail. The project is taking a phased approach with phase I complete, and phase II ready for construction this summer. Dangerous conditions around the southern and eastern portions of Silver Lake currently exist for pedestrians. Walkers, bikers, strollers, and other users of the Silver Lake trail conflict with motorized vehicles and the current trail runs through the Public Utilities work site. This site is a dangerous location with numerous large truck traffic traversing this area daily. When complete, the new trail will provide a safe and secure route for pedestrians around the entirety of Silver Lake.

USES		SOURCES	
Planning, engineering and construction	\$285,739	Iron Range Resources & Rehabilitation	\$142,869
		LCCMR	\$54,934
		Applicant	\$87,936
<b>TOTAL</b>	<b>\$285,739</b>	<b>TOTAL</b>	<b>\$285,739</b>

## 5) Iron Range Higher Education Account – Resolution No. 22-026

Representative Julie Sandstede moved that the Board recommend an expenditure of up to \$600,000 of Iron Range Higher Education Account Funds to provide a grant to the Northeast Higher Education District for use by the Iron Range Engineering program for the continuation of a higher education program that, in collaboration with private industry, allows students to earn a Bachelor's of Science degree in engineering from Minnesota State University Mankato, as presented in Resolution No. 22-026. 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 David Tomassoni

**Voting Against the Motion:** None

**Abstain:** None

**Excused:** Senator Carrie Ruud

### **IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD OF THE STATE OF MINNESOTA IRON RANGE HIGHER EDUCATION ACCOUNT EXPENDITURE RECOMMENDATION**

#### **Resolution No.: 22-026**

**WHEREAS**, Minnesota Statutes Section 298.28, subd. 9d allocates five cents per taxable ton of taconite taxes to the agency to be deposited in an Iron Range higher education account (“**Higher Education Account**”) to be used for higher education programs conducted at educational institutions in the Taconite Assistance Area designated in Minnesota Statutes Section 273.1341 (“**TAA**”); and

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

**WHEREAS**, pursuant to 298.28, subd. 9d, the Commissioner, after approval by the Committee and consultation with the Iron Range Resources and Rehabilitation Advisory Board (“**Board**”), approves expenditures from the Higher Education Account; and

**WHEREAS**, on May 26, 2022, the Committee met and approved the expenditure of up to \$600,000 to provide a grant to Minnesota North College for use by the Iron Range Engineering program for the continuation of a higher education program that, in collaboration with private industry, allows students to earn a Bachelor's of Science degree in engineering from Minnesota State University Mankato (“**Proposed Expenditure**”); and

**WHEREAS**, the Board met in open session at 1:00 p.m. on June 7, 2022, at the agency's Administration Building located near Eveleth, Minnesota, with some members participating via interactive technology as

authorized by Minnesota Statutes Section 13D.015, to consider, among other matters, the Proposed Expenditure, and has determined that the Proposed Expenditure would be in the public interest and promote economic development within the TAA.

**NOW, THEREFORE, IT IS RESOLVED** that the Board hereby recommends that the Commissioner approve up to \$600,000 of Higher Education Account funds for the Proposed Expenditure.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 7<sup>TH</sup> DAY OF JUNE 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			
<b>TOTAL</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>1</b>



Signed: \_\_\_\_\_  
Senator David Tomassoni, Chair



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

Date: 6/07/2022

To: Iron Range Resources & Rehabilitation Board

From: Mark Phillips  
Commissioner

**RE: IRON RANGE HIGHER EDUCATION ACCOUNT**

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The Iron Range Higher Education Committee (IRHEC) is a legislatively created committee charged to advise the Commissioner of Iron Range Resources and Rehabilitation Board on providing higher education programs in the Taconite Assistance Area (TAA).

The IRHEC met at 1:00pm on Thursday, May 26, 2022, via Zoom. The Committee heard the following program updates:

- Minnesota North College merger
- BELL Program
- Iron Range Engineering

The IRHEC has approved, and I support an expenditure of up to \$600,000 of Iron Range Higher Education Account funds to provide a grant to Minnesota North College for use by the Iron Range Engineering program for the continuation of a higher education program that, in collaboration with private industry, allows students to earn a Bachelor's of Science degree in engineering from Minnesota State University Mankato.

**Funding Authorization:**

This expenditure is authorized under the provisions of the Iron Range Higher Education Committee and the Iron Range Higher Education Account as codified under Minnesota Statutes, Section 298.2214 and 298.28, subdivision 9d, respectively.

**6) Giants Ridge Recreation Area Tax – Resolution No. 22-027**

Representative Dave Lislegard moved that the Board recommends the use of up to \$70,000 of Giants Ridge Amenities Tax revenue monies for the purchase of a mini excavator for biking and hiking trail maintenance on trails within the Giants Ridge Recreation Area, as presented in Resolution No. 22-027. Seconded by Senator David Tomassoni. 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 David Tomassoni

**Voting Against the Motion:** None

**Abstain:** None

**Excused:** Senator Carrie Ruud

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

**Resolution No.: 22-027**

**WHEREAS**, pursuant to 2010 Laws of Minnesota, Chapter 389, Article 5, Section 7, the City of Biwabik (“**Biwabik**”), is 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 proceeds of these taxes are dedicated to and must be expended by the Commissioner of the Department of Iron Range Resources and Rehabilitation, after consultation with the Iron Range Resources and Rehabilitation Board ("**Board**"), to pay costs for the construction, renovation, improvement, expansion, and maintenance of public recreational facilities located in those portions of Biwabik within the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22, subdivision 7 ("**GRRRA**"); and

**WHEREAS**, the Giants Ridge Amenities Tax revenue balance as of May 31, 2022, is \$603,375; and

**WHEREAS**, the Commissioner has received a proposal for the expenditure of up to \$70,000 of Giants Ridge Amenities Tax revenues for the purchase of a mini excavator for biking and hiking trail maintenance on trails within the GRRRA ("**Proposed Expenditure**"); and

**WHEREAS**, the Board met in open session at 1:00 p.m. on June 7, 2022, at the agency's Administration Building located near Eveleth, Minnesota, with some members participating via interactive technology as authorized by Minnesota Statutes Section 13D.015, to consider, among other matters, the Proposed Expenditure and determined that the Proposed Expenditure of up to \$70,000 of Giants Ridge Amenities Tax revenue monies would be in the public interest and promote economic development within the GRRRA.

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, that the Board recommends the use of up to \$70,000 of Giants Ridge Amenities Tax revenue monies for the Proposed Expenditure.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 7<sup>TH</sup> DAY OF JUNE 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			
<b>TOTAL</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>1</b>



Signed: \_\_\_\_\_  
Senator David Tomassoni, Chair



**7) FY22 Budget – Resolution No. 22-028**

Senator Tom Bakk moved that the Board approve the FY23 Budget, as presented in Resolution #22-028 and Board packet materials (see attached Exhibit A). Seconded 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 David Tomassoni

**Voting Against the Motion:** None

**Abstain:** None

**Excused:** Senator Carrie Ruud

**IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD  
OF THE STATE OF MINNESOTA  
FISCAL YEAR 2023 AGENCY BUDGET APPROVAL**

**Resolution No.: 22-028**

**WHEREAS**, the Commissioner, pursuant to the provisions of Minnesota Statutes Section 298.22, subdivision 11, has submitted to the Iron Range Resources and Rehabilitation Advisory Board (“**Board**”) for its consideration and approval a proposed fiscal year 2023 (“**FY23**”) budget for the funding of operational expenditures, programs and projects of the agency during the State’s FY23 which covers the period of time from July 1, 2022, through June 30, 2023 (the “**Proposed FY23 Budget**”); and

**WHEREAS**, the Board met in open session at 1:00 p.m. on June 7, 2022, at the agency’s Administration Building located near Eveleth, Minnesota, with some members participating via interactive technology as authorized by Minnesota Statutes Section 13D.015, to consider, among other matters, the Proposed FY23 Budget; and

**WHEREAS**, the Board, after careful deliberation of the current and future resources anticipated to be available to the agency, has concluded that it would be in the best interests of the agency and the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341 to approve the Proposed FY23 Budget and to approve the requested expenditures of funds made available to the Commissioner under the provisions of Minnesota Statutes Section 298.22 (“**Board Account**”), Section 298.223 (“**Taconite Area Environmental Protection Fund**”), Sections 298.291 through 298.296 (“**Douglas J Johnson Economic Protection Trust Fund**”) and Section 298.17 (“**Occupation Tax Funds**”) for the projects and purposes, in the amounts, and to the extent requested for final approval authorization in the Proposed FY23 Budget.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** that the Board approves the Proposed FY23 Budget and the expenditure authorizations therein requested from the Board

Account, Taconite Area Environmental Protection Fund, Douglas J. Johnson Economic Protection Trust Fund and Occupation Tax Funds to fund the operational expenditures, programs and projects contained in the FY23 Budget, subject to the understanding that the Board at subsequent meetings during FY23 will provide advice, on a project-by-project basis, regarding the expenditure of funding designated in the projects section of the Budget except as otherwise provided in the Budget, and subject to the understanding that the Commissioner's authority to approve loans up to \$500,000 as described in the Project section of the Budget does not extend beyond June 30, 2023 without further Board approval.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 7<sup>TH</sup> DAY OF JUNE 2022.**

<b>Member</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>	<b>Excused</b>
Senator Tom Bakk	<b>X</b>			
Senator Justin Eichorn	<b>X</b>			
Senator Carrie Ruud				<b>X</b>
Senator David Tomassoni	<b>X</b>			
Representative Rob Ecklund	<b>x</b>			
Representative Spencer Igo	<b>X</b>			
Representative Dave Lislegard	<b>X</b>			
Representative Dale Lueck	<b>X</b>			
Representative Julie Sandstede	<b>X</b>			
<b>TOTAL</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>1</b>



Signed: \_\_\_\_\_

Senator David Tomassoni, Chair

**8) Adjournment**

The meeting adjourned at 2:50 p.m.

## EXHIBIT A



# **m** IRON RANGE RESOURCES & REHABILITATION

## **FY 2023 Budget**

*Investing resources to foster vibrant growth and  
economic prosperity in northeastern Minnesota.*

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## Introduction

As a new fiscal year approaches, we are looking forward with a strong sense of optimism for the future of our region. Our business and community development programs have been receiving increasing numbers of funding requests for quality, innovative projects. Unprecedented levels of federal funding are also coming into the region, creating leverage that will help accelerate economic growth and post pandemic transformation.

Iron Range Resources & Rehabilitation's FY23 spending plan of \$52 million positions the agency to respond directly to these needs and opportunities. We have significant financial support dedicated for business development as well as public works infrastructure and broadband. Community funding in a diverse array of programs and services helps support asset development that sets the stage for growth and makes this region a desirable place to work and play.

The agency funds projects that:

- Retain and create jobs.
- Leverage our agency's investment with state, federal and philanthropic funding.
- Improve the region's quality of life.

Working in collaboration with our public and private partners, Tribal Nations and stakeholders, Iron Range Resources & Rehabilitation is committed to creating a brighter future for northeastern Minnesota.

## Strategic Priorities & Funding

Strategic priorities in this budget support long-term economic growth and the well-being of all people in northeastern Minnesota.

- Supporting public works infrastructure and business and industry with spending of \$21.3 million, 40% of the budget. The agency is poised to fill funding gaps for one-time federal dollars that are currently available.
- Setting the table for economic development with \$22.5 million of resources flowing through our community and workforce development programs and supporting Giants Ridge to provide a high quality of life for everyone.
- Producing a fiscally sound spending plan that includes reserve funds for unforeseen needs.



## FY23 Budget

Iron Range Resources & Rehabilitation Board			
	FY 2022 Budget	FY 2022 Projected	FY 2023 Budget
<b>Resources</b>			
Carryforward In	\$16,708,392	\$20,632,229	\$21,929,378
Current Resources			
Taconite Production Taxes	\$23,730,271	\$23,730,271	\$24,634,699
Investment Earnings	658,755	409,214	409,197
Loan Revenues	3,439,663	6,862,615	2,711,782
Facilities Revenues	5,509,542	6,740,519	6,522,442
Occupation Tax Region 3	531,706	531,706	529,972
** DJJ Corpus Trust	14,910,000	14,910,000	10,913,000
<b>Subtotal Current Resources</b>	<b>\$48,779,937</b>	<b>\$53,184,325</b>	<b>\$45,721,092</b>
<b>Total Resources</b>	<b>\$65,488,329</b>	<b>\$73,816,554</b>	<b>\$67,650,470</b>
<b>Estimated Expenditures</b>			
Projects			
Development Projects	5,000,000	5,000,000	5,300,000
** Development Projects - DJJ Corpus Trust	2,500,000	2,500,000	2,500,000
Public Works	6,500,000	6,500,000	6,500,000
** Public Works - DJJ Corpus Trust	7,650,000	7,650,000	3,500,000
** Regional Trails Program - DJJ Corpus Trust	3,500,000	3,500,000	3,500,000
<b>Total Projects</b>	<b>\$25,150,000</b>	<b>\$25,150,000</b>	<b>\$21,300,000</b>
Programs			
Program Grants	9,370,000	9,370,000	9,725,000
Occupation Tax Region 3	531,706	531,706	529,972
<b>Total Programs</b>	<b>\$9,901,706</b>	<b>\$9,901,706</b>	<b>\$10,254,972</b>
Giants Ridge	9,616,851	9,609,105	10,850,800
** Giants Ridge Capital - DJJ Corpus Trust	1,260,000	1,260,000	1,413,000
<b>Total Giants Ridge</b>	<b>\$10,876,851</b>	<b>\$10,869,105</b>	<b>\$12,263,800</b>
Operations & Development Fixed Costs	<b>\$7,328,034</b>	<b>\$5,966,365</b>	<b>\$8,220,570</b>
<b>Total Budget</b>	<b>\$53,256,591</b>	<b>\$51,887,176</b>	<b>\$52,039,342</b>
<b>Estimated Carryforward Out</b>	<b>\$12,231,738</b>	<b>\$21,929,378</b>	<b>\$15,611,128</b>

\*\* DJJ Corpus Trust funds to cover Development Projects, Public Works, Regional Trails Program and Giants Ridge capital.

# Projects

## Projects Budget

<b>Development Projects</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Budget</b>
Development Projects	\$5,000,000	\$5,500,000	\$5,300,000
Development Projects - DJJ Corpus Trust	2,500,000	2,500,000	2,500,000
Public Works	6,500,000	6,500,000	6,500,000
Public Works – DJJ Corpus Trust	7,650,000	7,650,000	3,500,000
Regional Trails Program	3,500,000	3,500,000	3,500,000
<b>Total Development Projects</b>	<b>\$25,000,000</b>	<b>\$25,000,000</b>	<b>\$21,300,000</b>

### **Development Projects - \$5,300,000**

These funds are designated for economic development projects to promote business development opportunities and attract new investments to the region. To streamline approvals, improve timeliness, and better serve businesses, the Commissioner, with approval of the IRRR Board Chair, is authorized to approve development projects of \$500,000 and less for projects that meet the following conditions:

- Qualify for Iron Range Resources & Rehabilitation financing under established guidelines.
- Approved by the Technical Advisory Committee (TAC).

This budget also includes an additional \$300,000 for the Loan Guaranty Program.

### **Development Projects – DJJ Corpus Trust - \$2,500,000**

These funds cover additional Development projects.

### **Public Works - \$6,500,000**

Public works grants help cities, townships, airport authorities, public safety facilities, hospital boards, utility commissions and collaborative organizations complete projects that support community and economic development. Eligible projects include, but are not limited to, publicly owned infrastructure such as wastewater, drinking water, storm water and utility systems, health care and airport facility improvements and renewable energy, energy efficiency initiatives, and broadband infrastructure.

### **Public Works – DJJ Corpus Trust - \$3,500,000**

These funds cover additional Public Works projects.

### **Regional Trails Program - \$3,500,000**

The Regional Trails Grant Program provides funding to assist cities and townships with trail planning, design and construction of various types of trails within the region. Trail types may include: bike, hiking, ATV and snowmobile.

# Programs

## Programs Budget

Program Grants	FY 2022 Budget	FY 2022 Projected	FY 2023 Budget
Community Development			
Commercial Redevelopment	\$1,000,000	\$1,000,000	\$1,000,000
Residential Redevelopment	275,000	275,000	775,000
Development Partnerships	1,000,000	1,000,000	1,650,000
Downtown Streetscapes	200,000	200,000	0
Business Energy Retrofit	1,250,000	1,250,000	1,500,000
Downtown Building Rehabilitation	250,000	250,000	500,000
EDA Partnership	300,000	300,000	0
Minnesota Dental Foundation	240,000	240,000	120,000
Natural Resources Research Institute Partnership	250,000	250,000	0
Film Incentive Production Program	500,000	500,000	0
<b>Total Community Development</b>	<b>\$5,265,000</b>	<b>\$5,265,000</b>	<b>\$5,545,000</b>
Workforce Development	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$450,000</b>
Mineland Reclamation	<b>\$1,100,000</b>	<b>\$1,100,000</b>	<b>\$900,000</b>
Culture & Tourism			
Culture & Tourism	\$375,000	\$375,000	\$600,000
Minnesota Discovery Center	1,900,000	1,900,000	1,900,000
<b>Total Culture &amp; Tourism</b>	<b>\$2,275,000</b>	<b>\$2,275,000</b>	<b>\$2,500,000</b>
Commissioner Program	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>
Application Fund	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>
<b>Total Program Grants</b>	<b>\$9,370,000</b>	<b>\$9,370,000</b>	<b>\$9,725,000</b>

## Community Development

### **Commercial Redevelopment - \$1,000,000**

Commercial Redevelopment grants fund partial and full demolition of commercial or publicly-owned structures or the clean-up of brownfield sites, making way for new development.

### **Residential Redevelopment - \$775,000**

Residential Redevelopment grants help create cleaner and safer communities and encourage new construction by assisting in the demolition of residential structures.



**Development Partnerships - \$1,650,000**

The program funds partnerships for research, education and development-based initiatives which support long term economic growth within the region and are consistent with the Iron Range Resources & Rehabilitation mission, vision, and goals.

**Business Energy Retrofit - \$1,500,000**

The program is funded by Iron Range Resources & Rehabilitation and administered through a partnership with Arrowhead Economic Opportunity Agency (AEOA) to assist business owners with energy efficient improvements to their buildings.

**Downtown Building Rehabilitation - \$500,000**

The program is funded by Iron Range Resources & Rehabilitation and administered through a partnership with Arrowhead Economic Opportunity Agency (AEOA) to assist business owners with code compliance improvements to buildings located in downtown areas.

**Minnesota Dental Foundation - \$120,000**

The Dentist Recruitment program funds forgiveness grants within our service area. Funding will be used to administer the Martha Mordini Rukavina Loan Forgiveness Program. The purpose of this competitive program is to provide an incentive to attract dentists to practice general dentistry in the service area, which has a documented need for dentists to provide services to its communities and underserved populations.

**Workforce Development - \$450,000**

Grants assist in workforce development by funding sector specific customized training and career awareness initiatives that emerge from industry, industry clusters, schools or collaborative partnerships that build capacity, responsiveness or innovation to address workforce needs. Funding is also available for post-secondary educational institutions and other regional workforce development partners to develop and deliver curriculum that prepares students for a seamless transition from high school or post-secondary education to the workforce.

**Mineland Reclamation - \$900,000**

The Mineland Reclamation grant programs assist communities and townships with reclaiming and reuse of mine impacted lands, identify and plan new development opportunities and provide the tools to achieve these goals. This program provides funding for highly visible reclamation. The Drilling Incentive Program helps to stimulate additional mineral exploration within the region.

## **Culture and Tourism**

### **Culture and Tourism - \$600,000**

Culture and Tourism grants assist projects that support arts, culture, history and recreational activities, enhance the quality of life in the region and attract visitors.

### **Minnesota Discovery Center - \$1,900,000**

Minnesota Discovery Center's mission is to "collect, preserve, interpret and promote the history and cultural heritage of northeastern Minnesota; and to manage, promote, sustain and develop the assets of the Discovery Center for the long-term benefit of area residents and visitors." The opening of the Redhead Mt. Park in Chisholm has provided MDC with additional opportunities for future growth.

Through FY 2023 the Sublease/Management Agreement provides an annual \$1,350,000 operating subsidy, the interest on an endowment fund and a \$150,000 challenge grant for operating or endowment fund raising. In addition to these financial terms, the budget includes \$400,000 for building capital improvements.

### **Commissioner Program - \$300,000**

Grants under the Commissioner Program allow the agency to respond quickly to emergency situations or to support development opportunities that may not meet other program requirements.

### **Application Fund - \$30,000**

The grant program reimburses communities, non-profits and educational organizations for up to one-half of the cost of applying for funding from other state, federal or private grant programs.

## Region 3

### Region 3 Budget

Region 3 Grant – Carlton/Koochiching	FY 2022 Budget	FY 2022 Projected	FY 2023 Budget
Region 3	\$531,706	\$531,706	\$529,972

State law directs Iron Range Resources & Rehabilitation to serve as the fiscal agent for Carlton and Koochiching County (Region 3) grants from occupation taxes for economic and environmental development projects. Iron Range Resources & Rehabilitation does not make any funding decisions, but funds pass through under the following provisions:

- The Region 3 allocation is equal to the amount that would have been generated by a 1.5-cent tax imposed on each taxable ton for the preceding production year.
- By law, one-third of the portion allocated for Koochiching County must be used to fund the Koochiching County Economic Development Commission.

# Giants Ridge

## Giants Ridge Budget

<b>Giants Ridge</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Budget</b>
Revenue			
Operating Revenues	\$5,362,200	\$6,600,000	\$6,375,000
Investment by Type			
Operations	\$3,245,546	\$2,950,000	\$3,000,000
*New Capital / Projects	1,769,105	1,319,105	2,388,800
Deferred Maintenance Account	500,000	0	500,000
<b>Total Investment</b>	<b>\$5,514,651</b>	<b>\$4,269,105</b>	<b>\$5,888,800</b>
<b>Total Expense Budget</b>	<b>\$10,876,851</b>	<b>\$10,869,105</b>	<b>\$12,263,800</b>

Giants Ridge Recreation Area promotes destination tourism and offers a variety of recreational opportunities that enhance the quality of life for visitors and area residents. It also supports the agency's mission to enhance and diversify the economy of the Iron Range Resources & Rehabilitation service area. Multiplier economic impacts from Giants Ridge on the local economy are estimated to be over \$55 million. Continued investments in the facility help meet customer expectations and keep Giants Ridge competitive.

Giants Ridge is a destination for amateur and high school sports and is currently the host site for the Minnesota State High School League alpine and cross country state championship races. Private sector lodging partners help fulfill hospitality needs in the recreation area and it is also home to a growing residential development population.

The facility has a single operator management contract for all recreational amenities. The model provides for expanded revenue opportunities and provides more flexibility. This budget supports reinvestment at Giants Ridge to build a better future.

# Operational Costs

## Operational Costs Budget

Operational Costs	FY 2022 Budget	FY 2022 Projected	FY 2023 Budget
Payroll			
Wages and Benefits	\$4,766,707	\$4,311,813	\$4,868,861
Retirement Insurance	233,207	208,026	153,430
Unemployment Compensation	12,000	0	10,000
Workers Compensation	59,401	59,401	53,738
Other Payroll Costs	11,590	4,648	234,225
<b>Total Payroll</b>	<b>\$5,082,905</b>	<b>\$4,583,887</b>	<b>\$5,320,254</b>
Purchased Services			
Rentals and Utilities	\$82,600	\$61,853	\$80,400
Printing and Advertising	60,500	42,280	80,500
Professional/Technical Services	438,500	263,018	496,000
Computer and Computer Services	198,500	249,504	286,000
Communications	152,000	148,331	155,000
Travel	179,250	38,498	176,000
Employee Development	58,500	22,640	49,500
<b>Total Purchased Services</b>	<b>\$1,169,850</b>	<b>\$826,123</b>	<b>\$1,323,400</b>
Supplies and Equipment	<b>\$379,550</b>	<b>\$187,823</b>	<b>\$327,550</b>
Repairs and Maintenance	<b>\$363,270</b>	<b>\$29,766</b>	<b>\$690,000</b>
Indirect Costs			
Statewide Indirect Costs	\$108,298	\$108,297	\$283,066
Attorney General Costs	15,000	18,687	19,000
<b>Total Indirect Costs</b>	<b>\$123,298</b>	<b>\$126,984</b>	<b>\$302,066</b>
Other Operating Costs	<b>\$209,161</b>	<b>\$211,782</b>	<b>\$257,300</b>
<b>Total Operational Costs</b>	<b>\$7,328,034</b>	<b>\$5,966,365</b>	<b>\$8,220,570</b>

Operational costs include day-to-day general and administrative expenses for running the agency: payroll, purchased services, supplies and equipment, repairs and maintenance, indirect costs and other operating costs.