

ADDENDUM A

IRRRB Meeting Minutes

Monday, July 29, 2024 – 10:00 a.m.

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

1. Roll Call

Representative Spencer Igo, Chair, called the meeting to order at 10:03 a.m. Sara Ferkul took roll call. Present: Representative Spencer Igo, Senator Grant Hauschild and Representative Dave Lislegard. Present via ZOOM: Senator Bobby Joe Champion, Senator Robert Farnsworth, Representative Ben Davis and Representative Roger Skraba. Senator Justin Eichorn connected virtually immediately following the roll call vote of the approval of the previous board meeting minutes. Excused: None. Minute Taker: Sara Ferkul, Executive Assistant. Also present: Al Becicka, Deputy Commissioner; Stacey Scholz, Legal Counsel; Matt Sjoberg, Executive Director of Development; Scott Sundvall, Loan Officer; Janelle Greschner, Director of Business Recruitment; Whitney Ridlon, Community Development Director; Chris Ismil, Community Development Representative; Bob Scuffy, Accounting Director; Jordan Metsa, Communications Director; Ailie Clement, Paralegal; Markus Hoche, Information Technology Specialist.

2. Approval of May 28, 2024 Minutes

Representative Skraba moved approval of the May 28, 2024 meeting minutes. Motion carried.

Sara Ferkul took a roll call vote.

Voting in Favor of the Motion: Senator Bobby Joe Champion, Senator Robert Farnsworth, Senator Grant Hauschild, Representative Spencer Igo, Representative Dave Lislegard and Representative Roger Skraba.

Voting Against the Motion: Representative Ben Davis.

Abstain: None.

Excused: Senator Justin Eichorn.

3. Senator Grant Hauschild moved to amend Resolution 25-001.

Senator Grant Hauschild moved that the Board amend the Quick Start Economic Recovery grant award amount originally proposed at a \$15,000 maximum grant award to \$25,000 maximum grant award amount. Representative Dave Lislegard seconded the motion. The amendment motion carried.

Sara Ferkul took a roll call vote.

Voting in Favor of the Motion: Senator Bobby Joe Champion, Senator Justin Eichorn, Senator Robert Farnsworth, Senator Grant Hauschild, Representative Ben Davis, Representative Spencer Igo, Representative Dave Lislegard and Representative Roger Skraba.

Voting Against the Motion: None.

Abstain: None.

Excused: None.

4. City of Cook Economic Recovery Fund - Resolution 25-001.

Senator Grant Hauschild moved approval of Resolution 25-001 under which the Board recommends an expenditure of up to \$2,500,000 of Highway 1 Corridor Account Funds for flood relief funding to businesses located in the City of Cook, as presented in Exhibit A. Representative Roger Skraba seconded the motion. Motion carried.

Sara Ferkul took a roll call vote.

Voting in Favor of the Motion: Senator Bobby Joe Champion, Senator Justin Eichorn, Senator Robert Farnsworth, Senator Grant Hauschild, Representative Ben Davis, Representative Spencer Igo, Representative Dave Lislegard and Representative Roger Skraba.

Voting Against the Motion: None.

Abstain: None.

Excused: None.

IRON RANGE RESOURCES AND REHABILITATION BOARD OF THE STATE OF MINNESOTA HIGHWAY 1 CORRIDOR ACCOUNT PROJECT APPROVAL

Resolution No.: 25-001

WHEREAS, the Commissioner is authorized to expend, upon consultation with the Iron Range Resources and Rehabilitation Advisory Board ("**Board**"), Highway 1 Corridor Account monies made available under Minnesota Statutes Section 298.2961, subd. 5 (19) (2006) as reauthorized by 2017 Laws of MN – 1st Special Session, Chapter 1, Article II, Section 18 ("**Highway 1 Corridor Account Funds**") for economic development projects in the cities of Babbitt, Cook, Ely or Tower, which has an available balance of \$4,292,178 that has not yet been recommended by the Board for expenditure; and

WHEREAS, the Commissioner is proposing the expenditure of up to \$2,500,000 of Highway 1 Corridor Account Funds for flood relief funding to businesses located in the City of Cook, as more fully described in Exhibit A to this resolution ("**Proposed Expenditure**"); and

WHEREAS, the Board met in open session at 10:00 a.m. on July 29, 2024, in the agency's Administrative 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 expenditure of the proposed Highway 1 Corridor Account Funds in the amount specified below would be in the public interest.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby recommends the Proposed Expenditure of up to \$2,500,000 of the Highway 1 Corridor Account Funds to the City of Cook for funding to provide grants and/or loans to local businesses that were affected by the flood, consistent with the purposes set forth in Exhibit A.

BE IT FURTHER RESOLVED that the Board's recommendation for the Proposed Projects is contingent upon the recipient entity to commit to the payment of prevailing wages for the funded project as indicated in, and to the extent required in, the Board's Resolution 96-005.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 29th DAY OF July 2024.

Member	Aye	Nay	Abstain	Excused
Senator Bobby Joe Champion	X			
Senator Justin Eichorn	X			
Senator Robert Farnsworth	X			
Senator Grant Hauschild	X			
Representative Ben Davis	X			
Representative Spencer Igo	X			
Representative Dave Lislegard	X			
Representative Roger Skraba	X			
TOTAL	8			

Signed: _____
Representative Spencer Igo, Chair

EXHIBIT A

Program: City of Cook Economic Recovery Fund

Purpose: Provide financial assistance to businesses located in the city of Cook that were directly impacted by the flood that occurred on June 18, 2024.

Economic Impact:

Quick Start Economic Recovery Grants:	\$300,000
Cook Economic Redevelopment Loans:	\$2,200,000
Total Agency Investment:	\$2,500,000

Description:

The program funding will provide financial assistance to business owners whose buildings and operations were directly impacted by the devastating flood on June 18, 2024. The flood caused extensive damage to community infrastructure, businesses and homes in Cook as well as several other communities in the agency's service area.

Agency community and business development staff have been actively engaged with the city of Cook to better understand short- and long-term needs of businesses. Staff conducted outreach to businesses through phone calls, and on July 16 the agency hosted an outreach session for businesses at the Cook Community Center. Staff met in person with 10 businesses to listen to their recovery needs, including their financial and logistical challenges.

To provide financial assistance to the businesses, a two-part response is recommended that includes grant and loan funding. The minimum eligibility requirements include:

- The business must intend to reopen in the city of Cook.
- The business can demonstrate need for financial support.

- The business must utilize available insurance.

1. Quick Start Economic Recovery Grants:

- Available immediately to business owners who were operating in the city of Cook at the time of the flood, whose business is located in the commercial business area, and who intend to reopen.
- Each business may be awarded one grant up to \$25,000.
- Grant funds will be disbursed by the city of Cook based upon the submission of documentation that quantifies the loss, such as receipts dated after the flood or invoices for purchases made after the flood.
- Eligible uses of the grant funding include replacement of lost inventory, replacement of machinery/equipment/furniture, supplies, building rehabilitation, architectural/engineering services related to building repair or building new, full or selective demolition, utility bills, operational expenses, and other expenses as approved by agency staff.

2. Cook Economic Redevelopment Loans:

- Loans, with the potential for forgiveness, will provide long term financial support to business owners impacted by the flood.
- Loans will be available to business owners who were operating in the city of Cook at the time of the flood, whose business is located in the commercial business area, who will reopen by rebuilding in the same or new location or rehabilitating the building on the existing site.
- To access loans, business owners must develop a viable plan that:
 - Supplements other state and/or federal relief programs.
 - Provides proof that the repair or new construction will be less likely to be destroyed by future flooding.
 - Agency staff will review and approve all plans prior to releasing loan funding.
- The loan funding will be distributed by the agency to the city of Cook who will in turn work with an alternative lender to administer the funding to the business and service the loan.
- Any loan repayments will be recaptured by the city and used for future economic development projects.
- Loan forgiveness will be contingent upon business remaining open for five years.

Funding Authorization: This project is authorized under Minnesota Statute Section 298.2961 (2008) as reauthorized by 2017 Laws of Minnesota, 1st Special Session, Ch. 1, Art. 11, Sec. 18. These laws allow for expenditure of monies in the Highway 1 Corridor Account to be spent for economic development projects in the cities of Babbitt, Cook, Ely or Tower.

5. Adjournment

The meeting adjourned at 10:47 a.m.