

ADDENDUM A
IRRRB Meeting Minutes
Monday, June 7, 2021 – 10:30 a.m.
(In accordance with Minnesota Governor Tim Walz’s Executive Order 20-01 and due to the COVID-19 pandemic, the meeting was held via ZOOM and live-streamed through YouTube as authorized by Minnesota Statute Section 13D.021)

1) Roll Call

Senator David Tomassoni, chair, called the meeting to order at approximately 10:30 a.m. Laureen Hall took roll call. Present via ZOOM video: Representative Rob Ecklund, Representative Spencer Igo, Representative Dave Lislegard, Representative Dale Lueck, Representative Julie Sandstede, Senator Tom Bakk, Senator Carrie Ruud, Senator Justin Eichorn. Excused: None. Minute Taker: Laureen Hall, Executive Aide. Also present via ZOOM video: Mark Phillips, Commissioner; Matt Sjoberg, Executive Director of Development; Chris Ismil, Community Development Representative; Roy Smith, Talent Development Director; Bob Scuffy, Accounting Director; Janette Godec, Executive Assistant.

2) Approval of the April 30, 2021, Minutes

Senator Carrie Ruud moved approval of the April 30, 2021, meeting minutes. Seconded by Representative Julie Sandstede. 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 Carrie Ruud, Senator David Tomassoni

Voting Against the Motion: None

Abstain: None

Excused: None

4) FY21 Community and Development Infrastructure Projects – Resolution No. 21-017

Representative Julie Sandstede moved that the Board recommend an expenditure of up to \$775,000 for three community and development infrastructure projects, as detailed in Exhibit A of Resolution No. 21-017. \$175,000 for the Proposed Projects would be expended from the TEPF Public Works funds and \$600,000 for the Proposed Projects would be expended from the DJJ Public Works funds, as presented in Resolution No. 21-017. Seconded by Senator Tom Bakk. 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
FY21 PUBLIC WORKS PROJECT RECOMMENDATIONS**

Resolution No.: 21-017

WHEREAS, pursuant to the agency's approved fiscal year 2021 ("FY21") Budget, the Commissioner is authorized to expend up to \$5,500,000 for development and community infrastructure projects 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 \$5,319,147 has already been obligated for projects by prior Board actions, leaving \$180,853 that has not yet been approved by the Board for expenditure during FY21; and

WHEREAS, pursuant to the agency's approved fiscal year 2021 ("FY21") Budget, the Commissioner is authorized to expend up to \$2,000,000 for development infrastructure, community infrastructure and broadband 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 \$1,236,045 has already been obligated for projects by prior Board actions, leaving \$763,955 that has not yet been approved by the Board for expenditure during FY21; and

WHEREAS, the Commissioner has received proposals for the expenditure of up to \$775,000 for three 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, \$175,000 for the Proposed Projects would be expended from TEPF Public Works Funds and \$600,000 for the Proposed Projects would be expended from DJJ Public Works Funds, as fully detailed in Exhibit A; and

WHEREAS, the Board met in open session via electronic means on June 7, 2021, at 10:30 a.m. in accordance with Governor Tim Walz's Emergency Executive Order 20-01 Declaring a Peacetime Emergency and Coordinating Minnesota's Strategy to Protect Minnesotans from COVID-19, and the authority for such method of meeting provided under Minnesota Statutes Section 13D.021 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 \$175,000 of FY21 Public Works-TEPF Funds and \$600,000 of FY21 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 all 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 7TH DAY OF JUNE 2021.

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

EXHIBIT A

COMMUNITY INFRASTRUCTURE

City of Babbitt

Grant Amount: \$250,000

The project consists of phase I construction of a new wastewater treatment facility. Several components of the existing plant are over 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 and technologically viable to renovate. The MPCA indicated that a new low-level mercury limit will be added to the city's next plant operation permit, which will require the facility to be replaced and rehabilitated in order 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	\$6,062,500	Iron Range Resources & Rehabilitation	\$250,000
Contingency	425,000	City (PFA loan)	1,995,160
A&E	865,000	PSIG grant	2,607,340
		WIF grant	2,500,000
TOTAL	\$7,352,500	TOTAL	\$7,352,500

DEVELOPMENT INFRASTRUCTURE

Chisholm-Hibbing Airport Authority

Grant Amount: \$350,000

The project consists of infrastructure and sitework for the construction of a new corporate commercial hangar. The airport will demolish a 5,250-square-foot building/hangar and construct a new 21,000-square-foot hangar that will support the business and corporate aviation needs of its customers and clients. A two-bay hangar will be developed. One bay will be used to service transient aircraft, and the other bay will be leased to a tenant to store and maintain their business aircraft operations. Additional construction associated with the project includes the reconstruction of 35,000squarefeet of existing aircraft apron area, construction of an 8,000-square-foot parking area, construction of a 2,000-square-foot access road, and the removal of approximately 500 square feet of existing apron pavement. The larger hangar will provide additional revenue for the airport in the form of lease payments and increased aircraft fuel sales. The project is expected to create two permanent and 35 construction jobs.

USES		SOURCES	
Infrastructure and road reconstruction	\$732,460	Iron Range Resources & Rehabilitation	\$350,000
Facility construction	4,432,775	Chisholm-Hibbing Airport Authority	1,780,200
Contingency	109,849	MN/DOT	560,000
A&E	165,116	Private tenant	250,000
Demo	39,375	IRRRB loan	2,500,000
		IRRRB demo	39,375
TOTAL	\$5,479,575	TOTAL	\$5,479,575

City of Virginia

Grant Amount: \$175,000

The project consists of infrastructure and site work for the construction of a professionally built 18-hole miniature golf course. The course will be built to meet ADA accessibility standards and located on a six-acre site in Virginia. The site has sat vacant since the early 1960s due to use as a storage site for concrete removal when West Chestnut Street was built. The course will operate and be open to the public May through October. The project is expected to create four permanent and six construction jobs.

USES		SOURCES	
Infrastructure and site work	\$266,300	Iron Range Resources & Rehabilitation	\$175,000
Facility and course construction	465,130	VEDA	15,000
Land acquisition	65,000	SBA	232,025
Contingency	26,630	Private	458,922
A&E	57,887		
TOTAL	\$880,947	TOTAL	\$880,947

5) Iron Range Higher Education Account – Resolution No. 21-018

Senator Justin Eichorn moved that the Board recommend an expenditure of up to \$795,000 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. 21-018. Seconded by Representative Dave Liselgard. Motion carried.

Laureen Hall took a roll call vote.

Voting in Favor of the Motion: Representative Rob Ecklund, Representative Spencer Igo, Representative Dave Liselgard, 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 IRON RANGE HIGHER EDUCATION ACCOUNT EXPENDITURE RECOMMENDATION

Resolution No.: 21-018

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 20, 2021, the Committee met and approved the expenditure of up to \$795,000 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 ("**Proposed Program**"); and

WHEREAS, the Board met in open session via electronic means on June 7, 2021, at 10:30 a.m., in accordance with Governor Tim Walz's Emergency Executive Order 20-01 Declaring a Peacetime Emergency and Coordinating Minnesota's Strategy to Protect Minnesotans from COVID-19, and the authority for such method of meeting provided under Minnesota Statutes Section 13D.021 to consider, among other matters, the Proposed Expenditures, and has determined that the Proposed Program 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 \$795,000 of Higher Education Account funds for the Proposed Program.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 7TH DAY OF JUNE 2021.

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

Date: 6/07/2021

To: Iron Range Resources & Rehabilitation Board

From: Mark Phillips
Commissioner

RE: IRON RANGE HIGHER EDUCATION ACCOUNT

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 on Thursday, May 20, 2021, via Zoom. The Committee welcomed new members Representative Lislegard and Senator Eichorn. Senator Eichorn was elected Chair and Governor Appointee Julie Marinucci as Vice-Chair. The Committee heard the following program updates:

- Transportation Center of Excellence
- Bell Program
- Iron Range Engineering
- Federal Relief Funding
- VisionNE

The IRHEC has approved, and I support an expenditure of up to \$795,000 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.

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) FY22 Budget – Resolution No. 21-019

Representative Rob Ecklund moved that the Board approve the FY22 Budget, as presented in Resolution #21-019 and Board packet materials (see attached Exhibit A). 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
FISCAL YEAR 2022 AGENCY BUDGET APPROVAL**

Resolution No.: 21-019

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 2022 ("**FY22**") budget for the funding of operational expenditures, programs and projects of the agency during the State's FY22 which covers the period of time from July 1, 2021, through June 30, 2022 (the "**Proposed FY22 Budget**"); and

WHEREAS, the Board met in open session via electronic means on June 7, 2021, at 10:30 a.m. in accordance with Governor Tim Walz's Emergency Executive Order 20-01 Declaring a Peacetime Emergency and Coordinating Minnesota's Strategy to Protect Minnesotans from COVID-19, and the authority for such method of meeting provided under Minnesota Statutes Section 13D.021, to consider, among other matters, the Proposed FY22 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 FY22 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 FY22 Budget.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Board approves the Proposed FY22 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 FY22 Budget, subject to the understanding that the Board at subsequent meetings during FY22 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, 2022 without further Board approval.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 7TH DAY OF JUNE 2021.

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

7) Adjournment

The meeting adjourned at 11:21 a.m.



m1 IRON RANGE RESOURCES & REHABILITATION

FY 2022 Budget

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

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Introduction

As FY22 approaches, the people of our region, state, nation and world are adjusting to a life that was affected in unprecedented ways by the COVID-19 pandemic. Finally, restrictions are lifting, closed doors are opening, and people are gathering again to enjoy each other's company. Schools, businesses and community centers are resuming services, and restaurants, hotels and museums are readying for increased numbers of customers. And people continue to flock to the great outdoors of northeastern Minnesota.

Businesses and industries are moving from reeling and reacting, to re-starting and innovating. The pandemic forced an acceleration of workplace changes and telework that has also become a catalyst for business transformation, changes that would otherwise have taken years to evolve. And we know now that there is no going back – no return to the way things were.

Iron Range Resources & Rehabilitation is committed to helping large and small local businesses and communities access the capital they need to move beyond the COVID-19 crisis. The agency's FY22 spending plan has dedicated funds for infrastructure and broadband, essential backbones of economic growth. Community funding is also available for social and recreational assets that make this region a desirable place to live and play.

The agency supports projects that:

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

With renewed strength and optimism, northeastern Minnesota and Iron Range Resources & Rehabilitation are ready for what the future brings.

Strategic Priorities & Funding

Strategic priorities support long-term economic growth and the well-being of all people in northeastern Minnesota. The budget focuses on leveraging capital, improving the quality of life, and retaining and creating good paying jobs.

- Supporting business and industry in the region with spending of over \$13 million to foster economic growth in northeastern Minnesota through low interest loans for infrastructure, demolition, equipment, machinery, building and land acquisitions.
- Offering 18 grant programs that bolster community foundational and social assets, setting the table for business development – and funding for Giants Ridge that provides a high quality of life for all the people of the region.
- Developing the regional workforce by funding sector specific customized training and career awareness initiatives that address industry needs.
- The agency's fixed costs of supporting these strategies is 9% of the budget.



Commissioner Mark Phillips

FY22 Budget

Iron Range Resources & Rehabilitation Board	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget
Resources			
Carryforward In	\$10,797,469	\$20,580,612	\$16,708,392
Current Resources			
Taconite Production Taxes	\$25,361,190	\$25,361,190	\$23,730,271
Investment Earnings	2,696,585	615,009	658,755
Loan Revenues	3,313,769	3,711,251	3,439,663
Facilities Revenues	5,312,043	116,019	5,509,542
Occupation Tax Region III	569,542	569,542	531,706
** DJJ Corpus Trust	12,220,000	12,220,000	9,260,000
Subtotal Current Resources	\$49,473,129	\$42,593,011	\$43,129,937
Total Resources	\$60,270,598	\$63,173,623	\$59,838,329
Estimated Expenditures			
Projects			
Development Projects	5,500,000	5,500,000	5,000,000
** Development Projects - DJJ Corpus Trust	0	0	2,500,000
Public Works	5,500,000	5,500,000	6,500,000
** Public Works - DJJ Corpus Trust	2,000,000	2,000,000	2,000,000
** Regional Trails Program - DJJ Corpus Trust	2,000,000	2,000,000	3,500,000
** Taconite Area Business Relief Loan Program	5,000,000	5,000,000	0
Taconite Area Community Relief Grant Program	2,000,000	2,000,000	0
Total Projects	\$22,000,000	\$22,000,000	\$19,500,000
Programs			
Program Grants	7,422,500	7,372,500	9,370,000
Occupation Tax Region III	569,542	569,542	531,706
Total Programs	\$7,992,042	\$7,942,042	\$9,901,706
Giants Ridge	9,656,851	9,559,842	9,616,851
** Giants Ridge Capital - DJJ Corpus Trust	1,220,000	1,189,000	1,260,000
Total Giants Ridge	\$10,876,851	\$10,748,842	\$10,876,851
Operations & Development Fixed Costs	\$7,537,658	\$5,774,347	\$7,328,034
Total Budget	\$48,406,551	\$46,465,231	\$47,606,591
Estimated Carryforward Out	\$11,864,047	\$16,708,392	\$12,231,738

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

Projects

Development Projects - \$5,000,000

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).

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, fire departments, 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 - \$2,000,000

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.

Projects Budget

Development Projects	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget
Development Projects	\$5,500,000	\$5,500,000	\$5,000,000
Development Projects - DJJ Corpus Trust	0	0	2,500,000
Public Works	5,500,000	5,500,000	6,500,000
Public Works – DJJ Corpus Trust	2,000,000	2,000,000	2,000,000
Regional Trails Program	2,000,000	2,000,000	3,500,000
Taconite Area Business Relief Loan Program	5,000,000	5,000,000	0
Taconite Area Community Relief Grant Program	2,000,000	2,000,000	0
Total Development Projects	\$22,000,000	\$22,000,000	\$19,500,000

Programs

Grants

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 - \$275,000

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

Development Partnerships - \$1,000,000

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.

Downtown Streetscapes - \$200,000

The program incentivizes further investment in downtown areas and business corridors by promoting safe and attractive environments for residents, shoppers, workers and visitors. This program provides funding for highly visible and creative projects to create excitement, encourage citizen engagement and generate visible improvements.

Business Energy Retrofit - \$1,250,000

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 - \$250,000

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.

EDA Partnership - \$300,000

This program will provide funding to the city of Virginia Economic Development Authority (EDA) to continue supporting the Downtown Commercial District Rehabilitation Program. Additional funds are available to support a pilot downtown rehabilitation program in a new community.

Minnesota Dental Foundation - \$240,000

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.

Natural Resources Research Institute Partnership - \$250,000

This program will support multiple projects integral to the mission of UMD's Natural Resources Research Institute (NRRI) to serve the strategic stewardship of Minnesota's natural resources. Projects receiving funding will focus on creating high-value economic impact by leveraging northeastern Minnesota natural resource assets into commercial business opportunities.

Film Production Incentive Program - \$500,000

The Film Production Incentive Program will provide rebate incentives to attract movie production to our service area in a partnership with the Upper Minnesota Film Office. The production of movies for commercial release can provide for strong economic impact within the geographic area of the production location.

Workforce Development - \$400,000

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 - \$1,100,000

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 - \$375,000**

Culture and Tourism grants assist cities, townships, nonprofit organizations and tribal units of government undertake projects that stimulate tourism and enrich the quality of life in communities through artistic, cultural, heritage or recreational activities.

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 2022 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.

Programs Budget

Program Grants	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget
Community Development			
Commercial Redevelopment	\$1,000,000	\$1,000,000	\$1,000,000
Residential Redevelopment	275,000	275,000	275,000
Development Partnerships	625,000	625,000	1,000,000
Downtown Streetscapes	200,000	200,000	200,000
Business Energy Retrofit	1,250,000	1,250,000	1,250,000
Downtown Building Rehabilitation	250,000	250,000	250,000
Research & Planning	50,000	0	0
EDA Partnership	0	0	300,000
Minnesota Dental Foundation	0	0	240,000
Natural Resources Research Institute Partnership	0	0	250,000
Film Incentive Production Program	0	0	500,000
Total Community Development	\$3,650,000	\$3,600,000	\$5,265,000
Workforce Development	\$350,000	\$350,000	\$400,000
Mineland Reclamation	\$ 1,292,500	\$ 1,292,500	\$1,100,000
Culture & Tourism			
Culture & Tourism	\$350,000	\$350,000	\$375,000
Minnesota Discovery Center	1,450,000	1,450,000	1,900,000
Total Culture & Tourism	\$1,800,000	\$1,800,000	\$2,275,000
Commissioner Program	\$300,000	\$300,000	\$300,000
Application Fund	\$30,000	\$30,000	\$30,000
Total Program Grants	\$7,422,500	\$7,372,500	\$9,370,000

Region III

State law directs Iron Range Resources & Rehabilitation to serve as the fiscal agent for Carlton and Koochiching County (Region III) 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 III 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.

Region III Grant – Carlton/Koochiching	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget
Region III	\$569,542	\$569,542	\$531,706

Giants Ridge

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.

Giants Ridge Budget

Giants Ridge	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget
Revenue			
Operating Revenues	\$5,113,700	\$5,367,085	\$5,362,200
Investment by Type			
Operations	\$3,413,451	\$3,063,057	\$3,245,546
New Capital / Projects	1,731,700	1,731,700	1,769,105
Capital / Projects Deferred from FY20/FY21	118,000	87,000	0
Deferred Maintenance Account	500,000	500,000	500,000
Total Investment	\$5,763,151	\$5,381,757	\$5,514,651
Total Expense Budget	\$10,876,851	\$10,748,842	\$10,876,851

Operational Costs

Operational costs include day-to-day general and administrative expenses for running the agency: payroll, purchased services, indirect costs, supplies, materials, repairs and maintenance. Payroll expenses include all agency employees.

Operational Costs Budget

Operational Costs	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget
Payroll			
Wages and Benefits	\$4,585,814	\$4,191,693	\$4,766,707
Retirement Insurance	270,854	260,792	233,207
Unemployment Compensation	12,000	0	12,000
Workers Compensation	51,597	54,924	59,401
Other Payroll Costs	11,590	18,781	11,590
Total Payroll	\$4,931,855	\$4,488,628	\$5,082,905
Purchased Services			
Rentals and Utilities	\$91,761	\$66,964	\$82,600
Printing and Advertising	70,500	36,625	60,500
Professional/Technical Services	421,500	165,733	438,500
Computer and Computer Services	187,000	145,815	198,500
Communications	152,000	138,636	152,000
Travel	206,000	31,702	179,250
Employee Development	49,500	3,864	58,500
Total Purchased Services	\$1,178,261	\$589,339	\$1,169,850
Supplies and Equipment	\$415,622	\$254,121	\$379,550
Repairs and Maintenance	\$778,270	\$274,837	\$363,270
Indirect Costs			
Statewide Indirect Costs	\$13,615	\$13,614	\$108,298
Attorney General Costs	15,000	2,035	15,000
Total Indirect Costs	\$28,615	\$15,649	\$123,298
Other Operating Costs	\$205,035	\$151,773	\$209,161
Total Operational Costs	\$7,537,658	\$5,774,347	\$7,328,034