

## **ADDENDUM A**

### **IRRRB Meeting Minutes**

**Tuesday, March 26, 2024 – 8:00 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 8:02 a.m. Sara Ferkul took roll call. Present: Representative Spencer Igo, Representative Ben Davis, Representative Dave Lislegard, Senator Justin Eichorn and Representative Roger Skraba. Present via ZOOM video: Representative Robert Farnsworth and Senator Grant Hauschild. Senator Bobby Joe Champion arrived at the meeting during the presentation of Resolution No. 24-019. Minute Taker: Sara Ferkul, Executive Assistant. Also present via ZOOM video: Ida Rukavina, Commissioner; Linda Johnson, Mining and Reclamation Director; 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; Shawn Herhusky, Community Development Representative; Bob Scuffy, Accounting Director; Sheryl Kochevar, Communications Director; Jordan Metsa, Communications Director; Jim Plummer, Trails Coordinator; Billie Isham, Tribal Liaison; Janette Godec, Executive Assistant. Also, present Al Becicka, Deputy Commissioner; Roy Smith, Director of Talent Development and Markus Hoche, Information Technology Specialist.

#### **2. Approval of December 6, 2023, Minutes**

Representative Roger Skraba moved approval of the December 6, 2023, meeting minutes. Motion carried.

Sara Ferkul took a roll call vote.

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

**Voting Against the Motion:** None.

**Abstain:** None.

**Excused:** Senator Bobby Joe Champion.

#### **3. Eveleth Jack Pine Industrial Park – Resolution No. 24-017**

Representative Dave Lislegard moved that the Board recommend an expenditure of up to \$450,000 of DJJ Corpus Funds for the Eveleth Jack Pine Industrial Park for Phase I of site ready diligence, as presented in Exhibit A of Resolution No. 24-017. Motion carried.

Sara Ferkul took a roll call vote.

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

**Voting Against the Motion:** None.

**Abstain:** None.

**Excused:** Senator Bobby Joe Champion.

**IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD  
OF THE STATE OF MINNESOTA  
DOUGLAS J. JOHNSON ECONOMIC PROTECTION TRUST FUND  
EVELETH JACK PINE INDUSTRIAL PARK PROJECT RECOMMENDATION**

**Resolution No.: 24-017**

**WHEREAS**, Minnesota Statutes Section 298.296, Subdivision 2 (c) authorizes the Commissioner to expend, within or for the benefit of the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341 ("TAA"), and after consultation with the advisory board, the corpus of the Douglas J Johnson Economic Protection Trust Fund (the "**DJJ Fund Corpus**") for projects and programs described in Minnesota Statutes Section 298.292, subdivision 1 that either (a) are designed to create and maintain productive, permanent, skilled employment, including employment in technologically innovative businesses; or (b) encourage diversification of the economy and promote the development of certain sectors of the TAA economy; or (c) for which technological and economic feasibility have been demonstrated; and

**WHEREAS**, the City of Eveleth has made application for agency assistance to develop an industrial park along both sides of the Progress Parkway extension and directly south of the new Rock Ridge Laurentian Elementary School to Highway 37, in Eveleth, Minnesota, which is within the TAA; and

**WHEREAS**, the proposed project consists of the Site Ready Diligence Phase I. Once the site diligence is complete, the city intends to seek additional federal and state funding opportunities to advance the park's long-term growth (the "**EVELETH JACK PINE INDUSTRIAL PARK PROJECT**"), which is more specifically described in the Board packet materials which are attached hereto and incorporated by reference as Exhibit A; and

**WHEREAS**, the Commissioner has proposed the expenditure of up to \$450,000 of DJJ Corpus Fund monies for the Eveleth Jack Pine Industrial Park Project, as more fully described in Exhibit A and as otherwise discussed at the board meeting; and

**WHEREAS**, the technical advisory committee appointed pursuant to Minnesota Statutes Section 298.297 met on March 19, 2024, and recommended that the Board approve the Eveleth Jack Pine Industrial Park Project; and

**WHEREAS**, the Board met in open session at 8:00 a.m. on March 26, 2024, in the Governor's IV Room at the InterContinental Saint Paul Riverfront Hotel in St. Paul, Minnesota, with some members participating via interactive technology as authorized by Minnesota Statutes Section 13D.015, to consider, among other matters, the Eveleth Jack Pine Industrial Park Project and has determined that the proposed expenditure of funds for that purpose will create and maintain productive, permanent skilled employment and will diversify and promote the development of the economy of the TAA.

**NOW, THEREFORE, IT IS RESOLVED**, that the Board recommends the expenditure of up to \$450,000 from the DJJ Fund Corpus in support of the Eveleth Jack Pine Industrial Park Project.

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

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 26<sup>TH</sup> DAY OF MARCH 2024.**

Member	Aye	Nay	Abstain	Excused
Senator Bobby Joe Champion				<b>X</b>
Senator Justin Eichorn	<b>X</b>			
Senator Robert Farnsworth	<b>X</b>			
Senator Grant Hauschild	<b>X</b>			
Representative Ben Davis	<b>X</b>			
Representative Spencer Igo	<b>X</b>			
Representative Dave Lislegard	<b>X</b>			
Representative Roger Skraba	<b>X</b>			
<b>TOTAL</b>	<b>7</b>			<b>1</b>

Signed: \_\_\_\_\_  
Representative Spencer Igo, Chair

### Exhibit A

#### Eveleth Jack Pine Industrial Park

#### Site Ready Grant to the city of Eveleth - \$450,000

The city of Eveleth plans to develop an industrial park along both sides of the Progress Parkway extension and directly south of the new Rock Ridge Laurentian Elementary School to Highway 37.

The city of Eveleth desires to create the building ready Jack Pine Industrial Park. The park will accommodate a variety of industrial uses including warehouse/general and distribution, manufacturing, flex/general purpose, service center and showroom. Anticipated results include increased living wage jobs for area residents, the diversification of the area economy as a hedge against economic changes, and an increase in the city's tax base.

The undeveloped area currently consists of four parcels that total approximately 143 acres of land. Two of the parcels are owned by the city, one by Minnesota North College – Mesabi Range Eveleth and one by Minnesota Department of Natural Resources (DNR). Minnesota North College and DNR have indicated an interest in selling their parcels to the city for development of the park.

The agency's service area lacks industrial space to meet the needs of manufacturers seeking to relocate or expand. In order to address the absence of customizable, state-of-the-art facilities, the agency has invested in industrial parks throughout the region. The most recent investment was with the city of Aurora.

Eveleth recognizes a pressing need to invigorate its local economy, attract businesses and create sustainable job opportunities by developing an industrial park. The lack of an industrial park impedes Eveleth's full economic potential and will provide building ready sites that are needed in order to efficiently and effectively market the region. With the upcoming \$18 million Progress Parkway extension and road construction project, the timing is imperative to perform the site diligence. Once the site diligence is complete, the city intends to seek additional federal and state funding opportunities to advance the park's long-term growth.

The proposed project is the Site Ready Diligence Phase I:

- **Market analysis, conceptual planning/design, environmental assessment worksheet:** \$88,000.
- **Site investigation, title, environmental, wetlands, geotechnical:** \$151,000.
- **Preliminary design, engineering:** \$80,000.
- **Plan implementation, zoning, subdivision, platting:** \$21,000.
- **Final design and engineering for two city-owned pads:** \$110,000.

The agency's investment includes:

- \$450,000 grant to the city of Eveleth for Site Ready Diligence Phase I.

- Funding source will be the Douglas J. Johnson Economic Protection Trust Fund.

**Technical Advisory Committee (TAC) Recommendation:** The TAC recommended approval at its March 19, 2024 meeting.

**Funding Authorization:** Douglas J. Johnson Economic Protection Trust Fund: This project is authorized under the provisions of the Douglas J. Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291 – 298.297) pertaining to expenditures of Douglas J. Johnson Economic Protection Trust Fund monies for economic development projects in that these statutes authorize the expenditure of funds for projects and programs that are designed to create and maintain productive, permanent and skilled employment and that encourage diversification of the economy within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.

#### **4. City of Hibbing Industrial Site – Resolution No. 24-018**

Senator Robert Farnsworth moved that the Board recommend an expenditure up to \$300,000 of DJJ Corpus Funds for the City of Hibbing Industrial Site for the final stage of performing site diligence to achieve building ready status for a 35,000-square-foot building to accommodate future growth plans of Advanced Machine Guarding Solutions, as presented in Exhibit A of Resolution No. 24-018. Motion carried.

Sara Ferkul took a roll call vote.

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

**Voting Against the Motion:** None.

**Abstain:** None.

**Excused:** Senator Bobby Joe Champion.

### **IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD OF THE STATE OF MINNESOTA DOUGLAS J. JOHNSON ECONOMIC PROTECTION TRUST FUND CITY OF HIBBING INDUSTRIAL SITE PROJECT RECOMMENDATION**

#### **Resolution No.: 24-018**

**WHEREAS**, Minnesota Statutes Section 298.296, Subdivision 2 (c) authorizes the Commissioner to expend, within or for the benefit of the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341 ("TAA"), and after consultation with the advisory board, the corpus of the Douglas J Johnson Economic Protection Trust Fund (the "**DJJ Fund Corpus**") for projects and programs described in Minnesota Statutes Section 298.292, subdivision 1 that either (a) are designed to create and maintain productive, permanent, skilled employment, including employment in technologically innovative businesses; or (b) encourage diversification of the economy and promote the development of certain sectors of the TAA economy; or (c) for which technological and economic feasibility have been demonstrated; and

**WHEREAS**, the City of Hibbing has made application for agency assistance to develop a 9.13-acre industrial parcel on the north side of East 13<sup>th</sup> Street with close access to U.S. Highway 169, in Hibbing, Minnesota, which is within the TAA; and

**WHEREAS**, the proposed project consists of the final stage of performing site diligence to achieve building ready status for a 35,000-square-foot building within the industrial parcel to accommodate the future growth plans of Advanced

Machine Guarding Solutions (the “**City of Hibbing Industrial Site Project**”), which is more specifically described in the Board packet materials which are attached hereto and incorporated by reference as Exhibit A; and

**WHEREAS**, the Commissioner has proposed the expenditure of up to \$300,000 of DJJ Corpus Fund monies for the City of Hibbing Industrial Site Project, as more fully described in Exhibit A and as otherwise discussed at the board meeting; and

**WHEREAS**, the technical advisory committee appointed pursuant to Minnesota Statutes Section 298.297 met on March 19, 2024, and recommended that the Board approve the City of Hibbing industrial Site Project; and

**WHEREAS**, the Board met in open session at 8:00 a.m. on March 26, 2024, in the Governor’s IV Room at the InterContinental Saint Paul Riverfront Hotel in St. Paul, Minnesota, with some members participating via interactive technology as authorized by Minnesota Statutes Section 13D.015, to consider, among other matters, the City of Hibbing industrial Site Project and has determined that the proposed expenditure of funds for that purpose will create and maintain productive, permanent skilled employment and will diversify and promote the development of the economy of the TAA.

**NOW, THEREFORE, IT IS RESOLVED**, that the Board recommends the expenditure of up to \$300,000 from the DJJ Fund Corpus in support of the City of Hibbing industrial Site Project.

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

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 26<sup>TH</sup> DAY OF MARCH 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			
<b>TOTAL</b>	<b>7</b>			<b>1</b>

Signed: \_\_\_\_\_  
Representative Spencer Igo, Chair

#### **EXHIBIT A**

#### **City of Hibbing Industrial Site**

#### **Site Ready Grant to the city of Hibbing - \$300,000**

The city of Hibbing plans to develop a 9.13-acre industrial parcel on the north side of East 13<sup>th</sup> Street with close access to U.S. Highway 169.

The city’s investment to date into the site is \$70,000. The final stage of performing site diligence is necessary to achieve building ready status. Additionally, initial schematic design for a 35,000-square-foot building within the Industrial Site is

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necessary to accommodate the future growth plans of Advanced Machine Guarding Solutions (AMGS). AMGS currently leases industrial space from the city that is located a couple of blocks from the future Industrial Site. The current lease space is outdated and cost prohibitive to update.

The agency's service area lacks industrial space to meet the needs of manufacturers seeking to relocate or expand. In order to address the absence of customizable, state-of-the-art facilities, the agency has invested in industrial parks and speculative (spec) buildings throughout the region. The most recent investment was with the city of Aurora.

The proposed project is for Final Site Development and Schematic Design:

- **Site investigation, title, environmental, wetlands, geotechnical:** \$5,000.
- **Preliminary design, engineering:** \$125,000.
- **Phase I of final design, engineering:** \$170,000.

The agency's investment includes:

- \$300,000 grant to the city of Hibbing for Final Site Development and Schematic Design.
- Funding source will be the Douglas J. Johnson Economic Protection Trust Fund.

**Technical Advisory Committee (TAC) Recommendation:** The TAC recommended approval at its March 19, 2024 meeting.

**Funding Authorization:** Douglas J. Johnson Economic Protection Trust Fund: This project is authorized under the provisions of the Douglas J. Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291 – 298.297) pertaining to expenditures of Douglas J. Johnson Economic Protection Trust Fund monies for economic development projects in that these statutes authorize the expenditure of funds for projects and programs that are designed to create and maintain productive, permanent and skilled employment and that encourage diversification of the economy within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.

#### **5. Advanced Machine Guarding Solutions – Resolution No. 24-019**

Senator Justin Eichorn moved that the Board recommend an expenditure of up to \$437,500 of DJJ Development Project Funds to purchase a participation interest in a bank loan to purchase equipment that will provide significant automation to the process and eliminate some of the repetitive tasks while increasing output, as presented in Exhibit A of Resolution No. 24-019. Motion carried.

Sara Ferkul took a roll call vote.

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

**Voting Against the Motion:** None.

**Abstain:** None.

**Excused:** None.

**IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD  
OF THE STATE OF MINNESOTA  
DOUGLAS J JOHNSON ECONOMIC PROTECTION TRUST FUND  
PURCHASE OF A PARTICIPATION INTEREST IN A LOAN  
FOR ADVANCED MACHINE GUARDING SOLUTIONS PROJECT**

**Resolution No.: 24-019**

**WHEREAS**, the Commissioner is authorized to expend, after consultation with the Iron Range Resources and Rehabilitation Advisory Board (“**Board**”), the Douglas J. Johnson Economic Protection Trust Fund monies made available under Minnesota Statutes Sections 298.291-298.297 and Minnesota Statute Section 298.28, subdivision 11 (“**DJJ Funds**”) to provide loans and participate with private sources in providing financing for various projects located within the Taconite Assistance Area (“**TAA**”) as that term is defined in Minnesota Statutes Section 273.1341, which satisfy the purposes detailed in Minnesota Statutes Section 298.292, subdivision 1; and

**WHEREAS**, the agency’s fiscal year 2024 budget includes provision for the use of certain DJJ Funds for economic development projects under a budget line-item category for DJJ Development Projects (“**DJJ Development Project Funds**”); and

**WHEREAS**, the Commissioner has received a proposal for financial assistance from Advanced Machine Guarding Solutions (“**AMGS**”) that, in combination with funds provided from other sources, will allow AMGS to purchase equipment that will provide significant automation to the process and eliminate some of the repetitive tasks while increasing output (the “**Project**”), which is more specifically described in the Board packet materials which are attached hereto and incorporated by reference as Exhibit A; and

**WHEREAS**, the Commissioner has requested the Board to recommend the expenditure of up to \$437,500 of DJJ Development Project Funds to purchase a participation interest in a bank loan to AMGS, which is being made as part of a \$1,250,000 total investment to finance the cost of the Project, with the participation interest to be acquired on the terms and subject to the conditions set forth in Exhibit A and as otherwise discussed at the board meeting; and

**WHEREAS**, the technical advisory committee, appointed by the Commissioner under the provisions of Minnesota Statutes Section 298.297 to review the terms and conditions of the proposed Project, met on March 19, 2024, and recommended approval of the requested financial assistance for the Project; and

**WHEREAS**, the Board met in open session at 8:00 a.m. on March 26, 2024, in the Governor’s IV Room at the InterContinental Saint Paul Riverfront Hotel in St. Paul, Minnesota, with some members participating via interactive technology as authorized by Minnesota Statutes Section 13D.015, to consider, among other matters, AMGS’s request for financial assistance for the Project and has determined that it would be in the public interest to recommend the expenditure of DJJ Development Project Funds for the Project, and that the granting of the requested financial assistance would promote economic development in the TAA.

**NOW, THEREFORE, IT IS RESOLVED** that the Board hereby recommends the expenditure of up to \$437,500 of DJJ Development Project Funds to purchase a participation interest in a bank loan to AMGS to finance a portion of the cost of the Project, with such participation interest to be purchased on the terms and subject to the conditions set forth in Exhibit A and in the agency’s standard participation loan forms.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 26<sup>TH</sup> DAY OF MARCH 2024.**

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

Signed: \_\_\_\_\_  
Representative Spencer Igo, Chair

**EXHIBIT A**

**Participation Loan  
Advanced Machine Guarding Solutions**

**Applicant:** Advanced Machine Guarding Solutions (AMGS)  
**Project Location:** 1111 7<sup>th</sup> Avenue East, Hibbing, Minnesota 55746

**Principal(s):** Jason Wobbema

**Project Description:** The equipment loan request is the third step in the growth plan that was developed at the company's inception in 2020. This equipment will provide significant automation to the process and eliminate some of the repetitive tasks while increasing output. An automated powder coating system and robotic welding are the main components of this package.

**Market Opportunity:** The additional automated equipment will allow AMGS to significantly increase production and accept much larger orders that the company is currently turning away due to capacity. The production equipment will allow AMGS to produce up to \$8 million of product per shift annually.

**Project Investment:**

<b>Agency/Partner Investor</b>	<b>Investment Terms</b>	<b>Amount</b>
Park State Bank	7-year amortization	\$437,500
Iron Range Resources & Rehabilitation	7-year amortization	\$437,500
Minnesota Department of Employment & Economic Development – Automation Loan Participation Program	7-year amortization	\$375,000
<b>Total Project Investment</b>		<b>\$1,250,000</b>



**Jobs:** 12-20 Planned New over a two-year period 8 Retained

**Wages:** \$40,000 - \$63,000 per year plus benefits

**Collateral:** Blanket UCC all accounts receivable, inventory and equipment. The shared first position with the bank will also have the personal guaranty of Jason Wobbema.

**Business History:** AMGS is a new manufacturing company located in Hibbing that designs and produces safety steel wire mesh guarding for the automation industry. It also supplies other manufacturing companies' safety products to ensure the operating equipment meets OSHA standards in the United States and Canada. AMGS is unique in the marketplace because it merges two different technologies, mechanical guarding and electronic safety devices into one pre-designed package for the customer. With their experience in the safety industry, AMGS has found an opportunity in the market that is not being fulfilled by other competitors in the industry.

**Past Agency History:**

Advanced Machine Guarding Solutions (AMGS)			
Date	Amount	Balance	Current
12/11/2020	\$91,000.00	\$73,104.89	Yes
12/29/2022	\$100,000.00	\$98,852.40	Yes
11/15/2022	\$75,000.00	Loan Guaranty	N/A

**Contingencies:** Approval of the DEED Automation Loan, and an agreement of a long-term lease between AMGS and the Hibbing Economic Development Authority.

**Technical Advisory Committee (TAC) Recommendation:** The TAC recommended approval at its March 19, 2024 meeting.

**Funding Authorization:** Douglas J. Johnson Economic Protection Trust Fund: This project is authorized under the provisions of the Douglas J. Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291 – 298.297) pertaining to expenditures of Douglas J. Johnson Economic Protection Trust Fund monies for economic development projects in that these statutes authorize the expenditure of funds for projects and programs that are designed to create and maintain productive, permanent and skilled employment and that encourage diversification of the economy within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.

**6. Ellefson Off Highway, Inc. – Resolution No. 24-020**

Representative Ben Davis moved that the Board recommend an expenditure of up to \$209,000 of DJJ Development Project Funds to purchase a participation interest in a bank loan to purchase a 2006 Taylor Forklift model T650L to replace a current piece of equipment that has fallen in disrepair, as presented in Exhibit A of Resolution No. 24-020. Motion carried.

Sara Ferkul took a roll call vote.

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

**Voting Against the Motion:** None.

**Abstain:** None.

Excused: None.

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

**Resolution No.: 24-020**

**WHEREAS**, the Commissioner is authorized to expend, after consultation with the Iron Range Resources and Rehabilitation Advisory Board ("**Board**"), the Douglas J. Johnson Economic Protection Trust Fund monies made available under Minnesota Statutes Sections 298.291-298.297 and Minnesota Statute Section 298.28, subdivision 11 ("**DJJ Funds**") to provide loans and participate with private sources in providing financing for various projects located within the Taconite Assistance Area ("**TAA**") as that term is defined in Minnesota Statutes Section 273.1341, which satisfy the purposes detailed in Minnesota Statutes Section 298.292, subdivision 1; and

**WHEREAS**, the agency's fiscal year 2024 budget includes provision for the use of certain DJJ Funds for economic development projects under a budget line item category for DJJ Development Projects ("**DJJ Development Project Funds**"); and

**WHEREAS**, the Commissioner has received a proposal for financial assistance from Ellefson Off Highway, Inc. ("**Ellefson**") that, in combination with funds provided from other sources, will allow Ellefson to purchase a 2006 Taylor Forklift model T650L to replace a current piece of equipment that has fallen into disrepair (the "**Project**"), which is more specifically described in the Board packet materials which are attached hereto and incorporated by reference as Exhibit A; and

**WHEREAS**, the Commissioner has requested the Board to recommend the expenditure of up to \$209,000 of DJJ Development Project Funds to purchase a participation interest in a bank loan to Ellefson, which is being made as part of a \$418,000 total investment to finance the cost of the Project, with the participation interest to be acquired on the terms and subject to the conditions set forth in Exhibit A and as otherwise discussed at the board meeting; and

**WHEREAS**, the technical advisory committee, appointed by the Commissioner under the provisions of Minnesota Statutes Section 298.297 to review the terms and conditions of the proposed Project, met on March 19, 2024, and recommended approval of the requested financial assistance for the Project; and

**WHEREAS**, the Board met in open session at 8:00 a.m. on March 26, 2024, in the Governor's IV Room at the InterContinental Saint Paul Riverfront Hotel in St. Paul, Minnesota, with some members participating via interactive technology as authorized by Minnesota Statutes Section 13D.015, to consider, among other matters, Ellefson's request for financial assistance for the Project and has determined that it would be in the public interest to recommend the expenditure of DJJ Development Project Funds for the Project, and that the granting of the requested financial assistance would promote economic development in the TAA.

**NOW, THEREFORE, IT IS RESOLVED** that the Board hereby recommends the expenditure of up to \$209,000 of DJJ Development Project Funds to purchase a participation interest in a bank loan to Ellefson to finance a portion of the cost of the Project, with such participation interest to be purchased on the terms and subject to the conditions set forth in Exhibit A and in the agency's standard participation loan forms.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 26<sup>TH</sup> DAY OF MARCH 2024.**

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

Signed: \_\_\_\_\_  
Representative Spencer Igo, Chair

#### **EXHIBIT A**

##### **Participation Loan Ellefson Off Highway, Inc.**

**Applicant:** Ellefson Off Highway, Inc.

**Project Location:** 8906 Highway 37, Iron, Minnesota 55751

**Principal(s):** Chris Ellefson

**Project Description:** Purchase of a 2006 Taylor Forklift model T650L to replace a current piece of equipment that has fallen into disrepair. The forklift is essential to operations.

**Market Opportunity:** The updated forklift will allow Ellefson to be more efficient and increase production to remain competitive in the industry.

##### **Project Investment:**

<b>Agency/Partner Investor</b>	<b>Investment Terms</b>	<b>Amount</b>
Security State Bank	7-year amortization	\$209,000
Iron Range Resources & Rehabilitation	7-year amortization	\$209,000
<b>Total Project Investment</b>		<b>\$418,000</b>

**Jobs:** 3+ Planned New 19 Retained

**Wages:** \$26.58 - \$30 per hour / \$56,000 - \$65,000 per year plus benefits

**Collateral:** Secured by the equipment purchased by the proceeds from the loan and a blanket lien on all assets.

**Business History:** Ellefson Off Highway was formed in 2010 and deals in construction and mining application parts, components and full pieces of equipment. Its primary product lines are Caterpillar and Komatsu, which are sold to a worldwide customer base consisting of both retail and wholesale companies and people. Ellefson's customers on average are 70 to 80% retail, which are end-users such as mines, quarries and construction companies. The remaining 20 to 30% of customers are wholesale, which are other dealers similar to Ellefson. Ellefson purchases whole pieces of

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equipment from across North America and overseas, and the equipment is then brought to the Iron Range facility where it is either prepared for resale or dismantled for parts and components. Once the products are inspected and/or refurbished they are marketed to a worldwide audience.

**Past Agency History:**

Ellefson Off Highway, Inc.			
Date	Amount	Balance	Current
9/14/2012	\$650,000.00	\$0.00	Paid Off
5/31/2018	\$300,000.00	\$141,987.00	Yes

**Contingencies:** None.

**Technical Advisory Committee (TAC) Recommendation:** The TAC recommended approval at its March 19, 2024 meeting.

**Funding Authorization:** Douglas J. Johnson Economic Protection Trust Fund: This project is authorized under the provisions of the Douglas J. Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291 – 298.297) pertaining to expenditures of Douglas J. Johnson Economic Protection Trust Fund monies for economic development projects in that these statutes authorize the expenditure of funds for projects and programs that are designed to create and maintain productive, permanent and skilled employment and that encourage diversification of the economy within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.

**7. Hibbing Fabricators, Inc. – Resolution No. 24-021**

Senator Bobby Joe Champion moved that the Board recommend an expenditure of up to \$425,000 of DJJ Development Project Funds to purchase a participation interest in a bank loan to purchase a 2023 model year LVD Strippit V30-1530-L Punch LASER combination machine to replace an older cutting machine, as presented in Exhibit A of Resolution No. 24-021. Motion carried.

Sara Ferkul took a roll call vote.

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

**Voting Against the Motion:** None.

**Abstain:** None.

**Excused:** None.

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

**Resolution No.: 24-021**

**WHEREAS**, the Commissioner is authorized to expend, after consultation with the Iron Range Resources and Rehabilitation Advisory Board (“**Board**”), the Douglas J. Johnson Economic Protection Trust Fund monies made available

under Minnesota Statutes Sections 298.291-298.297 and Minnesota Statute Section 298.28, subdivision 11 (“**DJJ Funds**”) to provide loans and participate with private sources in providing financing for various projects located within the Taconite Assistance Area (“**TAA**”) as that term is defined in Minnesota Statutes Section 273.1341, which satisfy the purposes detailed in Minnesota Statutes Section 298.292, subdivision 1; and

**WHEREAS**, the agency’s fiscal year 2024 budget includes provision for the use of certain DJJ Funds for economic development projects under a budget line-item category for DJJ Development Projects (“**DJJ Development Project Funds**”); and

**WHEREAS**, the Commissioner has received a proposal for financial assistance from Hibbing Fabricator’s, Inc. (“**HFI**”) that, in combination with funds provided from other sources, will allow HFI to purchase a 2023 model year LVD Strippit V30-1530-L Punch LASER combination machine to replace an older cutting machine (the “**Project**”), which is more specifically described in the Board packet materials which are attached hereto and incorporated by reference as Exhibit A; and

**WHEREAS**, the Commissioner has requested the Board to recommend the expenditure of up to \$425,000 of DJJ Development Project Funds to purchase a participation interest in a bank loan to HFI, which is being made as part of a \$850,000 total investment to finance the cost of the Project, with the participation interest to be acquired on the terms and subject to the conditions set forth in Exhibit A and as otherwise discussed at the board meeting; and

**WHEREAS**, the technical advisory committee, appointed by the Commissioner under the provisions of Minnesota Statutes Section 298.297 to review the terms and conditions of the proposed Project, met on March 19, 2024, and recommended approval of the requested financial assistance for the Project; and

**WHEREAS**, the Board met in open session at 8:00 a.m. on March 26, 2024, in the Governor’s IV Room at the InterContinental Saint Paul Riverfront Hotel in St. Paul, Minnesota, with some members participating via interactive technology as authorized by Minnesota Statutes Section 13D.015, to consider, among other matters, HFI’s request for financial assistance for the Project and has determined that it would be in the public interest to recommend the expenditure of DJJ Development Project Funds for the Project, and that the granting of the requested financial assistance would promote economic development in the TAA.

**NOW, THEREFORE, IT IS RESOLVED** that the Board hereby recommends the expenditure of up to \$425,000 of DJJ Development Project Funds to purchase a participation interest in a bank loan to HFI to finance a portion of the cost of the Project, with such participation interest to be purchased on the terms and subject to the conditions set forth in Exhibit A and in the agency’s standard participation loan forms.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 26<sup>TH</sup> DAY OF MARCH 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			
<b>TOTAL</b>	<b>8</b>			

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

Representative Spencer Igo, Chair

## EXHIBIT A

### Participation Loan

#### Hibbing Fabricators, Inc.

**Applicant:** Hibbing Fabricators, Inc. (HFI)

**Project Location:** 525 West 41<sup>st</sup> Street, Hibbing, Minnesota 55746

**Principal(s):** Ralland Hess Jr., Thomas Wagner and Carl Schneider

**Project Description:** Purchase of a 2023 model year LVD Strippit V30-1530-L Punch LASER combination machine to replace a 2006 model year Bystronic BySpeed 4400-watt CO<sup>2</sup> LASER cutting machine due to rising maintenance costs, risk of service parts obsolescence and overall useful life exceedance.

**Market Opportunity:** The combination machine allows for the elimination of downstream operations and improves part quality. Fiber-optic technology offers cutting speeds up to three times faster than CO<sup>2</sup> LASER technology, lower consumable costs and greater material cutting ranges. The investment will allow HFI to be more competitive in the LASER cutting market due to improved machine efficiencies and reduced cutting times associated with new, fiber-optic LASER technology. The LASER/Turret machine combines two machine technologies to reduce handling and secondary operation costs historically associated with HFI work.

#### Project Investment:

Agency/Partner Investor	Investment Terms	Amount
Security State Bank	84-month amortization	\$425,000
Iron Range Resources & Rehabilitation	84-month amortization	\$425,000
<b>Total Project Investment</b>		<b>\$850,000</b>

**Jobs:** TBD Planned New      34.1 Retained

**Wages:** \$18 - \$36 per hour / \$38,000 - \$76,000 per year plus benefits

**Collateral:** The equipment loan will be secured by all accounts, equipment and inventory and will have the personal guaranty of Ralland Hess Jr., Thomas Wagner and Carl Schneider.

**Business History:** HFI is an S Corporation established in the mid-1980s as a manufacturer of precision sheet metal fabricated parts for various industries. The three primary industries HFI sells to are healthcare, aerospace and electronics. HFI has established strong relationships over the years with companies such as General Electric, Cyrus Design and Saver Danfoss. HFI currently has 25 major customers, and the largest concentration is 17% with GE Healthcare. They are well diversified among customers and industries. A few of their local customers and companies include L&M Radiator, Trison Electronics and Detroit Diesel Remanufacturing. HFI was purchased by Ralland Hess Jr., Thomas Wagner and Carl Schneider in November 2021.

**Past Agency History:**

<b>Hibbing Fabricators, Inc.</b>			
<b>Date</b>	<b>Amount</b>	<b>Balance</b>	<b>Current</b>
12/12/2013	\$250,000.00	\$0.00	Yes
1/5/2016	\$175,000.00	\$0.00	Yes
5/22/2016	\$212,500.00	\$42,668.00	Yes
8/1/2018	\$220,000.00	\$92,405.00	Yes
7/3/2019	\$115,000.00	\$49,265.00	Yes
3/2/2022	\$150,000.00	\$118,776.00	Yes

**Contingencies:** None.

**Technical Advisory Committee (TAC) Recommendation:** The TAC recommended approval at its March 19, 2024 meeting.

**Funding Authorization:** Douglas J. Johnson Economic Protection Trust Fund: This project is authorized under the provisions of the Douglas J. Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291 – 298.297) pertaining to expenditures of Douglas J. Johnson Economic Protection Trust Fund monies for economic development projects in that these statutes authorize the expenditure of funds for projects and programs that are designed to create and maintain productive, permanent and skilled employment and that encourage diversification of the economy within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.

**8. Pro Blast Technology, Inc. – Resolution No. 24-022**

Senator Grant Hauschild moved that the Board recommend an expenditure of up to \$175,000 of DJJ Development Project Funds to purchase a participation interest in a bank loan to purchase a new forklift and invest in infrastructure improvements for its production facility, as presented in Exhibit A of Resolution No. 24-022. Motion carried.

Sara Ferkul took a roll call vote.

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

**Voting Against the Motion:** None.

**Abstain:** None.

**Excused:** None.

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

**Resolution No.: 24-022**

**WHEREAS**, the Commissioner is authorized to expend, after consultation with the Iron Range Resources and Rehabilitation Advisory Board (“**Board**”), the Douglas J. Johnson Economic Protection Trust Fund monies made available under Minnesota Statutes Sections 298.291-298.297 and Minnesota Statute Section 298.28, subdivision 11 (“**DJJ Funds**”) to provide loans and participate with private sources in providing financing for various projects located within the

Taconite Assistance Area (“TAA”) as that term is defined in Minnesota Statutes Section 273.1341, which satisfy the purposes detailed in Minnesota Statutes Section 298.292, subdivision 1; and

**WHEREAS**, the agency’s fiscal year 2024 budget includes provision for the use of certain DJJ Funds for economic development projects under a budget line item category for DJJ Development Projects (“**DJJ Development Project Funds**”); and

**WHEREAS**, the Commissioner has received a proposal for financial assistance from Pro Blast Technology, Inc. (“**Pro Blast**”) that, in combination with funds provided from other sources, will allow Pro Blast to purchase a new forklift and invest in infrastructure improvements for its production facility (the “**Project**”), which is more specifically described in the Board packet materials which are attached hereto and incorporated by reference as Exhibit A; and

**WHEREAS**, the Commissioner has requested the Board to recommend the expenditure of up to \$175,000 of DJJ Development Project Funds to purchase a participation interest in a bank loan to Pro Blast Technology, Inc., which is being made as part of a \$350,000 total investment to finance the cost of the Project, with the participation interest to be acquired on the terms and subject to the conditions set forth in Exhibit A and as otherwise discussed at the board meeting; and

**WHEREAS**, the technical advisory committee, appointed by the Commissioner under the provisions of Minnesota Statutes Section 298.297 to review the terms and conditions of the proposed Project, met on March 19, 2024, and recommended approval of the requested financial assistance for the Project; and

**WHEREAS**, the Board met in open session at 8:00 a.m. on March 26, 2024, in the Governor’s IV Room at the InterContinental Saint Paul Riverfront Hotel in St. Paul, Minnesota, with some members participating via interactive technology as authorized by Minnesota Statutes Section 13D.015, to consider, among other matters, Pro Blast’s request for financial assistance for the Project and has determined that it would be in the public interest to recommend the expenditure of DJJ Development Project Funds for the Project, and that the granting of the requested financial assistance would promote economic development in the TAA.

**NOW, THEREFORE, IT IS RESOLVED** that the Board hereby recommends the expenditure of up to \$175,000 of DJJ Development Project Funds to purchase a participation interest in a bank loan to Pro Blast to finance a portion of the cost of the Project, with such participation interest to be purchased on the terms and subject to the conditions set forth in Exhibit A and in the agency’s standard participation loan forms.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 26<sup>TH</sup> DAY OF MARCH 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			
<b>TOTAL</b>	<b>8</b>			

Signed: \_\_\_\_\_  
Representative Spencer Igo, Chair



## EXHIBIT A

### Participation Loan Pro Blast Technology, Inc.

**Applicant:** Pro Blast Technology, Inc.

**Project Location:** 800 Pellet Avenue, Keewatin, Minnesota 55753

**Principal(s):** Joe Godwin

**Project Description:** The main portion of the proceeds of the loan will be used to perform necessary roof repairs above the entrance and office area of the production facility. The second portion of the loan will be used to purchase a 2024 PF60LP forklift.

**Market Opportunity:** The building repairs are crucial to prolong the life of the production facility. The forklift is a necessary piece of production equipment to perform daily tasks of moving products in and out of the facility.

#### Project Investment:

Agency/Partner Investor	Investment Terms	Amount
Grand Rapids State Bank	10-year amortization	\$175,000
Iron Range Resources & Rehabilitation	10-year amortization	\$175,000
<b>Total Project Investment</b>		<b>\$350,000</b>

**Jobs:** 0 Planned New 12 Retained

**Wages:** \$18 - \$30 per hour / \$40,000 - \$65,000 per year plus benefits

**Collateral:** The loan will be secured with all business assets and a personal guaranty by Joe Godwin.

**Business History:** Pro Blast Technology was formed in 1996 to fill the basic need for an abrasive blasting and painting service. With growing demand for his services, Joseph Godwin incorporated Pro Blast in January 2007. Pro Blast houses the largest paint booth in northern Minnesota and provides services to residential, commercial and industrial customers, from restoration of used items to preparation and painting of new items. Pro Blast provides mobile sandblasting and painting services. Their mobile services specialize in log and wood sided home sandblasting and staining. Their industrial painting and sandblasting facility is located in Keewatin and is owned by holding company JN Properties, LLC. During the past 17 years of business, Pro Blast has seen decreased competition due to increased environmental regulations and high-performance coating requirements. The nearest direct competitor is Lakehead Painting in Superior, Wisconsin. The nearest competitor that has the capabilities of Pro Blast's facility is in the Twin Cities area. When Pro Blast began in 1996, sales were \$16,000. The company has experienced significant growth, and sales have reached over \$2 million in each of the past three years.

Many Pro Blast products are shipped throughout the United States, and some are shipped worldwide.

**Past Agency History:** None

**Contingencies:** None.

**Technical Advisory Committee (TAC) Recommendation:** The TAC recommended approval at its March 19, 2024 meeting.

**Funding Authorization:** Douglas J. Johnson Economic Protection Trust Fund: This project is authorized under the provisions of the Douglas J. Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291 – 298.297) pertaining to expenditures of Douglas J. Johnson Economic Protection Trust Fund monies for economic development projects in that these statutes authorize the expenditure of funds for projects and programs that are designed to create and maintain productive, permanent and skilled employment and that encourage diversification of the economy within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.

**9. Radotich, Inc. – Resolution No. 24-023**

Senator Robert Farnsworth moved that the Board recommend an expenditure of up to \$100,000 of DJJ Development Project Funds to purchase a participation interest in a bank loan to purchase a crane in support of a business development initiative, as presented in Exhibit A of Resolution No. 24-023. Motion carried.

Sara Ferkul took a roll call vote.

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

**Voting Against the Motion:** None.

**Abstain:** None.

**Excused:** None.

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

**Resolution No.: 24-023**

**WHEREAS**, the Commissioner is authorized to expend, after consultation with the Iron Range Resources and Rehabilitation Advisory Board (“**Board**”), the Douglas J. Johnson Economic Protection Trust Fund monies made available under Minnesota Statutes Sections 298.291-298.297 and Minnesota Statute Section 298.28, subdivision 11 (“**DJJ Funds**”) to provide loans and participate with private sources in providing financing for various projects located within the Taconite Assistance Area (“**TAA**”) as that term is defined in Minnesota Statutes Section 273.1341, which satisfy the purposes detailed in Minnesota Statutes Section 298.292, subdivision 1; and

**WHEREAS**, the agency’s fiscal year 2024 budget includes provision for the use of certain DJJ Funds for economic development projects under a budget line-item category for DJJ Development Projects (“**DJJ Development Project Funds**”); and

**WHEREAS**, the Commissioner has received a proposal for financial assistance from Radotich, Inc. (“**Radotich**”) that, in combination with funds provided from other sources, will allow Radotich to purchase a crane in support of a business development initiative (the “**Project**”), which is more specifically described in the Board packet materials which are attached hereto and incorporated by reference as Exhibit A; and

**WHEREAS**, the Commissioner has requested the Board to recommend the expenditure of up to \$100,000 of DJJ Development Project Funds to purchase a participation interest in a bank loan to Radotich, which is being made as part

of a \$288,750 total investment to finance the cost of the Project, with the participation interest to be acquired on the terms and subject to the conditions set forth in Exhibit A and as otherwise discussed at the board meeting; and

**WHEREAS**, the technical advisory committee, appointed by the Commissioner under the provisions of Minnesota Statutes Section 298.297 to review the terms and conditions of the proposed Project, met on March 19, 2024, and recommended approval of the requested financial assistance for the Project; and

**WHEREAS**, the Board met in open session at 8:00 a.m. on March 26, 2024, in the Governor's IV Room at the InterContinental Saint Paul Riverfront Hotel in St. Paul, Minnesota, with some members participating via interactive technology as authorized by Minnesota Statutes Section 13D.015, to consider, among other matters, Radotich's request for financial assistance for the Project and has determined that it would be in the public interest to recommend the expenditure of DJJ Development Project Funds for the Project, and that the granting of the requested financial assistance would promote economic development in the TAA.

**NOW, THEREFORE, IT IS RESOLVED** that the Board hereby recommends the expenditure of up to \$100,000 of DJJ Development Project Funds to purchase a participation interest in a bank loan to Radotich to finance a portion of the cost of the Project, with such participation interest to be purchased on the terms and subject to the conditions set forth in Exhibit A and in the agency's standard participation loan forms.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 26<sup>TH</sup> DAY OF MARCH 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			
<b>TOTAL</b>	<b>8</b>			

Signed: \_\_\_\_\_  
Representative Spencer Igo, Chair

#### **EXHIBIT A**

##### **Participation Loan Radotich, Inc.**

**Applicant:** Radotich, Inc.  
**Project Location:** 505 W 37<sup>th</sup> St, Hibbing, Minnesota 55746

**Principal(s):** John Radotich

**Project Description:** Purchase of a 2008 Grove GMK5165 165 Ton All Terrain Crane.

**Market Opportunity:** The new crane will allow Radotich to reach new heights that are unattainable with their other lifts. The crane will expand their job bidding capacity to be more competitive.

**Project Investment:**

Agency/Partner Investor	Investment Terms	Amount
Northview Bank	5-year amortization	\$100,000
Iron Range Resources & Rehabilitation	5-year amortization	\$100,000
Cash		\$88,750
<b>Total Project Investment</b>		<b>\$288,750</b>

**Jobs:** 0 Planned New                      34 Retained

**Wages:** \$22 - \$60 per hour or \$60,000 - \$125,000 per year plus benefits

**Collateral:** The loan will be secured by the equipment purchased with the proceeds from this loan. The loan will also be guaranteed by John Radotich.

**Business History:** Radotich, Inc. was formed in 1973 by Ron Radotich and incorporated in 1976. John Radotich bought the company in 2011 from his father and owns 100% of the outstanding shares. Radotich, Inc. is a construction company operating out of a 28,000-square-foot facility. The company specializes in the erection of structural steel buildings, mechanical contracting and mobile crane service. They provide turn key mechanical design and installation for projects ranging from schools, medical centers, office buildings, restaurants, churches, manufacturing plants and others. Mechanical Contracting Services include well and septic tanks, water softeners, plumbing repairs (inside and out), hot water heaters, heating and air systems, chlorinators, major construction projects, new construction and major/minor remodeling. Radotich offers solutions to air quality problems ranging from welding smoke, oil mist and process dusts in industrial settings to indoor air quality concerns like cigarette smoke and allergens in indoor environments, implementing a diverse product line that meets or exceeds regulations.

**Past Agency History:**

Radotich, Inc.			
Date	Amount	Balance	Current
10/25/2015	\$175,000.00	\$78,935.00	Yes

**Contingencies:** None.

**Technical Advisory Committee (TAC) Recommendation:** The TAC recommended approval at its March 19, 2024 meeting.

**Funding Authorization:** Douglas J. Johnson Economic Protection Trust Fund: This project is authorized under the provisions of the Douglas J. Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291 – 298.297) pertaining to expenditures of Douglas J. Johnson Economic Protection Trust Fund monies for economic development projects in that these statutes authorize the expenditure of funds for projects and programs that are designed to create and maintain productive, permanent and skilled employment and that encourage diversification of the economy within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.

**10. FY24 Broadband, Development and Community Infrastructure Projects – Resolution No. 24-024**

Representative Dave Lislegard moved that the Board recommend an expenditure of up to \$1,970,345 of the FY24 Public Works – TEPF Funds and up to \$1,711,184 of Public Works – DJJ Corpus Funds for nine broadband, development and community infrastructure projects, as presented in Exhibit A of Resolution No. 24-024. Motion carried.

Sara Ferkul took a roll call vote.

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

**Voting Against the Motion:** None.

**Abstain:** None.

**Excused:** None.

**IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD  
OF THE STATE OF MINNESOTA  
TACONITE AREA ENVIRONMENTAL PROTECTION FUND  
FY24 PUBLIC WORKS PROJECT RECOMMENDATIONS**

**Resolution No.: 24-024**

**WHEREAS**, pursuant to the agency’s approved fiscal year 2024 (“FY24”) budget, the Commissioner is authorized to expend up to \$8,500,000 for broadband, development and community infrastructure projects, for the benefit of the Taconite Assistance Area as defined in Minnesota Statutes Section 273.1341 (“**TAA**”), from the line item for Public Works funded through the Taconite Area Environmental Protection Fund as authorized by Minnesota Statutes Section 298.223 (“**Public Works-TEPF Funds**”), of which \$6,212,726 has already been obligated for projects, leaving \$2,287,274 that has not yet been recommended by the Iron Range Resources and Rehabilitation Advisory Board (“**Board**”) for expenditure during FY24; and

**WHEREAS**, pursuant to the agency’s approved fiscal year 2024 (“FY24”) budget, the Commissioner is authorized to expend up to \$3,500,000 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(c) (“**Public Works-DJJ Corpus Trust Funds**”), of which \$1,312,093 has already been obligated for projects by prior Board actions, leaving \$2,187,907 that has not yet been recommended by the Board for expenditure during FY24; and

**WHEREAS**, the Commissioner has received proposals for the expenditure of up to \$3,681,529 for nine (9) broadband, development and community infrastructure projects, which are more fully described in Exhibit A, which is attached hereto and incorporated by reference (collectively the “**Proposed Projects**”); and

**WHEREAS**, \$1,970,345 for the Proposed Projects would be expended from Public Works- TEPF Funds and \$1,711,184 for the Proposed Projects would be expended from Public Works-DJJ Corpus Funds as provided in Exhibit A; and

**WHEREAS**, the Board met in open session at 8:00 a.m. on March 26, 2024, in the Governor’s IV Room at the InterContinental Saint Paul Riverfront Hotel in St. Paul, 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-TEPF Funds and Public Works-DJJ Corpus Funds for the purposes and in the amounts specified in Exhibit A would be in the public interest and promote economic development within the TAA.

**NOW, THEREFORE, IT IS RESOLVED**, that the Board hereby recommends the expenditure of up to \$1,970,345 of FY24 Public Works-TEPF Funds and up to \$1,711,184 of FY24 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 26<sup>TH</sup> DAY OF MARCH 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			
<b>TOTAL</b>	<b>8</b>			

Signed: \_\_\_\_\_  
Representative Spencer Igo, Chair

#### EXHIBIT A

##### Broadband Infrastructure

##### Bois Forte Band of Chippewa Grant Amount: \$261,184

The project consists of constructing a fiber-to-the-home buildout to bring high speed broadband to the Bois Forte reservation. The project will serve 442 homes within the reservation boundaries and 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. The agency previously supported the project in 2019 with a \$579,272 Broadband Infrastructure grant. Much of the construction began during the COVID-19 pandemic and as a result experienced higher material cost and a shortage of contractors. Other factors included unfavorable weather conditions and ledge rock which extended the intended timeframe and increased costs. Construction is now nearing completion. The purpose of this amendment is to support 50% of the increased construction costs.

Uses		Sources	
Increased construction costs	\$522,369	Iron Range Resources & Rehabilitation (DJJ)	\$261,184
		Bois Forte Band of Chippewa	\$261,185
<b>Total</b>	<b>\$522,369</b>	<b>Total</b>	<b>\$522,369</b>

## Development Infrastructure

### City of Hibbing

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

The project consists of funding the city with a grant to be administered by the Hibbing Economic Development Authority (HEDA). The HEDA revolving loan fund currently lacks the funding capacity to assist a downtown business in a large-scale redevelopment project. HEDA will administer the grant funds through their revolving loan fund and provide loan funding as part of the hotel redevelopment project. The repayment of loan funds to HEDA by the developer will be used for future HEDA loans to assist additional businesses in Hibbing. The project is expected to create 20 permanent jobs and 43 construction jobs.

Uses		Sources	
Facility upgrades	\$5,960,000	Iron Range Resources & Rehabilitation (DJJ)	\$250,000
Property acquisition	650,000	City of Hibbing	250,000
		Private	5,800,000
		Iron Range Resources & Rehabilitation (Commercial Redevelopment grant)	200,000
		Arrowhead Economic Opportunity Agency (AEOA) - Business Energy Retrofit and Downtown Building Rehabilitation grants funded by Iron Range Resources & Rehabilitation and administered by AEOA.	110,000
<b>Total</b>	<b>\$6,610,000</b>	<b>Total</b>	<b>\$6,610,000</b>

### City of Mountain Iron

#### Grant Amount: \$400,000

The project consists of new road and utility extensions and electric upgrades to serve new and existing business development. The city plans to extend water and sewer utilities and the road on Enterprise Drive Northeast, which will open 15 acres for new business development. The city will upgrade electric utilities and underground conductors to allow for a voltage conversion in a large area of Rock Ridge and Unity to increase development capacity. The project is expected to create eight construction jobs.

Uses		Sources	
New road and utilities extension	\$475,000	Iron Range Resources & Rehabilitation (DJJ)	\$400,000
Electric utility upgrades	500,000	City of Mountain Iron	805,000
Architecture and engineering	130,000		
Contingency	100,000		
<b>Total</b>	<b>\$1,205,000</b>	<b>Total</b>	<b>\$1,205,000</b>

**Cook County/Grand Marais Joint Economic Development Authority****Grant Amount: \$400,000**

The project consists of infrastructure and site work for the development of a 10,000-square-foot mixed-use commercial space. Grand Marais lost three businesses to a devastating fire in March 2020, including two retail stores and one restaurant. The “Mayhew Commercial Project” will feature an event center, lodging units, a restaurant, retail spaces, lounge and rooftop open space. The lodging units will complement the event center, and the restaurant will serve as both a dining facility and caterer for the event center. The event center will have the capacity to host meetings, weddings and other large functions. The project is expected to create 39 permanent jobs and 99 construction jobs.

Uses		Sources	
Infrastructure and site work	\$713,068	Iron Range Resources & Rehabilitation (DJJ)	\$400,000
New building construction	12,530,282	Private	12,498,000
Furniture, fixtures and equipment	800,000	Small Business Administration 504 loan	5,000,000
Demolition	100,000	Northland Foundation	199,000
Architecture and engineering	1,064,650	Cook County	75,000
Contingency	1,200,000		
Debt refinance	1,764,000		
<b>Total</b>	<b>\$18,172,000</b>	<b>Total</b>	<b>\$18,172,000</b>

**Cook County/Grand Marais Joint Economic Development Authority****Grant Amount: \$400,000**

The project consists of infrastructure and site work for the development of a 9,300-square-foot mixed-use commercial space. Papa Charlie’s restaurant and event venue at Lutsen Mountains operated for 27 years prior to a fire in June 2023 that resulted in a total loss. The new building will include a restaurant, event center, bar/lounge and four lodging units for resort guests. Prior to building construction, necessary infrastructure work must be completed, which includes installation of a new water line at the top of Ski Hill Road to allow adequate pressure for the building’s new fire suppression sprinkler system. The project is expected to create six permanent jobs and 36 construction jobs.

Uses		Sources	
Infrastructure	\$583,586	Iron Range Resources & Rehabilitation (DJJ)	\$400,000
New building construction	3,615,000	Private	5,176,336
Furniture, fixtures and equipment	962,000		
Architecture and engineering	227,500		
Contingency	188,250		
<b>Total</b>	<b>\$5,576,336</b>	<b>Total</b>	<b>\$5,576,336</b>

**Community Infrastructure****City of Aurora****Grant Amount: \$500,000**

The project is phase II of the new East Range water system which will eventually serve the communities of Aurora, Town of White, Biwabik and Hoyt Lakes. Phase II consists of constructing a new surface water treatment plant that will be designed and constructed to accommodate future expansion. The existing water treatment plant, intake facilities and water sources are outdated, unsuited for continued use and economically unviable for renovation. The phase I components are sized, designed and constructed to accommodate the future needs of the four East Range communities. The project is expected to create 65 construction jobs.



Uses		Sources	
Infrastructure and building construction	\$9,250,000	Iron Range Resources & Rehabilitation (TEPF)	\$500,000
Architecture and engineering	500,000	City of Aurora	4,500,000
Contingency	250,000	Environmental Protection Agency	2,500,000
		Public Facilities Authority	2,500,000
<b>Total</b>	<b>\$10,000,000</b>	<b>Total</b>	<b>\$10,000,000</b>

#### City of Chisholm

##### Grant Amount: \$1,000,000

The project consists of facility upgrades to the Chet Tomassoni Arena and Curling Club. The arena's ice plant was constructed in 1976 and has exceeded its useful life. The city will replace the refrigeration system and install new mains for both the curling club and ice arena. The ice arena's dehumidification system will be replaced. The arena's ceiling will be sandblasted and painted, and the dasher boards will be replaced. The project is expected to create 35 construction jobs.

Uses		Sources	
Arena upgrades	\$4,679,283	Iron Range Resources & Rehabilitation (TEPF)	\$1,000,000
Architecture and engineering	431,241	City of Chisholm	360,524
Contingency	250,000	Minnesota Legislature bonding	4,000,000
<b>Total</b>	<b>\$5,360,524</b>	<b>Total</b>	<b>\$5,360,524</b>

#### Itasca County

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

The project consists of construction of a new dump station and well house for a county campground. The Bass Lake Park and Campground consists of 691 forested acres surrounding Bass, Sucker and Erskine lakes. A new dump station is required by the Minnesota Department of Health and includes a well house with potable water for the campground and pressurized non-potable water for the dump station. The dump station must be completed by November 30, 2024. The project will resolve the public health and safety concerns and keep the park open to campers. The project is expected to create two construction jobs.

Uses		Sources	
New dump station and well house construction	\$228,565	Iron Range Resources & Rehabilitation (TEPF)	\$100,000
Architecture and engineering	30,000	Itasca County	67,948
Contingency	14,000	American Rescue Plan Act federal funds	71,617
		Yamaha Corporation	30,000
		Donations	3,000
<b>Total</b>	<b>\$272,565</b>	<b>Total</b>	<b>\$272,565</b>

**City of Tower****Grant Amount: \$370,345**

The project consists of new water and sewer utilities, storm water, road reconstruction and airport technology upgrades. The water and sewer upgrades on Second and Third Streets will replace very old clay pipe that is beyond its useful life. The upgrades will help correct inflow and infiltration issues. Storm water upgrades will be made at the historic Tower Depot and Train Museum campus and alleviate flooding issues which are impacting the foundational integrity of the historic passenger train. Other infrastructure upgrades include new waterline which is needed to maintain Tower's Lakeview Cemetery. The Tower Municipal Airport will upgrade its fuel system technology, which will enable service to the United States Forest Service and other private users. The current system was installed in 1994 and is obsolete. The project is expected to create five construction jobs.

<b>Uses</b>		<b>Sources</b>	
Street infrastructure and storm water upgrades	\$590,114	Iron Range Resources & Rehabilitation (TEPF)	\$370,345
Airport technology upgrades	12,000	City of Tower	55,100
Cemetery waterline replacement	20,000	Community Block Development Grant	308,750
Architecture and engineering	94,925	Tower Cemetery Board	40,000
Contingency	89,156	Minnesota Department of Transportation	32,000
<b>Total</b>	<b>\$806,195</b>	<b>Total</b>	<b>\$806,195</b>

**11. FY24 Regional Trails Projects – Resolution No. 24-025**

Representative Roger Skraba moved that the Board recommend an expenditure of up to \$157,000 of FY24 Regional Trails Program Funds for three Regional Trails Projects, as presented in Exhibit A of Resolution No. 24-025. Motion carried.

Sara Ferkul took a roll call vote.

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

**Voting Against the Motion:** None.

**Abstain:** None.

**Excused:** None.

**IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD  
OF THE STATE OF MINNESOTA  
DOUGLAS J. JOHNSON ECONOMIC PROTECTION TRUST FUND  
FY24 REGIONAL TRAILS PROJECT RECOMMENDATIONS**

**Resolution No.: 24-025**

**WHEREAS**, pursuant to the agency's approved fiscal year 2024 ("FY24") budget, the Commissioner is authorized to expend up to \$2,000,000 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”), of which \$1,775,725 has already been obligated for projects, leaving \$224,275 that has not yet been recommended by the Iron Range Resources and Rehabilitation Advisory Board (“Board”) for expenditure during FY24; and

**WHEREAS**, the Commissioner has received proposals for the expenditure of up to \$157,000 for three (3) 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 8:00 a.m. on March 26, 2024, in the Governor’s IV Room at the InterContinental Saint Paul Riverfront Hotel in St. Paul, 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 \$157,000 of FY24 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 26<sup>TH</sup> DAY OF MARCH 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			
<b>TOTAL</b>	<b>8</b>			

Signed: \_\_\_\_\_  
Representative Spencer Igo, Chair

## EXHIBIT A

### City of Mountain Iron

#### Grant Amount: \$82,000

The project consists of construction of an outdoor learning classroom and is a collaboration between the city and Mountain Iron-Buhl Public Schools. It includes 2.5 miles of trails, a boardwalk, bridge, pavilion and interpretive signage. The project will be used to teach students and others about nature, conservation, science and the history and culture of the region. The trail system is located in a forested area adjacent to Merritt Elementary School and will be open to the public and groups interested in learning about the outdoor environment.

Uses		Sources	
Outdoor classroom construction including trails, bridge, boardwalk, pavilion and signage	\$164,000	Iron Range Resources & Rehabilitation	\$82,000
		Legislative-Citizen Commission on Minnesota Resources	82,000
<b>Total</b>	<b>\$164,000</b>	<b>Total</b>	<b>\$164,000</b>

### Northeast Regional ATV Trail Joint Powers Board

#### Grant Amount: \$25,000

The project consists of master planning, route planning, environmental permitting, right-of-way acquisition and construction cost analysis for future construction to connect the city of Two Harbors to existing ATV and snowmobile trails. The project is in collaboration with Lake County, Two Harbors and the Wild Country ATV Club. There is currently no designated route for ATVs or snowmobiles into the city of Two Harbors, and master planning is an essential step to connect the city to existing trail systems outside the city. The Northeastern Regional ATV Joint Powers Board works closely the region's clubs and has the overall vision to connect all trails in northeastern Minnesota. Their goal is a trail system that runs from International Falls to the Iron Range and on to the North Shore of Lake Superior.

Uses		Sources	
Master trail planning, route planning and land acquisition	\$50,000	Iron Range Resources & Rehabilitation	\$25,000
		Applicant	25,000
<b>Total</b>	<b>\$50,000</b>	<b>Total</b>	<b>\$50,000</b>

### PathBlazers Snowmobile Club

#### Grant Amount: \$50,000

The project consists of purchasing a 2024 Pisten Bully snowmobile trail groomer to replace a current groomer that will be sold to offset costs. The club is responsible for maintaining and grooming 68 miles of trails in the Hibbing, Chisholm and Side Lake areas. The groomer purchase will help provide the most efficient and safe work environment for volunteer club members who are responsible for grooming. It will ensure the best riding experience for local and visiting riders.

Uses		Sources	
Snowmobile groomer purchase	\$303,300	Iron Range Resources & Rehabilitation	\$50,000
		Applicant	253,300
<b>Total</b>	<b>\$303,300</b>	<b>Total</b>	<b>\$303,300</b>

## 12. FY24 Housing Projects – Resolution No. 24-026

Representative Ben Davis moved that the Board recommend an expenditure of up to \$3,575,250 of FY24 Housing Program Funds for ten (10) Housing Projects, as presented in Exhibit A of Resolution No. 24-026. Motion carried.

Sara Ferkul took a roll call vote.

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

**Voting Against the Motion:** None.

**Abstain:** None.

**Excused:** None.

### IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD OF THE STATE OF MINNESOTA DOUGLAS J. JOHNSON ECONOMIC PROTECTION TRUST FUND FY24 HOUSING PROJECT RECOMMENDATIONS

#### Resolution No.: 24-026

**WHEREAS**, pursuant to the agency’s approved fiscal year 2024 (“FY24”) budget, the Commissioner is authorized to expend up to \$5,000,000 for housing 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) (“**Housing Project Funds**”) for the benefit of the Taconite Assistance Area as defined in Minnesota Statutes Section 273.1341 (“**TAA**”); and

**WHEREAS**, the Commissioner has received proposals for the expenditure of up to \$3,575,250 for ten (10) housing projects, which are more fully described in Exhibit A, which is attached hereto and incorporated by reference (collectively the “**Proposed Projects**”); and

**WHEREAS**, the Iron Range Resources and Rehabilitation Advisory Board (“**Board**”) met in open session at 8:00 a.m. on March 26, 2024, in the Governor’s IV Room at the InterContinental Saint Paul Riverfront Hotel in St. Paul, 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 Housing 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 \$3,575,250 of FY24 Housing 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 26<sup>TH</sup> DAY OF MARCH 2024.**

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

Signed: \_\_\_\_\_  
Representative Spencer Igo, Chair

#### **EXHIBIT A**

##### **Housing Projects**

###### **City of Bovey**

**Grant Amount: \$280,000**

The project consists of infrastructure to repurpose the former Connor-Jasper Middle School into a new 20-unit market rate apartment building.

<b>Uses</b>		<b>Sources</b>	
Site cleanup	\$422,000	Iron Range Resources & Rehabilitation	\$280,000
Construction and rehabilitation	956,000	Private developer	1,470,000
Infrastructure	372,000		
<b>Total</b>	<b>\$1,750,000</b>	<b>Total</b>	<b>\$1,750,000</b>

###### **City of Chisholm**

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

The project consists of infrastructure for up to 25 lots for new single-family market rate housing. The development is part of Phase 1 Wenton Addition.

<b>Uses</b>		<b>Sources</b>	
Infrastructure, roadway and site work	\$1,798,500	Iron Range Resources & Rehabilitation	\$500,000
		Minnesota Legislature bonding	1,061,500
		City of Chisholm	237,000
<b>Total</b>	<b>\$1,798,500</b>	<b>Total</b>	<b>\$1,798,500</b>

**City of Ely****Grant Amount: \$850,000**

The project consists of infrastructure and the construction of a new three-story, 37-unit market rate workforce apartment building.

Uses		Sources	
Land acquisition and housing study	\$72,000	Iron Range Resources & Rehabilitation	\$850,000
Infrastructure and site work	569,300	Minnesota Housing Finance Agency - Workforce Grant Program	3,976,180
Construction	8,203,880	City of Ely	72,000
		Ely Housing and Redevelopment Authority - levy reserve and debt	3,797,000
<b>Total</b>	<b>\$8,845,180</b>	<b>Total</b>	<b>\$8,845,180</b>

**City of Grand Rapids****Grant Amount: \$600,000**

The project consists of construction of a 4-story, 132-unit market rate workforce apartment building.

Uses		Sources	
Land acquisition	\$495,000	Iron Range Resources & Rehabilitation	\$600,000
Construction	24,865,560	Minnesota Housing Finance Agency - Workforce Grant Program	7,500,000
Architecture, engineering, financing, leasing, marketing, developer fee and contingency	3,563,851	City of Grand Rapids	2,000,000
		City of Grand Rapids Economic Development Authority	150,000
		Private developer	18,674,411
<b>Total</b>	<b>\$28,924,411</b>	<b>Total</b>	<b>\$28,924,411</b>

**Cook County Housing and Redevelopment Authority – Bjorkberg****Grant Amount: \$225,000**

The project consists of infrastructure for a new housing development of 20 two-story workforce town homes in Grand Marais. There is an agreement in place with the developer to sell at least five homes to those earning up to 115% of area median income. The developer plans to apply for additional financing from Greater Minnesota Housing Fund and Minnesota Housing to support those five homes.

Uses		Sources	
Infrastructure, roadway and site work	\$646,250	Iron Range Resources & Rehabilitation	\$225,000
		Cook County Housing and Redevelopment Authority	200,000
		Private developer	221,250
<b>Total</b>	<b>\$646,250</b>	<b>Total</b>	<b>\$646,250</b>

**Cook County Housing and Redevelopment Authority – Temperance Trails****Grant Amount: \$100,000**

The project consists of infrastructure for a new housing development of up to 22 homes in Tofte. Ten are proposed to be single family homes, and 12 will be side-by-side town homes. There is an agreement in place with the developer to construct at least 10 single family homes, and 25% of them must be sold for \$290,000 or less to accommodate entry-level buyers.

Uses		Sources	
Infrastructure, roadway and site work	\$1,259,794	Iron Range Resources & Rehabilitation	\$100,000
		Cook County Housing and Redevelopment Authority	400,000
		Private Developer	759,794
<b>Total</b>	<b>\$1,259,794</b>	<b>Total</b>	<b>\$1,259,794</b>

**Cook County Housing and Redevelopment Authority – The Heights****Grant Amount: \$630,000**

The project consists of construction of a new three-story, 36-unit workforce apartment building. Eighteen of the units will be rented to those earning 80% of area median income or less.

Uses		Sources	
Land acquisition	\$291,303	Iron Range Resources & Rehabilitation	\$630,000
Construction	6,498,000	Cook County Housing and Redevelopment Authority	175,000
Architecture, engineering, financing, leasing, marketing and developer fee	1,345,410	Cook County Revolving Loan Fund	250,000
		Private developer	6,834,713
		Lloyd K. Johnson Foundation and Northland Foundation	245,000
<b>Total</b>	<b>\$8,134,713</b>	<b>Total</b>	<b>\$8,134,713</b>

**North St. Louis County Habitat for Humanity****Grant Amount: \$130,000**

The project consists of constructing five new homes and rehabilitating one home. The new home locations include one in Hibbing, two in Buhl and two in Virginia. The rehabilitated home is located in Tower and will be to Habitat for Humanity's energy-efficiency standards with updated plumbing, wiring and insulation. Habitat for Humanity serves homeowners who qualify for a mortgage and have an income of at least \$29,500 per year but no more than 60% of the area's median income. The selected homeowners need for affordable housing is considered, along with their willingness to partner in the building of their home.



Uses		Sources	
New construction	\$875,000	Iron Range Resources & Rehabilitation	\$130,000
Rehabilitation	87,500	North St. Louis County Habitat for Humanity	257,500
		United States Department of Agriculture, Habitat Minnesota, St. Louis County and other grants	575,000
<b>Total</b>	<b>\$962,500</b>	<b>Total</b>	<b>\$962,500</b>

## Housing Programs

### Arrowhead Economic Opportunity Agency

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

The project consists of piloting a tax forfeit housing rehabilitation program targeting five homes in Chisholm, Eveleth and Aurora. The program is a partnership to rehabilitate tax forfeit properties that may otherwise be slated for demolition. The properties will be sold to households making up to 120% of the area median income. By rehabilitating tax forfeit homes, demolition is avoided which preserves landfill capacity and returns abandoned properties to productive taxable status. The program will revitalize communities and preserve neighborhood character. The pilot program targets the region's communities with the oldest housing stock. This is a pilot program designed to be scalable and replicable.

Uses		Sources	
Revolving construction loan line of credit	\$1,000,000	Iron Range Resources & Rehabilitation	\$250,000
Value gap	250,000	Greater Minnesota Housing Fund	1,000,000
<b>Total</b>	<b>\$1,250,000</b>	<b>Total</b>	<b>\$1,250,000</b>

### Aurora Housing and Redevelopment Authority

#### Grant Amount: \$10,250

The project consists of the Neighborhood Revitalization Program focused on home exterior improvements. Aurora Housing and Redevelopment Authority will market the program to local homeowners, process applications and support up to 20 exterior housing rehabilitation projects.

Uses		Sources	
Neighborhood Revitalization Program	\$40,000	Iron Range Resources & Rehabilitation	\$10,250
Advertising and marketing	500	Aurora Housing & Redevelopment Authority	10,250
		Homeowner match	20,000
<b>Total</b>	<b>\$40,500</b>	<b>Total</b>	<b>\$40,500</b>

## 13. Adjournment

The meeting adjourned at 8:55 a.m.