

A SPECIAL MEETING OF THE



**IRON RANGE RESOURCES
& REHABILITATION BOARD**

Thursday, May 29, 2025

2:00 p.m.

Mineland Reclamation Office

1003 Discovery Drive, Chisholm, MN 55719

**Meeting of the Iron Range Resources & Rehabilitation Board
Mineland Reclamation Office
1003 Discovery Drive, Chisholm, MN 55719
Thursday, May 29, 2025 – 2:00 p.m.**

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Meeting of the Iron Range Resources & Rehabilitation Board
Mineland Reclamation Office
1003 Discovery Drive, Chisholm, MN 55719
Thursday, May 29, 2025 – 2:00 p.m.

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

AGENDA

1. Call to Order
2. Roll Call
3. Approval of March 26, 2025 Meeting Minutes
See Addendum C
4. Commissioner's Comments
5. Minerals Article/2024 Tax Omnibus Bill Projects
6. Iron Range Schools and Community Development Account
See Addendum B
7. Iron Range Higher Education Account
8. Giants Ridge Recreation Area (GRAA) Tax
9. FY25 Budget Amendments
 - a. Regional Trails
 - b. Housing
 - c. Public Works
10. Public Works – Grant Amendment
11. Broadband Infrastructure
12. FY26 Budget
See Addendum A
13. Other
14. Adjournment

Program: Minerals Article Legislation/2024 Tax Omnibus Bill Projects

Purpose: Under the guidance of Bond Council, IRRR will issue revenue bonds for the financing of up to 82 identified grants in the 2024 Minerals Article legislation that was enacted. (Laws for Minnesota 2024, Chapter 127, Article 69, Sections 15-16). Projects that were awarded \$1 million or more are required to present their project to the IRRR Board and submit a spending plan.

Economic Impact:

of Projects: 8

Agency Investment: **\$19,100,000**

City of Babbitt

Bond Proceeds Amount: \$1,500,000

For renovations to the ice arena.

City of Biwabik

Bond Proceeds Amount: \$1,000,000

For a public safety facility.

Commissioner of Iron Range Resources and Rehabilitation

Bond Proceeds Amount: \$7,600,000

For the design, engineering, and upgrades or replacement of chair lifts or an irrigation system, and for the design, engineering, demolition, and construction of a nordic and welcome center at the Giants Ridge Recreation Area.

City of Hibbing

Bond Proceeds Amount: \$1,150,000

For housing development.

Hibbing Public Utilities

Bond Proceeds Amount: \$1,770,000

For water infrastructure projects.

City of Mountain Iron

Bond Proceeds Amount: \$2,000,000

For infrastructure projects including but not limited to Enterprise Drive North East infrastructure development, water main and other infrastructure in the city, waste water plant improvements to comply with new permits, supervisory control and data acquisition on lift stations, and recreation projects.

Northland Learning Center

Bond Proceeds Amount: \$1,080,000

To construct the Alternative Learning Center on the campus in the city of Mountain Iron.

City of Silver Bay

Bond Proceeds Amount: \$3,000,000

To design, engineer, construct, and reconstruct publicly owned infrastructure including sewers, water systems, utility extensions, street construction, wastewater treatment, stormwater management systems, sidewalks, and compliance with the Americans with Disabilities Act.

Program: Iron Range Schools and Community Development Account

Purpose: The Iron Range Schools and Community Development Account provides disbursements to assist school districts with the payment of bonds that were issued for qualified school projects, or for any other school disbursement as approved by the commissioner of Iron Range Resources and Rehabilitation after consultation with the IRRR Board.

Projects are funded by 33.6 cents per ton of the Taconite Production Tax, six cents per ton of Occupation Tax and an annual transfer of \$3,500,000 from the Douglas J. Johnson Economic Protection Trust Fund to the Iron Range Schools and Community Development Account.

Minnesota Statutes Section 298.28 Subd. 7a

Aitkin Independent School District 001

Grant Amount: \$5,000,000

The agency is recommending \$5 million to Aitkin Independent School District for infrastructure and site development related to construction of a new PreK-6 elementary school situated on a 220-acre property which has been annexed by the city of Aitkin.

On November 4, 2025, local citizens will have the opportunity to vote on the ballot measure. Referendum Question 1 will support a new PreK-6 elementary site. Referendum Question 2 will support a new community wellness center.

The district is seeking alternative funding sources to reduce the financial burden on local taxpayers and ensure Aitkin School district students and the broader community have a school facility that meets educational standards.

The existing elementary building, Rippleside Elementary, is over 60 years old and no longer meets Minnesota Department of Education standards. The building faces serious infrastructure issues that pose health and safety risks, including poor indoor air quality, water intrusion, asbestos-containing materials and inadequate building security.

A new PreK-6 facility is vital to meeting current educational, safety and health standards. The new site will allow for long-term future consolidation of the district's high school facilities. However, improvements have been made to the district's high school, enabling it to remain in use.

In addition to the IRRR request, the district is striving to secure a \$5.6 million construction sales tax exemption and state bonding funds to further reduce the amount of the referendum and burden on local taxpayers.

To qualify for funding from the Iron Range Schools and Community Development Account, the following milestones must be met:

1. Approval from the commissioner, following consultation with the IRRR Board.
2. Project approval by the Minnesota Department of Education (anticipated plan submission by July 9, 2025).
3. Successful passage of a local voter referendum Question 2 in the November 4, 2025 election.
4. Submission of a final project budget and timeline, following referendum approval.

If the four steps above are completed, construction can begin in April 2027 and be completed by August 2028. See full project details attached, Addendum B.

Uses		Sources	
New PreK-6 elementary building	\$43,860,200	IRRR	\$5,000,000
Infrastructure: utilities, road and site work	9,444,200	Local Referendum Question 1: PreK-6 building (pending)	59,440,400
Playground and field	630,500	Local Referendum Question 2: community wellness center (pending)	6,000,000
Utilities to the site	2,940,000		
Transportation center	5,674,100		
New community wellness center connected to PreK-6 building	6,000,000		
Furniture, fixtures and equipment	1,891,400		
Total	\$70,440,400	Total	\$70,440,400

Cook County Independent School District 166

Grant Amount: \$5,000,000

The agency is recommending \$5 million to Cook County Independent School for construction of an athletic and activities complex. The project includes improvements to Arrowhead Center for the Arts, a new football field, softball field and multi-use artificial turf field, running track, field event space, a bus garage, outdoor learning space, concession and storage, parking, bleachers, a scoreboard and sound system.

In the November 4, 2024 election, voters approved Referendum Question 1 which funds essential K–12 building improvements including security upgrades, cafeteria and common area renovations, classroom and bathroom improvements, a new gymnasium with a fitness center and health safety center, ADA-accessible playgrounds, solar panels for energy savings and deferred maintenance (HVAC, windows, doors, flooring, paving).

Referendum Question 2 did not pass and would have funded the athletic and activities complex. On November 4, 2025, local citizens will have the opportunity to vote on the ballot measure. Prior to the

2025 election, the district is seeking alternative funding sources to reduce the financial burden on local taxpayers and ensure Cook County students and the broader community have access to robust athletics and performing arts programs. In addition to the IRRR funding request, the district is exploring other grant opportunities and a construction sales tax exemption to further help offset project costs.

As one of the largest geographic school districts in Minnesota with only one neighboring district, Cook County has limited open enrollment options. The district must directly provide most educational, athletic and extracurricular opportunities to its students.

To qualify for funding from the Iron Range Schools and Community Development Account, the following milestones must be met:

1. Approval from the commissioner, following consultation with the IRRR Board.
2. Project approval by the Minnesota Department of Education (anticipated plan submission by July 9, 2025).
3. Successful passage of a local voter referendum Question 2 in the November 4, 2025 election.
4. Submission of a final project budget and timeline, following referendum approval.

If the four steps above are completed, construction can begin in spring 2026 and be completed by December 2027. See full project details attached, Addendum B.

Uses		Sources	
K-12 building improvements	\$24,180,000	IRRR	\$5,000,000
Athletic and activity improvements	14,000,000	Local Referendum Question 1: K-12 building improvements (approved)	24,180,000
		Local Referendum Question 2: athletic and activity improvements (pending)	9,000,000
Total	\$38,180,000	Total	\$38,180,000

Program: Iron Range Higher Education Account

Purpose: The Iron Range Higher Education Committee (IRHEC) advises the commissioner on providing higher education programs to the service area.

Programs are funded by five cents of the Taconite Production Tax that are placed in the Iron Range Higher Education Account.

Upon approval by the IRHEC and recommendation of the Iron Range Resources & Rehabilitation Board, the commissioner approves expenditures from the account.

Minnesota Statutes Section 298.28 Subd. 9d.

Current Committee Members:

Senator Rob Farnsworth
Senator Grant Hauschild
Representative Cal Warwas
Representative Roger Skraba
Julie Marinucci, Governor's Appointee
President Michael Raich, Minnesota North College
Commissioner Ida Rukavina, Iron Range Resources & Rehabilitation
Chancellor Charles Nies, University of Minnesota Duluth

The IRHEC met on May 9, 2025 to receive updates from Minnesota North College and consider proposed investments. The IRHEC approved the following expenditures from the Iron Range Higher Education Account:

**Iron Range Engineering
Grant Amount: \$100,000**

- Iron Range Engineering (IRE) is a higher education program that, in collaboration with private industry, allows students to earn a Bachelor of Science degree in engineering from Minnesota State University Mankato. Since 2009, IRE has received worldwide recognition for its innovative engineering education approach. IRHEC initially supported IRE with \$1 million annually. Since the creation of the Bell Program within IRE, the financial model has allowed the funding amount to decrease.

The request is to support the development and delivery of the IRE program.

IRE Program Highlights:

- More than 300 graduates.
- Local businesses are served during the academic year through engineering projects, the hiring of IRE co-ops/interns or the hiring/retention of IRE graduates.

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- Presented IRE model to MIT, Harvard, The National Academy of Engineering in Washington D.C. and the European Engineering Education Conference in Ireland.
- Participated in national strategic planning groups on the future of engineering education.
- Published in a recent edition of the International Handbook on Engineering Education Research.
- Completed its third ABET Accreditation in September 2024 with no shortcomings and two strengths highlighted including student support and co-op-based learning model.
- Faculty and staff frequently publish journal and conference articles.
- Hillcrest Manor in Chisholm was converted in 2022 to housing for IRE students including 40 rooms and 65 beds across two floors. It was named the Senator David J. Tomassoni Building, and more than 200 people have utilized it since 2022. It is owned by the Chisholm Economic Development Authority.

Academic Program Revitalization & Growth Strategies

Grant Amount: \$1,147,000

- **Manufacturing Program - \$990,000**
 - Design and implement curriculum and purchase start-up equipment and lab space for a new Manufacturing Program to help area manufacturers have a critical mass of trained employees in the region.
 - Students will receive the knowledge, skills and experience needed to begin careers in manufacturing trades with an understanding of manufacturing theory and practice. They will develop skills in machining, welding, fabrication, assembly and CAD/CAM.
 - Graduates may seek careers as CNC machinists, welders, fabricators, production line or assembly line workers. They will be prepared for work in industry sectors such as small manufacturing shops, large manufacturing plants, mining maintenance, construction maintenance, aviation manufacturing or aviation maintenance.
 - The program will offer an entry-level Manufacturing Technologies diploma, an advanced diploma and opportunities for work-based learning with local manufacturing partners.
 - Advanced diploma curriculum will focus on automation and robotics within manufacturing.
 - The work will take place over three fiscal years. The initial curriculum development took place in 2024-2025 for the entry level diploma.
- **Veterinary Technician Program, Vermilion Campus - \$157,000**
 - Upgrade the equipment and technology and make facility improvements, based on feedback and recommendations resulting from the program's first full accreditation site visit conducted by the American Veterinary Medical Association (AVMA) Committee on Veterinary Technician Education and Activities (CVTEA).
 - **Equipment and technology upgrades include:** updated diagnostic laboratory equipment, ultrasound machine, teaching camera, an additional anesthesia monitor, microhematocrit centrifuge and software and hardware for essential skills tracking.
 - **Facility improvements include:** addition of a separate space to house animals, a dedicated space for student and faculty personal items, reconfiguring the surgery scrub sink area for greater accessibility and installation of mini split HVAC systems in the vet tech and animal care areas.

- The Veterinary Technician Program was established in 2016-2017 and welcomed its first cohort of students in fall 2017. Initial accreditation was granted by CVTEA following a fall 2019 site visit, and the first cohort graduated December 2019. Since that time, technology and industry standards have evolved.

Program: **Giants Ridge Recreation Area (GRRR) Tax**

Purpose: The GRRR taxes (lodging, admissions, food and beverage), which were implemented by the city of Biwabik pursuant to 2010 Laws of Minnesota Chapter 389, Article 5, Section 7, are dedicated to construction, renovation, improvement, expansion or maintenance of public recreation facilities located within those portions of the city of Biwabik that lie within the GRRR.

The Giants Ridge management team in conjunction with local stakeholders recommends the following expenditures from the Recreation Tax Account:

Total Recommendation: \$300,000

- **Purchase of Ditch Witch and Attachments for Mountain Biking/Hiking Trail Maintenance: \$55,000**
The piece of equipment is critical for continuing to maintain the existing trails within the GRRR.
- **Construct Bridge for Narrows Hiking Trail: \$20,000**
Construct a walking bridge across Wynne Creek to allow better access to the Narrows Hiking Trail.
- **Construct Cross Country Mountain Bike Trails: \$125,000**
Extend the existing south cross country mountain bike trail system, which will bring the Giants Ridge trail system closer to the Vermilion Trail Campground and the city of Biwabik.
- **Expand Mountain Bike Skills Park: \$100,000**
Expand the existing beginners skills park to support rider progression and provide improved teaching terrain for camps, clinics and daily visits. The project is part of the 2024 Giants Ridge Master Plan.

The above four projects will enhance the offerings and recreational opportunities for the region's visitors and residents. Guest Services will manage the projects.

The current total amount in the Recreation Tax Account as of March 31, 2025 is \$450,569.

Past projects that have been approved from the Recreation Tax Account total \$1,313,000 and include a climbing wall, children's outdoor play area, design of gravity mountain bike and hiking trails, a walking path and interpretive loop, trail connection to the Villas, purchases of trail maintenance equipment and a portion of the design and construction related to the Pool and Sauna Haus.

FY25 Budget Amendments

Program: FY25 Budget Amendment: Regional Trails

Purpose: Regional Trails grants assist with the design, engineering and construction of various types of trails.

Economic Impact:

of Projects: 1

Agency Investment: **\$2,160,000**

Total Project Investment: **\$4,320,000**

Northeast Regional ATV Trail Joint Powers Board

Grant Amount: \$2,160,000

The project consists of engineering, permitting, right-of-way acquisition and various improvements for five ATV Trail Clubs located within the Taconite Assistance Area. The grant breakdown is as follows:

- **Alborn Dirt Devils ATV Club: \$135,000**
 - Location: 3.6 miles of trail between County Road 166 and Ostman Road in the Alborn area, along an existing snowmobile corridor.
 - Improvements: general trail construction, bridge, boardwalk, culverts, gravel surfacing.
- **Prospector ATV Club: \$1,200,000 – Phases 2 and 3**
 - Location #1: 9 miles of trail between Peyla Road and Pfeiffer Lake, connecting the area north of State Highway 169 and the west side of Lake Vermilion with a potential connection to the Y Store in Tower.
 - Location #2: 1.1 miles of trail and a bridge over Pike River, along State Highway 169 right-of-way.
 - Location #3: 2 miles of trail and a bridge over the Ranger River, connecting existing trails in Lake County to St. Louis County by way of the Echo Trail to the Cloquet line.
 - Location #4: Planning and Environmental Assessment Worksheet for multiple proposed trail segments, connecting the new Lake Vermilion - Soudan Underground Mine State Park and campground to surrounding communities.
- **Quad Cities ATV Club: \$100,000**
 - Location: North Spur, Pfeiffer, Big Aspen and Virginia.
 - Improvements: general trail construction, trailhead.
- **Ranger ATV Club: \$500,000**
 - Location: 3.6 miles of trail on the Seven Beavers Trail in the East Range area, along an existing snowmobile corridor.
 - Improvements: general trail construction, wetland crossings, culverts, gravel surfacing.

- **Voyageur Country ATV Club: \$225,000**

- Location: 1.2 miles of trail along County Road 3 East toward the Koochiching County line.
- Improvements: general trail construction, culverts, gravel surfacing, gates.

Uses		Sources	
Construction	\$3,888,000	IRRR (DJJ)	\$2,160,000
Engineering	235,000	Applicant	2,160,000
Permitting	197,000		
Total	\$4,320,000	Total	\$4,320,000

Program: FY25 Budget & Grant Amendment: Housing

Purpose: Housing grants assist projects or programs that result in the creation of new housing units or the rehabilitation of existing housing units. The program supports housing solutions that align with local priorities and regional employer's needs.

Economic Impact:

of Projects: 1

Agency Investment: **\$3,737,204**

Total Project Investment: **\$9,684,404**

City of Ely

Grant Increase: \$3,737,204

Original Project Approval: The project consists of infrastructure and the construction of a new three-story, 37-unit market rate workforce apartment building. IRRR previously approved \$850,000 for the project in March 2024.

Reason for Grant Increase: In fall 2024, the city applied for a Minnesota Housing Workforce Housing Grant to support the project. While a portion of the Minnesota Housing grant may be awarded, a gap remains. To close the funding gap, the city is requesting an additional \$3,737,204 from IRRR to fully secure the project's financing, allow site preparation to begin in fall 2025 and begin construction in summer 2026.

The \$3,737,204 grant increase will bring the agency's investment to \$4,587,204 and the total project investment to \$9,684,404, as shown in the budget table.

Uses		Sources	
Acquisition and construction	\$7,847,309	IRRR - original grant (DJJ)	\$850,000
Contractor fee, professional fee, developer fee, financing fee, contingency and reserve	1,837,095	IRRR - grant increase (DJJ)	\$3,737,204
		Minnesota Housing Finance Agency - Workforce Housing Development Program (pending)	1,500,000
		City of Ely	19,200
		Ely Housing & Redevelopment Authority (Developer Cash Equity)	350,000
		Ely Housing & Redevelopment Authority (First Mortgage)	3,228,000
Total	\$9,684,404	Total	\$9,684,404

Program: FY25 Budget Amendment: Public Works

Purpose: Public Works grants support local and Tribal governments with infrastructure funding that provides essential services and promotes economic development.

Economic Impact:

of Projects: 9

Agency Investment: **\$1,907,290**

Total Project Investment: **\$16,806,329**

City of Babbitt

Grant Amount: \$60,000

The project consists of water and sewer line extensions to serve an existing business, The Hideaway. The city is currently annexing land beyond its city limits. The new infrastructure could serve additional residential properties as the city boundaries expand. The project will provide new tax revenue for the city and support the sustainability of the existing business.

Uses		Sources	
Water and sewer line extension	\$110,000	IRRR (TEPF)	\$60,000
Building upgrades	10,000	Private	30,000
		City of Babbitt	30,000
Total	\$120,000	Total	\$120,000

City of Biwabik

Grant Amount: \$70,500

The project consists of replacement of an aging and failing sanitary sewer line that has a high risk of causing backups and impacting the entire city sanitary sewer system, residential homes and short-term rental properties. The line currently holds water and does not properly drain, which drastically increases the chances of a sanitary sewer backup and overflow into residences.

Uses		Sources	
Sewer line upgrades	\$125,575	IRRR (TEPF)	\$70,500
Architecture and engineering	15,500	City of Biwabik	83,135
Contingency	12,560		
Total	\$153,635	Total	\$153,635

City of Bovey

Grant Amount: \$267,790

The project consists of public utilities relocation and extension to a new business development. Palmer Bus Company provides student transportation services for many schools across Minnesota. The company would like to expand their facilities to accommodate the transportation needs of two school districts located on the Iron Range.

Uses		Sources	
Infrastructure and road reconstruction	\$219,500	IRRR (TEPF)	\$267,790
Facility construction	950,000	Private	971,950
Architecture and engineering	48,290		
Contingency	21,950		
Total	\$1,239,740	Total	\$1,239,740

City of Chisholm

Grant Amount: \$600,000

The project consists of water, sewer, storm sewer and total street reconstruction for a portion of 5th Street Southwest. The new infrastructure and street improvements will serve the Chisholm Public School District and 26 single family homes.

Uses		Sources	
Infrastructure and road reconstruction	\$1,338,920	IRRR (TEPF)	\$600,000
Architecture and engineering	243,440	City of Chisholm	982,360
Total	\$1,582,360	Total	\$1,582,360

City of Cook

Grant Amount: \$85,000

The project consists of roof and HVAC upgrades and interior improvements to the Cook Public Library. The library has experienced numerous roof leaks and HVAC issues for several years, and it was substantially damaged during the 2024 flood. The region received seven inches of rain within a 24-hour time period, causing extensive damage to infrastructure, homes and businesses, particularly in the city of Cook.

Uses		Sources	
Roof and HVAC upgrades	\$127,000	IRRR (TEPF)	\$85,000
Building interior improvements	146,500	City of Cook	5,238
Architecture and engineering	38,000	Federal Emergency Management Agency	141,262
Contingency	25,000	Department of Education	95,000
		Friends of the Cook Public Library	10,000
Total	\$336,500	Total	\$336,500

Kelsey Township

Grant Amount: \$70,000

The project consists of town hall upgrades. The building's foundation is failing and needs immediate repairs. The basement needs waterproofing and tuckpointing, and new roof trusses will be installed. The town hall is an integral part of the community, providing space for town board meetings, polling and community events. The historic building was constructed over 100 years ago and was originally a school.

Uses		Sources	
Town hall upgrades	\$140,201	IRRR (TEPF)	\$70,000
		Kelsey Township	70,201
Total	\$140,201	Total	\$140,201

Lawrence Township**Grant Amount: \$23,000**

The project consists of town hall renovations and foundation upgrades. The building is 30 years old and requires energy efficient upgrades, including new windows and doors to replace the original ones. New flooring will be installed. The town hall is a central community gathering place.

Uses		Sources	
Town hall upgrades	\$64,500	IRRR (TEPF)	\$23,000
		Blandin Foundation	31,500
		Itasca County	10,000
Total	\$64,500	Total	\$64,500

City of Virginia**Grant Amount: \$165,000**

The project consists of infrastructure relocation and upgrades. The city will replace a storm sewer main to facilitate the expansion of an existing business and relocate a sanitary sewer main to ensure the continued operation of another business. Both businesses have made significant investments in the city and are committed to further development. Without the city's support to relocate the sewer lines, the businesses' ability to expand and maintain operations in Virginia will diminish.

Uses		Sources	
Infrastructure relocation and upgrades	\$308,000	IRRR (TEPF)	\$165,000
Architecture and engineering	50,000	City of Virginia	224,000
Contingency	31,000		
Total	\$389,000	Total	\$389,000

City of Tower**Grant Increase: \$566,000**

Original Project Approval: The original project consists of water, sewer and electric utility placement for development of six newly constructed sustainable homes. The single-family homes feature two or three bedrooms and are suitable for permanent homestead or short-term rentals. The homes are Phase 1 of a larger development project situated on the East Two River. IRRR previously approved \$482,000 for the project in February 2025.

Reason for Grant Increase: The utility placement initially was a temporary solution to assist in moving the housing development forward. The grant increase will enable the public infrastructure to become permanent. The increase also supports new development for the harbor which includes 14 townhomes, 14 condo-style apartments and 7,500 square feet of commercial space.

The \$566,000 grant increase will bring the agency's investment to \$1,048,000 and the total project investment to \$12,780,393, as shown in the budget table.

Uses		Sources	
Utilities extension construction	\$1,005,000	IRRR - original grant (Highway 1)	\$482,000
Wetland credits	43,000	IRRR - grant increase (TEPF)	566,000
Site development	489,931	Tower Economic Development Authority	25,000
Home construction	2,454,710	Frandsen Bank and Trust	1,000,000
Land acquisition	650,000	Private	10,707,393
Harbor building construction	8,000,000		
Architecture and engineering	76,979		
Contingency	60,773		
Total	\$12,780,393	Total	\$12,780,393

Program: FY25 Grant Amendment: Public Works

Purpose: Public Works grants support local and Tribal governments with infrastructure funding that provides essential services and promotes economic development.

Economic Impact:

of Projects: **1**

Agency Investment: **\$250,000**

Total Project Investment: **\$9,300,000**

Crane Lake Township

Grant Amount: \$250,000

Remaining Grant Funds: \$58,834.76

Original Project Approval: The project consisted of reconstruction of Bayside Drive from Handberg Road (CR 425) to the existing Minnesota Department of Natural Resources (MNDNR) boat access point on Crane Lake. The town of Crane Lake designated Bayside Drive as an official township road, and the reconstruction is to county and township standards. The improvements allow greater public access to the MNDNR boat access serving Crane Lake, Voyageurs National Park, Quetico Provincial Park and Boundary Water Canoe Area Wilderness. The safety considerations are critical with the planned increase in usage of the MNDNR boat access as a result of the new campground development and Voyageurs National Park Visitor Center development adjacent to the boat access. Crane Lake constructed a new visitor center along the shoreline of Crane Lake. The visitor center project is fully funded at \$2.7 million, achieved by a Legislative-Citizen Commission on Minnesota Resources (LCCMR) grant awarded to the township.

Reason for Grant Scope Change: Crane Lake completed the Bayside Drive Road reconstruction project that provides access to the new National Park Visitor Center, campground development and MNDNR boat access. There is a remaining grant balance of \$58,834.76. The new campground development needs additional funds to complete the public shower and bathroom facility. The township is seeking approval from IRRR to use the remaining grant balance that was dedicated to Bayside Road reconstruction to complete the shower and bathhouse at the campground development.

Program: **Broadband Infrastructure**

Purpose: Broadband Infrastructure grants assist projects that help households and businesses reach the state of Minnesota broadband speed goal.

Economic Impact:

of Projects: **1**

Agency Investment: **\$383,000**

Total Project Investment: **\$1,111,743**

Households Served: **35**

Paul Bunyan Rural Telephone Cooperative

Grant Amount: \$383,000

The project consists of expanding Paul Bunyan Rural Telephone Cooperative fiber optic to serve 35 unserved households in unorganized township T62N-R21W in rural Saint Louis County. This is an expansion of the Paul Bunyan network north of Morcom Township. The project is capable of speeds that will far exceed the state of Minnesota 2026 broadband speed goal of 100 megabits per second download and 20 megabits per second upload. Construction is planned for summer 2026.

Uses		Sources	
Fiber construction	\$1,003,816	IRRR (TEPF)	\$383,000
Electronics and engineering	107,927	Paul Bunyan Rural Telephone Cooperative	728,743
Total	\$1,111,743	Total	\$1,111,743

Addendum A



m1 IRON RANGE RESOURCES & REHABILITATION

FY 2026 Budget

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

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Introduction

I am pleased to present the budget for FY26, which signifies the 84th year of Iron Range Resources & Rehabilitation's invaluable contributions to the region. This \$68 million investment strategy exemplifies the agency's unwavering commitment to fostering a more prosperous living and working environment in our service area. As Commissioner, my vision is centered on elevating our region by cultivating a future that encompasses sustainable job opportunities, a solid educational framework and thriving cities and towns. Through our array of grant and loan programs, I am dedicated to ensuring that our local businesses, communities and schools have the resources to flourish and succeed.

With this annual budget, the agency is strategically positioned to seize new and emerging investment opportunities. By allocating funds to projects in business, community and workforce development, the agency ensures that it can effectively support growth and progress in these crucial areas:

- Retain and create jobs.
- Address community priorities and leverage investment.
- Improve the quality of life for all residents.

Together with our public and private partners, Tribal Nations, and stakeholders, we are committed to enhancing long-term economic development and the overall well-being of all people in northeastern Minnesota.

Strategic Priorities & Funding

- Improve conditions for economic growth with \$30 million of resources in community and workforce development. Funds include a \$6 million program to promote the preservation, rehabilitation and investment in regional housing stock and neighborhoods with a focus on construction of new homes and/or apartment buildings.
- Support public works infrastructure, broadband and business and industry with spending of \$19 million. Infrastructure funding assists communities in modernizing, redeveloping and replacing foundational assets in order to attract business investments and expansion.
- Invest funds in natural and recreational assets, Giants Ridge and regional trails to generate diversification and economic impact while contributing to the quality of life in the region.
- Produce a fiscally sound spending plan that includes reserve funds for unforeseen future needs.



Commissioner Ida Rukavina

FY 2026 Budget

Iron Range Resources & Rehabilitation Board			
	FY 2025 Budget	FY 2025 Projected	FY 2026 Budget
Resources			
Carryforward In	\$19,124,692	\$20,927,440	\$24,002,744
Current Resources			
Taconite Production Taxes	\$31,533,494	\$31,533,494	\$30,621,832
Investment Earnings	7,797,064	9,345,762	8,210,000
Loan Revenues	2,321,844	4,978,386	4,543,996
Facilities Revenues	7,229,300	8,226,103	8,385,789
Occupation Tax Region 3	528,756	528,756	508,647
** DJJ Corpus Trust	10,630,000	10,630,000	7,671,000
Subtotal Current Resources	\$60,040,458	\$65,242,501	\$59,941,264
Total Resources	\$79,165,150	\$86,169,941	\$83,944,008
Estimated Expenditures			
Projects			
Development Projects	7,500,000	7,500,000	9,000,000
** Development Projects - DJJ Corpus Trust	1,500,000	1,500,000	0
Public Works	6,000,000	6,000,000	9,000,000
Broadband	1,000,000	1,000,000	1,000,000
Total Projects	\$16,000,000	\$16,000,000	\$19,000,000
Programs			
** Program Grants	18,270,000	18,270,000	19,155,000
Occupation Tax Region 3	528,756	528,756	508,647
Total Programs	\$18,798,756	\$18,798,756	\$19,663,647
Giants Ridge	15,499,586	15,499,586	17,529,367
** Giants Ridge Capital - DJJ Corpus Trust	3,130,000	3,130,000	1,671,000
Total Giants Ridge	\$18,629,586	\$18,629,586	\$19,200,367
Operations & Development Fixed Costs	\$10,001,309	\$8,738,855	\$10,512,377
Total Budget	\$63,429,651	\$62,167,197	\$68,376,391
Estimated Carryforward Out	\$15,735,499	\$24,002,744	\$15,567,617

** DJJ Corpus Trust funds to cover Development Projects, Housing Development and Giants Ridge capital.

Projects

Projects Budget

Development Projects	FY 2025 Budget	FY 2025 Projected	FY 2026 Budget
Development Projects	\$7,500,000	\$7,500,000	\$9,000,000
Development Projects - DJJ Corpus Trust	1,500,000	1,500,000	0
Public Works	6,000,000	6,000,000	9,000,000
Broadband	1,000,000	1,000,000	1,000,000
Total Development Projects	\$16,000,000	\$16,000,000	\$19,000,000

Development Projects - \$9,000,000

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 consent 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).

Public Works - \$9,000,000

Public Works grants help cities, townships, airport authorities, public safety facilities, 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, utility systems, airport facility improvements, renewable energy and energy efficiency initiatives.

Broadband - \$1,000,000

Broadband Infrastructure grants help unserved and underserved households and businesses reach the State of Minnesota broadband speed goals.

Programs

Programs Budget

Program Grants	FY 2025 Budget	FY 2025 Projected	FY 2026 Budget
Community Development			
Commercial Redevelopment	\$1,000,000	\$1,000,000	\$1,000,000
Residential Redevelopment	225,000	225,000	225,000
Development Partnerships	1,875,000	1,875,000	2,000,000
Business Energy Retrofit	1,500,000	1,500,000	1,500,000
Downtown Building Rehabilitation	500,000	500,000	500,000
Minnesota Dental Foundation	120,000	120,000	0
Housing Development	6,000,000	6,000,000	6,000,000
Downtown Redevelopment	1,000,000	1,000,000	1,000,000
Total Community Development	\$12,220,000	\$12,220,000	\$12,225,000
Workforce Development	\$400,000	\$400,000	\$700,000
Mineland Reclamation	\$1,150,000	\$1,150,000	\$1,150,000
Culture & Tourism			
Culture & Tourism	\$600,000	\$600,000	\$850,000
Minnesota Discovery Center	2,050,000	2,050,000	2,700,000
Total Culture & Tourism	\$2,650,000	\$2,650,000	\$3,550,000
Commissioner Program	\$300,000	\$300,000	\$500,000
Grant Writing Assistance	\$50,000	\$50,000	\$30,000
Regional Trails	\$1,500,000	\$1,500,000	\$1,000,000
Total Program Grants	\$18,270,000	\$18,270,000	\$19,155,000

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 - \$225,000

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

Development Partnerships - \$2,000,000

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

Business Energy Retrofit - \$1,500,000

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

Downtown Building Rehabilitation - \$500,000

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

Housing Development - \$6,000,000

The Housing Development program funds housing projects or programs that result in the creation of new housing units or the rehabilitation of existing housing units. The program will support housing solutions that align with local priorities and regional employers' needs.

Downtown Redevelopment - \$1,000,000

The Downtown Redevelopment program will provide gap funding to support building construction projects serving locally owned businesses on main streets in downtown areas.

Workforce Development - \$700,000

Workforce Development 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 - \$1,150,000

The Mineland Reclamation grant program assists 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 - \$850,000

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

Minnesota Discovery Center - \$2,700,000

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 Mountain bike park in Chisholm has provided MDC with additional opportunities for future growth.

The Sublease/Management Agreement provides an annual \$1,800,000 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 \$750,000 for building capital improvements.

Commissioner Program - \$500,000

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.

Grant Writing Assistance - \$30,000

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

Regional Trails Program - \$1,000,000

The Regional Trails program provides funding to assist cities, townships and non-government organizations with construction of various types of trails within the region. Trail types may include: bike, hiking, ATV and snowmobile.

Region 3

Region 3 Budget

Region 3 Grant – Carlton/Koochiching	FY 2025 Budget	FY 2025 Projected	FY 2025 Budget
Region 3	\$528,756	\$528,756	\$508,647

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

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

Giants Ridge

Giants Ridge Budget

Giants Ridge	FY 2025 Budget	FY 2025 Projected	FY 2026 Budget
Revenue			
Operating Revenues	\$7,068,955	\$8,100,000	\$8,125,689
Investment by Type			
Operations	\$5,785,031	\$5,785,031	\$5,705,074
*New Capital / Projects	5,275,600	4,244,555	4,869,604
Deferred Maintenance Account	500,000	500,000	500,000
Total Investment	\$11,560,631	\$10,529,586	\$11,074,678
Total Expense Budget	\$18,629,586	\$18,629,586	\$19,200,367

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 agency's service area. Multiplier economic impacts from Giants Ridge on the local economy are estimated to be over \$55 million. Continued investments in the facility help meet customer expectations and keep Giants Ridge competitive.

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

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

Operational Costs

Operational Costs Budget

Operational Costs	FY 2025 Budget	FY 2025 Projected	FY 2026 Budget
Payroll			
Wages and Benefits	\$5,982,502	\$5,263,585	\$6,263,755
Retirement Insurance	245,114	245,114	303,505
Workers Compensation	70,119	70,119	65,000
Other Payroll Costs	86,000	81,674	111,600
Total Payroll	\$6,383,735	\$5,660,492	\$6,743,860
Purchased Services			
Rentals and Utilities	\$94,900	\$80,759	\$124,300
Printing and Advertising	137,000	80,797	122,000
Professional/Technical Services	760,000	423,920	1,079,000
Computer and Computer Services	334,000	357,160	352,000
Communications	150,500	141,072	159,500
Travel	226,000	126,223	231,500
Employee Development	62,500	24,930	63,000
Total Purchased Services	\$1,764,900	\$1,252,861	\$2,131,300
Supplies and Equipment	\$558,500	\$481,535	\$554,500
Repairs and Maintenance	\$683,000	\$730,413	\$455,000
Indirect Costs			
Statewide Indirect Costs	\$315,474	\$315,474	\$210,317
Attorney General Costs	25,000	2,053	25,000
Total Indirect Costs	\$340,474	\$317,527	\$235,317
Other Operating Costs	\$270,700	\$296,027	\$392,400
Total Operational Costs	\$10,001,309	\$8,738,855	\$10,512,377

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