

A SPECIAL MEETING OF THE



**IRON RANGE RESOURCES  
& REHABILITATION BOARD**

**Tuesday, November 12, 2024**

**12:00 noon**

**Iron Range Resources & Rehabilitation**

**Administration Building**

**Eveleth, MN**

**Meeting of the Iron Range Resources & Rehabilitation Board  
Iron Range Resources & Rehabilitation Administration Building  
4261 Highway 53 South, Eveleth, MN 55734  
Tuesday, November 12, 2024 – 12:00 noon**

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4261 Highway 53 South, Eveleth, MN 55734  
Tuesday, November 12, 2024 – 12:00 noon**

*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 July 29, 2024, Meeting Minutes**  
*See Addendum A*
- 4. Commissioner's Comments**
- 5. Minerals Article/2024 Tax Omnibus Bill Projects**
- 6. Minerals Article – Authorize Prior Expenditures**
- 7. Flood Impacted Agency Lands: Embarrass Diversion Channel**
- 8. Natural Resources Research Institute (NRRI) and the Minnesota Industrial Transformation Initiative (MITI) – Phase I**
- 9. Taconite Economic Development Fund (TEDF)**
  - a. Hibbing Taconite Mining Company
  - b. Minorca Mine
  - c. Northshore Mining Company
  - d. US Steel – Keetac
  - e. US Steel – Minntac
  - f. United Taconite Mining Company
- 10. Iron Range Higher Education Account**
- 11. FY25 Budget Amendment – Regional Trails**
- 12. Lonely Loon LLC d/b/a Superior Creamery**
- 13. Reynolds Manufacturing Inc. d/b/a Northland Machine Inc.**
- 14. Trison Solutions LLC**
- 15. Virginia Plastics LLC**
- 16. FY25 Scope Amendment – HWY35, LLC**
- 17. Broadband Infrastructure**
- 18. Child Care Development Grant**
- 19. Public Works**
- 20. Other**
- 21. Adjournment**

**Program:** Minerals Article/2024 Tax Omnibus Bill Projects

**Purpose:** Under the guidance of Bond Council, IRRR will issue revenue bonds for the financing of up to 81 identified projects in the 2024 legislation that was enacted. (Laws for Minnesota 2024, Chapter 127, Article 69, Sections 15-16). Projects estimated at \$1 million or more are required to submit a project and spending plan to the IRRR Board.

**Economic Impact:**

# of Projects: **14**

Agency Investment: **\$39,230,000**

**City of Chisholm**

**Bond Proceeds Amount: \$2,720,000**

\$1,520,000 must be used for the renovation of the Chisholm Ice Arena facility and parking, and the remaining amount must be used for the public works facility.

**Commissioner of Iron Range Resources & Rehabilitation**

**Bond Proceeds Amount: \$5,200,000**

For the design, engineering and construction related to improvements to The Legend golf course and related to a new waterline/infrastructure for the irrigation system at The Legend golf course at Giants Ridge Recreation Area.

**Cook County**

**Bond Proceeds Amount: \$2,250,000**

\$250,000 must be spent to preserve affordable housing units for seniors in the city of Grand Marais and \$2,000,000 must be used to construct, furnish and equip a solid waste transfer station in the county.

**City of Eveleth**

**Bond Proceeds Amount: \$3,640,000**

To design, engineer and construct public utilities in its business park and construct the Hat Trick Avenue slip ramp.

**City of Gilbert**

**Bond Proceeds Amount: \$1,000,000**

For the Gilbert Community Center.

**Hibbing Public Utilities**

**Bond Proceeds Amount: \$3,000,000**

For water infrastructure projects.

**Lone Pine Township**

**Bond Proceeds Amount: \$3,000,000**

To design, engineer and begin construction for its sewage treatment plan in partnership with the city of Nashwauk.

**Mesabi Fit Coalition**

**Bond Proceeds Amount: \$3,600,000**

For the renovation, reconstruction and expansion of the former Mesabi Family YMCA in the city of Mountain Iron.

**Minnesota Discovery Center**

**Bond Proceeds Amount: \$2,420,000**

\$200,000 may, at the discretion of the director of the Minnesota Discovery Center, be used for operating expenses, and \$2,220,000 must be used to design, construct, renovate, furnish and repair facilities, including HVAC upgrades, demolition and compliance with the Americans with Disabilities Act, at the Minnesota Discovery Center in the city of Chisholm, and for historical research funding.

**Northland Learning Center**

**Bond Proceeds Amount: \$1,000,000**

For construction costs.

**St. Louis County**

**Bond Proceeds Amount: \$2,100,000**

For the development of the Canyon Integrated Solid Waste Management Campus.

**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.

**City of Tower**

**Bond Proceeds Amount: \$3,000,000**

For water management infrastructure projects.

**City of Virginia**

**Bond Proceeds Amount: \$3,300,000**

Grant to be used by Essentia Health-Virginia for (i) modernization, renovation, and expansion of the hospital's emergency room complex to 12 emergency rooms; (ii) construction of an emergency behavioral health suite for adults and children within the hospital; and (iii) security and safety upgrades to the hospital. The grant must be transferred by the city to the hospital within 30 days of receipt.

**Program:** Flood Impacted Agency Lands: Embarrass Diversion Channel

**Purpose:** Support the ongoing repairs to the areas located within the Giants Ridge Recreation Area that were damaged by the flood that occurred on June 18, 2024.

**Project Cost:** \$6,180,000

**Project Description:**

On Tuesday, June 18, 2024 St. Louis County experienced the second-largest natural disaster in the last 30 years. Within the Giants Ridge Recreation Area, the severe weather event caused flooding runoff, debris erosion to four sections of the Mesabi Trail and exposed water and gas lines owned by the city of Biwabik.

Biwabik city officials immediately began monitoring the ruptured water line and exposed gas line and addressing issues. A boil-first advisory was temporarily issued to local residents. Natural gas service to residents was not interrupted and remains intact. The natural gas utility company, Minnesota Energy Resources, is working to permanently relocate the affected gas line.

A response team was formed that included representatives from IRRR, Barr Engineering, the city of Biwabik, Department of Natural Resources and Mesabi Trail/St. Louis County Rail Authority.

**Funding Received to Date:**

- **\$1,500,000** - State of Minnesota/Capital Asset Preservation & Replacement Account.

**Emergency Funding:**

- Federal Emergency Management Agency (FEMA): Conducted site visit September 26, process continues.

**Additional Funding Needed:**

- **\$6,180,000:** Total request.
  - **\$880,000:** Slope stabilization, protecting surface flow zone, riprap. (*construction work occurring November 2024 through January 2025*)
  - **\$5,300,000:** Long-term design, mitigation, restoration, land maintenance and construction.

**Funding Authorization:** Douglas J. Johnson Economic Protection Trust Fund Corpus: This project is authorized under the provision 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 Corpus monies for economic development projects in that these statutes authorize the expenditure of corpus 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.

**Program:** **University of Minnesota Duluth's Natural Resources Research Institute (NRRI) and the Minnesota Industrial Transformation Initiative (MITI) – Phase 1 – Feasibility Study**

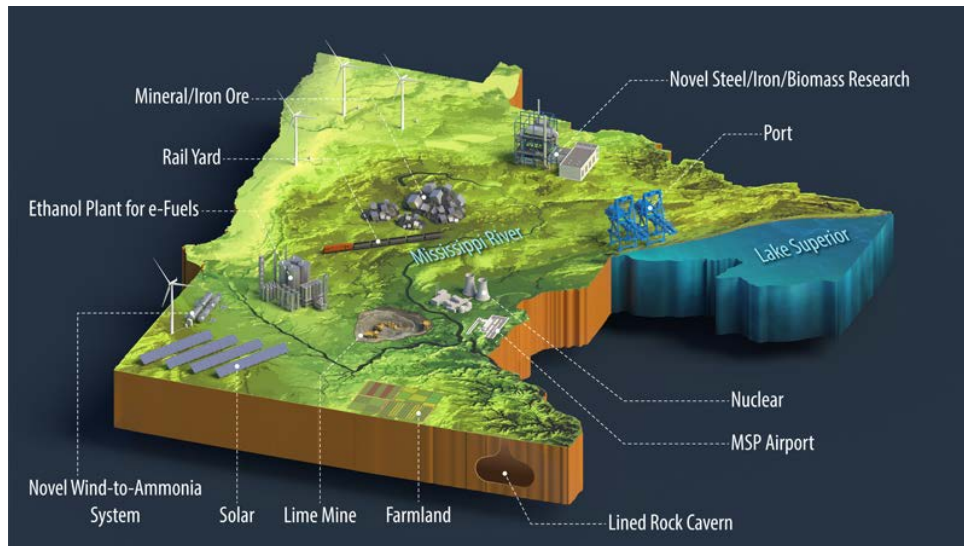
**Purpose:** Globally, the iron and steel industry is in the middle of a dynamic and rapidly accelerating technological shift. Today, the industry contributes between 7-9% of global CO2 emissions. World governments have recognized both the opportunity and challenge of reducing emissions in this hard-to-abate sector. They are pouring billions of dollars of investment into finding the best solution to economically reduce emissions from iron and steelmaking. The Iron Range generally, and IRRR specifically, have a direct, vested interest in ensuring Minnesota's iron resource is the preferred source for this rapidly developing decarbonized steel industry. MITI seeks to lead the way in this effort.

NRRI facilitates MITI in partnership with the National Renewable Energy Laboratory (NREL). It is a northeastern Minnesota, nation-leading collaboration of cutting-edge research institutions, industry partners, state leaders, Tribal Nations, environmental groups, labor unions and local communities organized to scale industrial decarbonization solutions.

The initiative aims to catalyze, demonstrate and drive replicable, scalable innovation to enable Minnesota to be a national and global leader in industrial decarbonization. MITI will begin by researching, derisking and building an integrated hydrogen-fueled green iron demonstration plant on the Iron Range. Additionally, MITI seeks to pair the green iron plant with complementary and collocated industries, such as cement and eFuels production, to demonstrate achievable industrial and energy efficiencies by cross-coupling disparate production sectors.

**Project Cost:** \$2,000,000  
(The IRRR grant will seed and leverage significant additional federal and private sector investment)

**Project Description:** MITI is requesting an IRRR grant to pay for feasibility studies, techno-economic analysis, project scope determination and due diligence associated with the proposed green iron plant. The IRRR grant will be applied as seed funding and as a local match to leverage significant state, federal and private investment in the project. MITI has submitted grant applications to and received favorable feedback from the Industrial Efficiency and Decarbonization Office and the Office of Clean Energy Demonstration.



**Funding Authorization:** Douglas J. Johnson Economic Protection Trust Fund Corpus: This project is authorized under the provision 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 Corpus monies for economic development projects in that these statutes authorize the expenditure of corpus 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.



**Program:** Taconite Economic Development Fund (TEDF)

**Purpose:** Each iron ore producer is eligible for a tax rebate of \$0.251 per ton of iron concentrate produced annually, provided total industry production is at least 30 million tons. The producer must match the tax rebate dollar for dollar. The Taconite Production Tax, paid by each mining company in lieu of property taxes, is based on the annual amount of tonnage plus chips and fines produced by each company. The TEDF grant program funds operating or capital improvement projects that meet these goals.

TEDF is a legislatively mandated program. Minnesota Statutes Section 298.227 authorizes rebates to Minnesota's taconite producers for workforce development, concurrent reclamation, plant and stationary mining equipment, facilities for the producer, or for research and development in Minnesota on new mining, taconite, iron, or steel production technology, but only if the producer provides a matching expenditure equal to the amount of the distribution to be used for the same purpose. These funds are held in the Taconite Economic Development Fund.

**Economic Impact:**

# of Projects: 6

Agency Investment: **\$8,784,583**

Total Project Investment: **\$19,488,000**

**Hibbing Taconite Mining Company**

**Rebate Amount: \$1,601,608**

Hibbing Taconite is eligible for a rebate of \$1,601,608, subject to the company providing a minimum match of the same amount for a minimum total project cost of \$3,203,216. The Hibbing Taconite Mining Company TEDF Review Committee completed its review on October 8, 2024 and unanimously approved submitting the project for the TEDF rebate.

- **Tailings Storage Facility Buttressing - \$3,300,000:** Hibbing Taconite's tailings storage facility (TSF) receives and stores tailings after extracting the iron units during the pellet production process. The TSF is an engineered impoundment that is designed, monitored and operated to safely contain tailings under all anticipated conditions. The project is part of Cleveland-Cliffs' commitment to ensure its tailings storage facilities meet or exceed current best practices in the industry. Hibbing Taconite's investment in the construction of a downstream buttress essentially widened the dam and added downstream support at the toe of the existing dams. This is an ongoing project, and the request covers a portion of the work that was completed in 2023.

Uses		Sources	
TSF improvements	\$3,300,000	Applicant	\$1,698,392
		Taconite Economic Development Fund	\$1,601,608
<b>Total</b>	<b>\$3,300,000</b>	<b>Total</b>	<b>\$3,300,000</b>

### Minorca Mine

#### Rebate Amount: \$698,171

Minorca is eligible for a rebate of \$698,171 subject to the company providing a minimum match of the same amount for a minimum total project cost of \$1,396,342. The Minorca Mine TEDF Review Committee completed its review on October 31, 2024 and unanimously approved submitting the project for the TEDF rebate.

- Tailings Basin Decant Structure and Booster Pump Project - \$1,888,000:** The Upland Basin Cell II has historically been used for fine tailings storage at Minorca Mine. More recently, fine tailings storage has transitioned to Cell IIB. The project required a concrete decant structure within Cell IIB which allows water associated with the fine tailings to be separated and reclaimed for plant processing use. Due to the increased pumping distance to Cell IIB, a new down line booster pumping station and associated power line were installed. The station houses all the pumps, valves, piping and necessary support equipment to ensure that tailings are successfully routed to Cell IIB.

Uses		Sources	
Decant Structure Project	\$1,888,000	Applicant	\$1,189,829
		Taconite Economic Development Fund	\$698,171
<b>Total</b>	<b>\$1,888,000</b>	<b>Total</b>	<b>\$1,888,000</b>

### Northshore Mining Company

#### Rebate Amount: \$845,852

Northshore Mining Company is eligible for a rebate of \$845,852 subject to the company providing a minimum match of the same amount for a minimum total project cost of \$1,691,704. The Northshore Mining Company TEDF Review Committee completed its review on October 30, 2024 and unanimously approved submitting the project for the TEDF rebate.

- Limestone Mill - \$800,000:** The Limestone Mill is required to run for 8-10 hours every 36 hours. Limestone is needed to bind the pellet and for coating. The mill is at the end of its useful life and needs replacing. It will also cut down on the section ups and downs due to leakage and will result in a higher quality product by being able to have a steady run. The current mill is from 1955. This mill has no current replacement available as the shell liners are a different design than any of the concentrate mills currently in service. They are designed specifically for grinding limestone at a lower tonnage.
- Filter and Softener Replacement - \$900,000:** Northshore uses a steam boiler for heating the facility and concentrate feed tank. Feed-water treatment systems are a 'Best Practice' feature

for boiler systems. They ensure clean water enters the system to reduce solids deposits, maintaining efficiency and adding life to the boiler heat transfer surfaces. The make-up water treatment system supplying the plant steam heating boilers is comprised of three multimedia filters and two water softeners that treat Lake Superior water prior to the boilers. The manually operated system is original equipment installed in 1965, located in the power plant.

The project will replace the failing system and 1965 technology with a modern automated filter system with increased capacity. The new system will replace the existing in-kind; three (3) multimedia filter tanks and two (2) softener tanks. Details would include fully automated control system and operating valves, improved materials of construction and coatings and up to date filtering and softening media.

- **West Pellet Plant Elevator Modernization - \$200,000:** The project is to modernize the 1950s west pellet plant elevator. Work includes upgrading all the machine room equipment, controls and electrical components to current standards. A new cab and new hoist way doors will be installed to improve the service and reliability of the elevator.

Uses		Sources	
Limestone Mill	\$800,000	Applicant	\$1,054,148
Filter and softener replacement	\$900,000	Taconite Economic Development Fund	\$845,852
West pellet plant elevator modernization	\$200,000		
<b>Total</b>	<b>\$1,900,000</b>	<b>Total</b>	<b>\$1,900,000</b>

#### US Steel - Keetac

##### Rebate Amount: \$1,291,822

US Steel - Keetac is eligible for a rebate of \$1,291,822 subject to the company providing a minimum match of the same amount for a minimum total project cost of \$2,583,644. The US Steel - Keetac TEDF Review Committee completed its review on November 4, 2024 and unanimously approved submitting the project for the TEDF rebate.

- **Keetac DR Grade Pellets (HIG Mill and engineering) - \$3,000,000**  
Design and install additional beneficiation process to the existing concentrator enabling Keetac to reduce silica concentration meeting DR pellet specification of <2% silica. New processing can be utilized year-round or bypassed to produce the current blast furnace grade pellets. New processing equipment includes high intensity grinding (HIG) mill, separation and flotation to remove additional silica from the ore prior to pelletizing.

Uses		Sources	
DR pellets – HIG mill	\$3,000,000	Applicant	\$1,708,178
		Taconite Economic Development Fund	\$1,291,822
<b>Total</b>	<b>\$3,000,000</b>	<b>Total</b>	<b>\$3,000,000</b>

## US Steel - Minntac

### Rebate Amount: \$3,164,996

US Steel - Minntac is eligible for a rebate of \$3,164,996 subject to the company providing a minimum match of the same amount for a minimum total project cost of \$6,329,992. The US Steel - Minntac TEDF Review Committee completed its review on November 4, 2024 and unanimously approved submitting the project for the TEDF rebate.

- **Minntac Crusher Dust Collector Replacements - \$4,000,000**

The Minntac crusher system has multiple dust collectors requiring engineered upgrades to meet the new Mine Safety and Health Administration silica standards. This project replaces six older marble bed dust collectors with six new cartridge style collectors improving workplace air quality.

- **Minntac Lines 7 & 8 Pre-Classification - \$3,000,000**

In 2004, pre-classification equipment was installed on the Minntac Step 3 concentrating lines to optimize the flotation circuit by greatly reducing the amount of fines reporting to flotation. The project included adding pre-classification equipment to the Step 1 & 2 concentrating lines in the concentrator. Converting lines 7 & 8 are the fifth and final set of installations planned. New equipment including cyclone clusters, sumps, pumps and piping will be added for material processing and handling. The cyclone clusters will reduce the total solids tonnage feeding the flotation circuit by performing a size separation. The modifications are expected to improve recovery in the Step 1 & 2 process by approximately 2% as well as a cost savings from less chemical consumption (amine & defoamer). The reduction in energy usage and chemical consumption both have positive environmental benefits.

Uses		Sources	
Dust collector replacement	\$4,000,000	Applicant	\$3,835,004
Pre-classification lines 7 & 8	\$3,000,000	Taconite Economic Development Fund	\$3,164,996
<b>Total</b>	<b>\$7,000,000</b>	<b>Total</b>	<b>\$7,000,000</b>

## United Taconite Mining Company

### Rebate Amount: \$1,182,134

United Taconite Mining Company is eligible for a rebate of \$1,182,134 subject to the company providing a minimum match of the same amount for a minimum total project cost of \$2,364,268. The United Taconite Mining Company TEDF Review Committee completed its review on November 5, 2024 and unanimously approved submitting the project for the TEDF rebate.

- **Crusher Feed and Screen Upgrade: \$1,800,000**

United Taconite's plant includes two stages of crushing with multiple crushers at each stage. Originally, the first stage of crushing included a vibrating feeder and a slide chute to deliver ore to each crusher. The project replaced the existing vibrating feeder with a new vibrating screen to remove undersized material prior to being fed to the crusher. This creates a bypass for

material that does not require crushing. It also increases crusher throughput while reducing energy and wear material usage.

- **Tailings Pipeline Upgrades: \$600,000**

United Taconite's tailings are transported from the plant to the tailings storage facility in one of two ways: coarse tailings are transported by truck, and fine tailings are transported by pipeline. As the tailings storage facility's elevation increases, the pipeline used to transport the fine tailings is no longer adequate. To continue to use the existing pump systems at their designed horsepower, a larger diameter pipe is required. This is a seven-year project, and the work completed in 2023 represents year four of seven.

Uses		Sources	
Crusher feed upgrades	\$1,800,000	Applicant	\$1,217,866
Tailings pipeline upgrade	600,000	Taconite Economic Development Fund	1,182,134
<b>Total</b>	<b>\$2,400,000</b>	<b>Total</b>	<b>\$2,400,000</b>

**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 Dave Lislegard  
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 November 1, 2024, to receive updates from Minnesota North College and consider proposed investments. The IRHEC approved the following expenditures from the Iron Range Higher Education Account:

**Minnesota North College: Iron Range Engineering  
Grant Amount: \$400,000**

- 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 offset salary expenses for faculty living and working in northeastern Minnesota.

**Program Highlights:**

- 308 graduates, 22 additional graduates anticipated in December 2024.

- 140 students currently enrolled in the program, 50 from northern Minnesota.
- 50 local businesses served during the past academic year through engineering projects, the hiring of IRE co-ops/interns or the hiring/retention of IRE graduates.
- 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 two national strategic planning groups on the future of engineering education.
- Published in the latest edition of the International Handbook on Engineering Education Research.
- Completed its third ABET Accreditation in September with no shortcomings and two strengths highlighted including student support and co-op-based learning model.
- Faculty and staff published 30 journal and conference articles in the past year.
- Hillcrest Manor in Chisholm was converted in 2022 to housing for IRE students including 40 rooms and 65 beds across two floors. It was recently named the Senator David J. Tomassoni Building, and 210 people have utilized it since 2022. It is owned by the Chisholm Economic Development Authority.

### **Minnesota North College: Academic Program Revitalization & Growth Strategies**

**Grant Amount: \$982,719**

- **Engineering, Itasca Campus - \$260,000**
  - Redesign and rebuild the Itasca engineering program to align with transfer to IRE.
  - Student engineers will acquire a high-quality engineering education while learning in an innovative model. The initiative will provide students financial accessibility, create a fiscally self-sustaining model and generate an economic development impact for northeastern Minnesota by retaining more talent within the region.
  - The initiative requires a recruiting plan, student community development, curricular innovation and personnel.
  - The initiative will be implemented over five years (2025 through 2029). The projected total to successfully implement is \$1.88 million, including the \$260,000 for 2025.
- **Welding, Eveleth Campus - \$526,091**
  - Upgrade the welding program's safety and lab space at the Eveleth campus by purchasing new modern equipment that features advancing technologies and supports industry standards. Mobile trailers will be purchased that enable mobile training being provided across the region.
  - The initiative will increase on-site welding training and offer mobile/remote welding training to serve industry and students in the manufacturing and industrial employment sectors.
  - As of October 2024, there are 59 students enrolled in the program: 26 in the advanced welding diploma and 33 in the entry-level welding diploma.
  - Regional demand for welding and manufacturing is at a high point. Housed at the Mesabi Range Eveleth campus, the welding program has been popular for years and serves the local mining, industrial trades, agriculture and fabrication industries.
  - Statewide demand for welders is projected to increase by 7% from 2020 to 2030, resulting in an increase in 738 newly created jobs and 2,624 replacement jobs. The manufacturing sector, which includes trades such as welding, is set to see the third highest increase in

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employment numbers in Minnesota over the next eight years. *(Source: Minnesota Department of Employment & Economic Development)*

- **Nursing Simulation, Itasca Campus - \$196,628**

- Create a high-quality nursing simulation laboratory on the Itasca campus for Associate's Degree-Registered Nurse students. New equipment will be purchased including a mobile medication station, birthing simulator, pediatric simulator and other furniture, fixtures and technology.
- The Nursing program is offered at four Minnesota North College campuses: Eveleth, Grand Rapids, Hibbing and International Falls. Each campus has varying simulation equipment. The initiative will align nursing simulation equipment and laboratory experiences across multiple campuses to better prepare students for clinical and real-world patient scenarios. Up to 50% of the clinical education is conducted through simulation training.
- The initiative will help support high wage employment opportunities for nursing graduates and provide high quality healthcare to local residents.
- During the 2022-2023 academic years, the nursing cohort had 87 Associate's Degree (AD) and 35 Licensed Practical Nursing (LPN) with 96 students ready to enter the workforce.
- Northeastern Minnesota has one of the highest employment demands for nursing professionals in the state. It is ranked second for Registered Nurses and 17<sup>th</sup> for Practical Nurses. *(Source: Minnesota Department of Employment & Economic Development)*



**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: **\$1,000,000**

Total Project Investment: **\$2,728,240**

**City of Chisholm**

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

The project focus is Phase III development of the Redhead Mountain Bike Park, a city-owned recreation area in Chisholm that is operated in collaboration with Iron Range Off-Road Cyclists and Minnesota Discovery Center. Phase III is guided by the completed Redhead master plan and will introduce 12 to 15 miles of new trails, upgrade existing trails, create adaptive trails and expand the trailhead.

Key features of the trailhead expansion include:

- Asphalt pump track.
- Skills course integrated with vintage mining equipment.
- Gathering spaces and viewing areas.
- Grand entrance, enhanced landscaping, fencing and tree planting.
- Informational kiosks, restroom facilities and water fountain.
- Bike wash station.
- Race gate.
- Reconfigured parking and lighting.

A 2023 trail intercept survey revealed that riders travel from across Minnesota, the Midwest, the United States and Canada to experience Redhead, contributing to its growing popularity. A significant increase in trail users is anticipated as a result of the addition of more trails, improved connectivity to downtown, the new pump track and skills course.

Redhead has earned numerous accolades for transforming a former mine into a premier mountain biking destination. In 2024, Barr Engineering Company, the park's designer, earned a National Recognition Award for exemplary engineering achievement in the American Council of Engineering Companies' 57th annual Engineering Excellence Awards.

The park collaborates with the region's other mountain bike areas including Cuyuna (Crosby), Hidden Valley (Ely), Giants Ridge (Biwabik), Tioga (Cohasset) and the paved Mesabi Trail that spans 162 miles and 28 communities from Grand Rapids to Ely.

Redhead hosts state-sanctioned races including the annual Minnesota Mountain Bike Series Race and the biannual Minnesota Cycling Association (MCA) Championship Race. In 2024, the MCA Race attracted 1,400 riders and over 4,000 attendees. An assessment of the 2022 MCA Race determined that local economies benefited by over \$1 million in visitor spending. As Redhead expands its rider base, the economic benefits for Chisholm, Hibbing and the surrounding region are expected to significantly grow.

Uses		Sources	
Trail and trailhead construction to include: design and construction of pump track, skills course, bathrooms and other related trailhead amenities	\$2,728,240	IRRR (TEPF)	\$1,000,000
		Legislative Citizens Commission on Minnesota Resources	\$1,666,000
		GoRedhead Donations	\$62,240
<b>Total</b>	<b>\$2,728,240</b>	<b>Total</b>	<b>\$2,728,240</b>

## Participation Loan

### Lonely Loon LLC d/b/a Superior Creamery

**Applicant:** Lonely Loon LLC d/b/a Superior Creamery

**Project Location:** 7 Broadway Avenue, Grand Marais, Minnesota 55604

**Principal(s):** Alexander Beebe-Giudice and Christine Saylor

**Project Description:** Lonely Loon LLC to purchase the building it is currently leasing from Voyageur Brewing Company for the purchase price of \$455,000.

**Market Opportunity:** Wholesale distribution of products will be focused on downtown Grand Marais in 2025, extending throughout Cook County in 2026. In 2027 wholesale will account for 20% of their annual gross revenue as they extend beyond Cook County into larger markets including those in Lake County and Grand Portage. Within five years, the goal is to distribute their products in select grocery stores located in the Minneapolis/St. Paul area.

### Project Investment:

Agency/Partner Investor	Investment Terms	Amount
Park State Bank	5-year term, 25-year amortization	\$205,000
Equity		\$54,000
IRRR	25-year term, 25-year amortization	\$205,000
<b>Total Project Investment</b>		<b>\$464,000</b>

**Jobs:** 1 full time and 3 seasonal Planned New 2 full time and 14 part time Retained

**Wages:** \$13- \$25 per hour / \$28,000 - \$53,000 per year

**Collateral:** Secured by a shared first position commercial real estate mortgage on property located at 7 Broadway Avenue, Grand Marais, Minnesota 55604. The loan will have the personal guarantee of Alexander Beebe-Giudice and Christine Saylor.

**Business History:** Originating in 2022, The Lonely Loon, LLC d/b/a Superior Creamery opened in June 2022 as an ice cream shop and café. The company makes ice cream daily in a boutique shop in downtown Grand Marais using the finest Minnesota dairy and premium ingredients. In 2024, lunch service was retired to focus on craft ice cream, espresso service was introduced, and homemade fudge was added to the menu. Superior Creamery also sells canned and draft non-alcoholic beverages, coffee and tea, dog treats, apparel and pre-packed pints.

After three years in business, Superior Creamery has become a destination for Cook County residents and visitors, and their homemade ice cream is a cornerstone of the Grand Marais

experience. The business has generated over \$1 million in gross sales since 2022, created a positive work environment for community members, and contributed products, money and time to local nonprofits. Superior Creamery has also partnered with many local and regional food producers.

**Past Agency History:** None.

**Contingencies:** None.

**Technical Advisory Committee (TAC) Recommendation:** The TAC recommended approval at its October 28, 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.

## Participation Loan

**Reynolds Manufacturing Inc. d/b/a Northland Machine Inc.**

**Applicant:** Reynolds Manufacturing Inc. d/b/a Northland Machine Inc.

**Project Location:** 35234 US Highway 2, Grand Rapids, Minnesota 55744

**Principal(s):** John Reynolds

**Project Description:** Add a new Mazak machining station and other fabricating equipment to meet the needs of orders from two large regional manufacturers.

**Market Opportunity:** The industry demand for precision machined parts remained strong through 2023, and the outlook for the remainder of 2024 appears strong. Northland Machine saw a decline in 2024 due to a long-time customer moving their services in-house; however an influx of business from two large regional manufacturers has filled and surpassed the gap. The new machines will help increase productivity and efficiencies and will hold higher tolerances to attract and retain business.

### Project Investment:

Agency/Partner Investor	Investment Terms	Amount
Security State Bank	5-year term, 10-year amortization	\$442,000
IRRR	10-year term, 10-year amortization	\$442,000
Cash		\$99,000
<b>Total Project Investment</b>		<b>\$983,000</b>

**Jobs:** 22 full time equivalent and 1 part time Retained

**Wages:** \$18 - \$38 per hour / \$38,000 - \$80,000 per year plus benefits

**Collateral:** The loan will be secured by all accounts, inventory and equipment including but not limited to the equipment purchased from the proceeds of the loan. The loan has the personal guarantee of John Reynolds.

**Business History:** In 1980 on the edge of Grand Rapids, the first machine for the shop was purchased, and machined parts began being processed from raw steel to usable product. The next nine years saw steady growth and steady demand for machining services. The business venture was a success, and Northland Machine was incorporated in 1989. As word spread and sales continued to increase, Northland Machine quickly outgrew its space. An ideal piece of land on the bluffs of the Mississippi was purchased in 1994 by Northland Machine Inc. and has remained as their location. John Reynolds purchased the business in December 2021, and Reynolds Manufacturing Inc. was incorporated the same month.

**Past Agency History:**

<b>Business Name</b>	<b>Date</b>	<b>Amount</b>	<b>Balance</b>	<b>Current</b>
Reynolds Enterprises LLC	4/12/2022	\$560,000	\$496,078	Yes
Reynolds Manufacturing Inc.	4/12/2022	\$450,000	\$341,760	Yes
Reynolds Manufacturing Inc.	7/12/2023	\$215,000	\$182,417	Yes
Reynolds Manufacturing Inc.	7/12/2023	\$205,000	\$180,504	Yes

**Contingencies:** None.

**Technical Advisory Committee (TAC) Recommendation:** The TAC recommended approval at its October 28, 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.

## Participation Loan

### Trison Solutions LLC

**Applicant:** Trison Solutions LLC

**Project Location:** 900 West 41<sup>st</sup> Street, Suite 10, Hibbing, Minnesota 55746

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

**Project Description:** Trison Solutions will add a modern surface mount electronic production line to supplement the current aging line. Trison will refinance their current loan and line of credit to a local bank.

**Market Opportunity:** The new production line will allow Trison Solutions to significantly increase production to meet the needs and specifications of customers.

### Project Investment:

Agency/Partner Investor	Investment Terms	Amount
Security State Bank	42-month term, 42-month amortization	\$1,200,000
Security State Bank	Line of Credit	\$300,000
IRRR	42-month term, 42-month amortization	\$850,000
Trison Solutions LLC	Cash	\$800,000
<b>Total Project Investment</b>		<b>\$3,150,000</b>

**Jobs:** 20.75 full time equivalent Retained

**Wages:** \$17 - \$45 per hour / \$36,000 - \$94,000 per year plus benefits

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

**Business History:** Trison Solutions is a full-service Electronics Manufacturing Services (EMS) contract manufacturer incorporated in 1989 as a side-business for the original owners. In 2007, when Hibbing Electronics (Kimball Electronics) moved operations out of Hibbing, the original owners made Trison their full-time pursuit. The business gained momentum beginning in 2014 and has grown at a double-digit average annual rate ever since. Thomas Wagner, Ralland Hess and Carl Schneider acquired Trison from the original owners in October 2022, and the business's growth rate has further accelerated.

Trison enjoys strong relationships with several Fortune 500 customers and other multinational industry leaders. Trison serves customers in the aerospace, agriculture, construction, engineering, industrial and technology sectors. The company's industry niche is being a specialized, customer-focused contract manufacturer emphasizing lower quantity/higher variation production runs. Approximately 40% of its

revenue comes from legacy/aftermarket products with the majority coming from current run production.

**Past Agency History:** None.

**Contingencies:** None.

**Technical Advisory Committee (TAC) Recommendation:** The TAC recommended approval at its October 28, 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.



## Participation Loan

### Virginia Plastics LLC

**Applicant:** Virginia Plastics LLC

**Project Location:** 8325 Jasmine Street, Mountain Iron, Minnesota 55768

**Principal(s):** Jim Zerban and William Telken

**Project Description:** Purchase of three new extruders to replace failing and inefficient pieces of equipment.

**Market Opportunity:** The new extruders will produce double the pounds per month per extruder than the existing equipment while consuming the same amount of energy.

### Project Investment:

Agency/Partner Investor	Investment Terms	Amount
Park State Bank	5-year term, 5-year amortization	\$136,500
IRRR	5-year term, 5-year amortization	\$136,500
Cash		\$107,000
<b>Total Project Investment</b>		<b>\$380,000</b>

**Jobs:** 3 Planned New 17 Retained

**Wages:** \$15 - \$22 per hour / \$32,000 - \$47,000 per year plus benefits

**Collateral:** A purchase money security interest on the equipment purchased from the proceeds from this loan, plus a blanket UCC on all equipment, inventory and accounts receivable. The loan will have the personal guarantees of Jim Zerban and William Telken.

**Business History:** Virginia Plastics LLC is a polyethylene film manufacturer that makes plastic bags, tubing and sheeting that are used in many industries including mining, chemical, automotive, industrial and consumer. The products are used in packaging applications for high value parts and applications where standard plastic products will not meet the customers' requirements. The prior owner passed away in early 2017. Business performance leading up to 2017 showed net losses and declining revenues as the owner was often absent from daily operations.

Jim Zerban purchased the company on Nov. 13, 2017 for \$219,000 in an asset purchase that included the business, building, equipment and inventory. Jim currently lives in St. Paul, Minnesota and worked for Northern Technologies (NTIC), a customer of Virginia Plastics. Jim continued working for NTIC throughout 2018 and terminated his employment there on Nov. 30, 2018 to fully focus on Virginia Plastics.

Over this last three (+) years of ownership, Jim continues to develop relationships with customers and potential customers of Virginia Plastics. Jim recognized that the company's niche lies in making smaller bags in smaller batches; however, as the company gets additional extruders operational, they will be able to produce larger bags in larger quantities with competitive pricing and turnaround time.

In Mar. 2019, the company purchased a new piece of equipment called a Bag-on-Roll machine and rewinder. The machine takes the film coming off the existing extruders and puts a seal every 22' and adds a perforation. The rewinder then re-rolls the film back into a roll. The company secured a contract with Midland Packaging to purchase the plastic bags produced using the piece of equipment. Midland Packaging is now one of Virginia Plastics' largest customers. The equipment was also used to secure other business with new and existing customers.

In Jan. 2021, the company purchased an additional inline perforating machine because one of their largest customers, and other new customers, were more frequently requesting this product. Virginia Plastics also purchased two new bag machines in 2022 to meet demand and reduce the bottleneck the older bag machines had created.

In Apr. 2022, William Telken purchased 30% of the company from Jim and was added as a guarantor on all loans. Will has many years of experience working in the industry and brings knowledge about extruder maintenance and production efficiencies. Jim believed Will's knowledge and experience were necessary for the business to grow beyond the point he had grown it since purchasing it in 2017. In addition, Steve Anderson, a sales person for Virginia Plastics, recently purchased 5% of the company.

**Past Agency History:**

Virginia Plastics LLC			
Date	Amount	Balance	Current
11/21/2017	\$100,000	\$59,851	Yes
11/10/2021	\$43,000	\$21,055	Yes
04/04/2023	\$31,700	\$24,447	Yes

**Contingencies:** None.

**Technical Advisory Committee (TAC) Recommendation:** The TAC recommended approval at its October 28, 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.

## **FY25 Scope Amendment: Direct Loan**

**HWY35 LLC**

**Applicant:** HWY35 LLC

**Project Location:** 502 County Road 63, Grand Rapids, Minnesota 55744

**Principal(s):** John Hyduke and Jack Mitchell

**Project Description:** At the Oct. 17, 2023, IRRR Board meeting, the HWY35 LLC project was reviewed, and Board Resolution No. 24-008 was passed recommending agency funding for the project. The project involved a \$10 million Direct Loan from IRRR and a \$10 million Direct Loan from Minnesota Department of Employment & Economic Development – 21st Century Fund. The total project investment was estimated at \$67,759,840.

**HWY35 LLC intends to** establish a state-of-the-art cannabis cultivation and manufacturing facility in Grand Rapids. The indoor cultivation center will be equipped with LED grow lights, HVAC systems and automated nutrient delivery systems. The manufacturing center will have stringent quality control procedures, and labeling will be implemented to meet regulatory standards and deliver exceptional products to the market. With recent legalization of cannabis for adult use in the state of Minnesota, the project aims to capitalize on the burgeoning market by acquiring the necessary equipment and infrastructure to cultivate premium cannabis strains, extract oils and manufacture a diverse range of high-quality cannabis products. The project is contingent on successful acquisition of necessary permits and licenses. The project was estimated to create 400 new jobs.

**Scope Amendment:** Board Resolution No. 24-008 would be amended to allow Borrower to lease space at the project facility to tenants that obtain cannabis licenses, and for the employees to be counted toward job creation goals.

**Funding Authorization:** Douglas J. Johnson Economic Protection Trust Fund Corpus: This project is authorized under the provision 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 Corpus monies for economic development projects in that these statutes authorize the expenditure of corpus 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.

**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: **2**

Agency Investment: **\$617,000**

Total Project Investment: **\$6,832,226**

# of Project Decreases: **1**

Agency Investment: **<\$162,093>**

**Paul Bunyan Communications**

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

The project consists of expanding Paul Bunyan Communication fiber optic to serve 420 unserved and underserved households in Field, Alango and Sturgeon Townships in rural Saint Louis County. The project is capable of speeds that will far exceed the state of Minnesota 2026 speed goal of 100 megabits per second download and 20 megabits per second upload. Construction is planned to begin in fall 2025 and be completed in summer 2026.

<b>Uses</b>		<b>Sources</b>	
Fiber construction	\$5,949,986	IRRR (TEPF)	\$400,000
Electronics	73,280	Minnesota Department of Employment & Economic Development Border to Border Grant: Low Density Grant Program	3,924,157
		Paul Bunyan Communications	1,200,109
		Alango, Sturgeon and Field Townships	99,000
		St. Louis County	400,000
<b>Total</b>	<b>\$6,023,266</b>	<b>Total</b>	<b>\$6,023,266</b>

**Paul Bunyan Communications**

**Grant Amount: \$217,000**

The project consists of expanding Paul Bunyan Communications fiber optic to serve 96 unserved and underserved households in the city of Mountain Iron and Great Scott Township areas in rural Saint Louis County. The project is capable of speeds that will far exceed the state of Minnesota 2026 speed goal of 100 megabits per second download and 20 megabits per second upload. Construction is planned to be completed in summer 2025. Paul Bunyan Communications secured Minnesota Department of Employment & Economic Development broadband line extension funding for another project in the city

of Mountain Iron located northwest of the proposed project. The \$217,000 grant will expand the footprint Paul Bunyan Communications is able to serve.

Uses		Sources	
Fiber construction	\$793,600	IRRR (TEPF)	\$217,000
Electronics	15,360	Paul Bunyan Communications	191,960
		St. Louis County	400,000
<b>Total</b>	<b>\$808,960</b>	<b>Total</b>	<b>\$808,960</b>

## Grant Decrease

### CTC Communications

#### Grant Decrease: <\$162,093> (DJJ)

The grant decrease is due to the number of served households being reduced from 482 to 350. The project was reduced in scope after not securing the anticipated full Minnesota Department of Employment & Economic Development (DEED) Border to Border Grant. A portion of the project area was challenged during the DEED application review process due to it not yet being built out by another broadband provider. Reducing the number of served households from 482 to 350 reflects the challenged area's removal from the project scope.

Iron Range Resources & Rehabilitation previously approved \$1,312,093 for the project in December 2023. The \$162,093 grant decrease will bring the agency's investment to \$1,150,000 and the total project investment to \$4,585,581.

**Original project description:** The project consists of expanding CTC Communications fiber optic to connect up to 482 unserved and underserved households in Clinton Township and adjacent areas. The project is capable of speeds that will far exceed the state of Minnesota 2026 speed goal of 100 megabits per second download and 20 megabits per second upload. Construction is planned for summer 2025.

## Child Care Development Grant

**Applicant:** City of Coleraine

**Project Location:** 4450 Highway 2 East, Grand Rapids, MN 55744 (Itasca County Parcel #880362101).  
The property is within Coleraine city limits.

**Project Description:** The project consists of utilities and site work for the construction of a new child care facility. Roots and Wings Early Learning Center LLC plans to construct a 9,500-square-foot building on a 30-acre parcel for the purpose of providing child care learning services. The facility will be licensed for 96 full-time equivalent children and will help address the regional needs of business and industry located in Coleraine, Grand Rapids, Cohasset and LaPrairie as they work to attract and retain workforce. Roots and Wings Early Learning Center will provide care and education to infants, toddlers, preschoolers and school-age children. Emphasizing quality care, the center will offer outdoor-based learning experiences and engage with local institutions for enrichment opportunities.

**Market Opportunity:** Data from First Children's Finance indicates a shortage of 417 child care slots in Itasca County. This data does not factor in the workforce recruitment child care needs from new and expanding businesses.

### Project Investment:

Uses		Sources	
Infrastructure and site work	\$592,400	IRRR (DJJ)	\$400,000
Facility construction	2,633,900	Park State Bank	2,089,990
Land acquisition	105,000	Small Business Administration 504 Loan	1,482,000
Furniture, fixtures and equipment	219,800	Itasca County	150,000
Architectural and engineering	214,800		
Contingency	356,090		
<b>Total</b>	<b>\$4,121,990</b>	<b>Total</b>	<b>\$4,121,990</b>

**Jobs:** 14 Planned New by 2025

**Wages:** \$14 - \$18 per hour

**Funding Authorization:** Douglas J. Johnson Economic Protection Trust Fund Corpus: This project is authorized under the provision 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 Corpus monies for economic development projects in that these statutes authorize the expenditure of corpus 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.

**Program:**        **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: **13**

Agency Investment: **\$4,560,000**

Total Project Investment: **\$38,635,083**

**City of Aitkin**

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

The project consists of construction of a new municipal water tower. The project will enhance water distribution efficiency, improve service reliability and meet the growing water needs due to the city's residential and commercial growth. The new water tower will optimize water pressure across the city and ensure consistent supply to residential, commercial and industrial areas.

<b>Uses</b>		<b>Sources</b>	
Water tower construction	\$3,530,750	IRRR (TEPF)	\$400,000
Architectural and engineering	458,250	Minnesota Public Facilities Authority - Drinking Water Revolving Fund	1,870,000
Contingency	611,000	Minnesota Public Facilities Authority - Point Source Implementation Grant	2,320,000
		Minnesota Department of Health	10,000
<b>Total</b>	<b>\$4,600,000</b>	<b>Total</b>	<b>\$4,600,000</b>

**City of Aurora**

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

The project consists of a new water treatment facility in Aurora, which is phase III of the new East Range water system that will eventually serve the communities of Aurora, Town of White, Biwabik and Hoyt Lakes. Phase III is the continued construction of 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.

Uses		Sources	
Water treatment facility construction	\$8,250,000	IRRR (TEPF)	\$500,000
Architectural and engineering	500,000	Minnesota Public Facilities Authority Loan	3,500,000
Contingency	250,000	Minnesota Public Facilities Authority - Water Infrastructure Fund Grant	2,500,000
		Minnesota State Bonding Allocation	2,500,000
<b>Total</b>	<b>\$9,000,000</b>	<b>Total</b>	<b>\$9,000,000</b>

### City of Aurora

#### Grant Amount: \$200,000

The project consists of sewer line upgrades and new storm sewer construction. The project area is a mix of residential and commercial properties just south of Mesabi East School District 2711. Beneath the alley is a 12-inch sanitary sewer trunk line that primarily serves the school district and nearby residents. The sewer in the project area is close to 15-feet in depth, making it the deepest sewer in the city which increases the overall replacement cost. A 100-foot section of the sewer runs underneath the local hardware store and will require trenchless replacement methods. The city intends to replace the mainline sanitary sewer and service laterals to the right-of-way, install stormwater collection systems to better manage surface water and replace failing pavement with a section that supports sanitation trucks.

Uses		Sources	
Alley infrastructure and resurfacing	\$730,000	IRRR (TEPF)	\$200,000
Architectural and engineering	177,000	City of Aurora	780,000
Contingency	73,000		
<b>Total</b>	<b>\$980,000</b>	<b>Total</b>	<b>\$980,000</b>

### City of Calumet

#### Grant Amount: \$300,000

The project consists of upgrades to city hall including a new roof, electrical wiring and LED lighting, ADA cement steps/ramp, ADA chair lift or elevator, ventilation and duct work, new insulation and room expansion for additional event and storage space. The library, located in the city hall building, will receive a canopy over its side entrance. All of the upgrades will help reduce the city's overall operational costs while providing a safe, secure and accessible community facility.



Uses		Sources	
City Hall upgrades	\$408,000	IRRR (TEPF)	\$300,000
Architectural and engineering	136,000	City of Calumet	50,000
Contingency	136,000	Minnesota Department of Education	200,000
		Blandin Foundation	125,000
		Friends of the Library/Sunshine Club	5,000
<b>Total</b>	<b>\$680,000</b>	<b>Total</b>	<b>\$680,000</b>

### City of Crosby

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

The project consists of alley infrastructure upgrades. The city is replacing all city owned utilities in the alleys north of 1<sup>st</sup> Street South and 2<sup>nd</sup> Street South, between 3<sup>rd</sup> Avenue West and 3<sup>rd</sup> Avenue East. Aging water lines will be replaced and increased to a minimum of six inches in diameter with extensions that replace dead-end segments with looped segments. The sewer lines in the project area range from 50 to 114 years old. Some of the water and sewer segments connect to the downtown business district, including the Cuyuna Regional Medical Center, which provides essential health and life services to the Cuyuna region.

Uses		Sources	
Alley Infrastructure upgrades and resurfacing	\$1,672,144	IRRR (TEPF)	\$400,000
Architectural and engineering	735,742	Minnesota Public Facilities Authority - Clean Water Revolving Fund	974,711
Contingency	267,542	Minnesota Public Facilities Authority and Minnesota Department of Health - Drinking Water Revolving Fund	1,130,712
		City of Crosby	170,005
<b>Total</b>	<b>\$2,675,428</b>	<b>Total</b>	<b>\$2,675,428</b>

### City of Ely

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

The project consists of city-wide street infrastructure upgrades, including utility replacement, drainage improvements, water line intake replacement, bituminous pavement and curb and gutter installation in a residential neighborhood. The city's water pump house, intake structure and intake line were constructed over 90 years ago. The intake line runs approximately 25,000 feet from Burntside Lake to the municipal water plant located in the northwest corner of Ely. Replacement of the infrastructure is necessary to ensure reliable water supply to the city.

Uses		Sources	
Infrastructure upgrades	\$4,129,000	IRRR (TEPF)	\$500,000
Architectural and engineering	602,000	Minnesota Public Facilities Authority	2,122,000
Contingency	400,000	United States Environmental Protection Agency	2,000,000
		United States Department of Housing and Urban Development - Community Development Block Grant	200,000
		City of Ely	309,000
<b>Total</b>	<b>\$5,131,000</b>	<b>Total</b>	<b>\$5,131,000</b>

### City of Eveleth

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

The project consists of watermain line replacement on Miller Truck Road which feeds 35 residential properties, one business and Eveleth/Virginia Municipal Airport. The upgrade will improve the water and fire protection in the project area. The section of pipe has failed numerous times during the past 20 years, causing outages and residential property damage.

Uses		Sources	
Watermain upgrades	\$402,881	IRRR (TEPF)	\$100,000
Architectural and engineering	97,266	Minnesota Public Facilities Authority	448,780
Contingency	48,633		
<b>Total</b>	<b>\$548,780</b>	<b>Total</b>	<b>\$548,780</b>

### City of Eveleth

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

The project consists of HVAC upgrades to the Eveleth Community Recreation and Office Building which is 32 years old. Constructed in 1992, the two-story facility has 30,000-square-feet of usable space. It has fulfilled various educational and community purposes. The city is investing to preserve and repurpose the community asset to serve community and economic development needs. It has a full-size basketball court with retractable bleachers, a concession and seating area. The building will offer several small offices and serve as a small business and entrepreneur hub.

Uses		Sources	
HVAC upgrades	\$947,070	IRRR (TEPF)	\$500,000
Architectural and engineering	78,000	City of Eveleth	562,070
Contingency	37,000		
<b>Total</b>	<b>\$1,062,070</b>	<b>Total</b>	<b>\$1,062,070</b>

**City of Grand Rapids****Grant Amount: \$180,000**

The project consists of infrastructure upgrades to support the redevelopment of two vacant commercial buildings in downtown. The first building is located at 16 Northeast 3rd Street and will be converted from an office building into a restaurant. The second building is located at 210 North Pokegama Avenue and will be converted from an office building into a bar with apartments on the upper floor. The redevelopment of the two buildings will occur simultaneously. The owners of the two buildings also own Rapids Brewing Company.

Uses		Sources	
Infrastructure upgrades	\$181,200	IRRR (TEPF)	\$180,000
Building construction	977,100	Private	1,608,632
Site acquisition	515,000	Arrowhead Economic Opportunity Agency (AEOA) - Business Energy Retrofit Grant funded by IRRR and administered by AEOA	20,000
Furniture, fixtures and equipment	217,500	Arrowhead Economic Opportunity Agency (AEOA) - Downtown Building Rehabilitation Grant funded by IRRR and administered by AEOA	20,000
Demolition	40,010	City of Grand Rapids	180,000
Architectural and engineering	57,900	IRRR Commercial Redevelopment Grant	40,000
Contingency	59,922		
<b>Total</b>	<b>\$2,048,632</b>	<b>Total</b>	<b>\$2,048,632</b>

**City of Grand Rapids****Grant Amount: \$130,000**

The project consists of utility construction, relocation and upgrades to support the redevelopment of a vacant downtown office building that will be converted to an elevated casual dining restaurant. The project is being developed by Eclipse Property LLC which is a local group of investors. The building will be leased to a local couple, Chef Kyle and Amanda Lussier who will operate it as The Pines Restaurant.

Uses		Sources	
Infrastructure upgrades	\$125,992	IRRR (TEPF)	\$130,000
Building construction	779,008	City of Grand Rapids	355,000
Site acquisition	365,000	Private	928,000
Architectural and engineering	83,000	Arrowhead Economic Opportunity Agency (AEOA) - Business Energy Retrofit Grant funded by IRRR and administered by AEOA	20,000
Contingency	80,000		
<b>Total</b>	<b>\$1,433,000</b>	<b>Total</b>	<b>\$1,433,000</b>

### City of Hibbing

#### Grant Amount: \$600,000

The project consists of upgrades to city hall including window and lintel replacement and stone and brick repair. The city hall building was constructed in 1922. Its windows were last replaced in 1984 with Pella windows which are not consistent with the building's historical character. The city hall is the center point of Hibbing's municipal operations and is utilized daily by city employees, St. Louis County tenants and community members. The building provides space for election voting, Department of Motor Vehicle testing, the Hibbing Public Utilities Commission, county assessor meetings, building permit applications and city government meetings.

Uses		Sources	
City hall upgrades	\$1,478,695	IRRR (TEPF)	\$600,000
Architectural and engineering	185,000	Minnesota Historical Society	350,195
Contingency	80,000	City of Hibbing	793,500
<b>Total</b>	<b>\$1,743,695</b>	<b>Total</b>	<b>\$1,743,695</b>

### Hibbing Public Utilities Commission

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

The project consists of construction and upgrades to over 10,800 linear feet of watermain, 56 gate valve replacements and 19 new fire hydrants. The project will improve the quality of water service for 94 residential and commercial properties. Beyond the 94 properties directly served, the project will improve service for all Hibbing residents. Past water breaks have often resulted in a significant drop in the water pressure as water exits the system faster than the treatment plants can replace it.

Uses		Sources	
Watermain upgrades	\$4,244,545	IRRR (TEPF)	\$500,000
Architectural and engineering	943,000	Minnesota Public Facilities Authority and Minnesota Department of Health - Drinking Water Revolving Fund	5,710,545
Contingency	1,298,000	United States Department of Housing and Urban Development - Community Development Block Grant	275,000
<b>Total</b>	<b>\$6,485,545</b>	<b>Total</b>	<b>\$6,485,545</b>

### City of Hoyt Lakes

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

The project consists of phase I upgrades to Hoyt Lakes Arena including new entry doors, vertical wheelchair lifts, bleachers and site concrete and parking lot improvements. The arena is utilized by Hoyt Lakes and the surrounding communities of Aurora, Biwabik and Town of White. Local organizations such as Mesabi East School District, athletic groups, health care clinics, police and fire departments and senior citizen groups use the facility for various events and purposes. The arena provides venue space for weddings, graduations, school dances, pickleball, hockey, basketball, concerts, a variety of enrichment and professional training and emergency evacuations. The facility is also designated as a backup morgue for the area during major emergencies and disasters.

Uses		Sources	
Arena upgrades	\$1,623,264	IRRR (TEPF)	\$250,000
Architectural and engineering	438,000	Minnesota State Bonding Allocation	641,466
Contingency	185,669	City of Hoyt Lakes	1,355,467
<b>Total</b>	<b>\$2,246,933</b>	<b>Total</b>	<b>\$2,246,933</b>