

Addendum A
IRRRB Meeting Minutes
Thursday, October 20, 2022 – 1:30 p.m.
IRRR Administration Building, Eveleth, MN
((Pursuant to Minnesota Statutes Section 13D.015, some Board members participated by interactive technology.))

1) Roll Call

Senator Tom Bakk, chair, called the meeting to order at approximately 1:40 p.m. Laureen Hall took roll call. Also present: Representative Rob Ecklund, Representative Dave Lislegard, Representative Spencer Igo, Representative Dale Lueck, Senator Justine Eichorn, Senator Carrie Ruud. Excused: Representative Julie Sandstede. Minute Taker: Laureen Hall, Executive Aide. Also present: Mark Phillips, Commissioner; Linda Johnson, Director of Mining & Reclamation; Al Becicka, Legal Counsel; Matt Sjoberg, Executive Director of Development, Scott Sundvall, Loan Officer, Chris Ismil, Community Development Representative, Whitney Ridlon, Community Development Representative, Jim Plummer, Trails Coordinator, Bob Scuffy, Accounting Director; Sheryl Kochevar, Communications Director; Janette Godec, Executive Assistant, Laura Rusich, Cast 7, LLC.

2) August 15, 2022, Meeting Minutes

Representative Dave Lislegard moved approval of the August 15, 2022, meeting minutes. Seconded by Senator Carrie Ruud. Motion carried.

Voting in Favor of the Motion: Representative Rob Ecklund, Representative Spencer Igo, Representative Dave Lislegard, Representative Dale Lueck, Senator Tom Bakk, Senator Justin Eichorn, Senator Carrie Ruud

Voting Against the Motion: None

Abstain: None

Excused: Representative Julie Sandstede

3) Cast 7, LLC – Resolution No. 23-002

Representative Spencer Igo moved that the Board recommend an expenditure of up to \$1,300,000 of DJJ Business Development Project Funds to purchase a participation interest in a bank loan to Cast 7 to provide financing for the purchase of equipment that will allow Cast 7 to streamline, automate and increase production capacity and minimize product handling in the casting process to meet existing and future demands in the global grate market as described in Resolution No. 23-002. Seconded by Representative Dave Lislegard. Motion carried.

Laureen Hall took a roll call vote:

Voting in Favor of the Motion: Representative Rob Ecklund, Representative Spencer Igo, Representative Dave Lislegard, Representative Dale Lueck, Senator Tom Bakk, Senator Justin Eichorn, Senator Carrie Ruud

Voting Against the Motion: None

Abstain: None

Excused: Representative Julie Sandstede

**IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD
OF THE STATE OF MINNESOTA
DOUGLAS J JOHNSON ECONOMIC PROTECTION TRUST FUND
PURCHASE OF A PARTICIPATION INTEREST IN A LOAN
FOR CAST 7, LLC**

Resolution No.: 23-002

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

WHEREAS, the agency's fiscal year 2023 budget includes provision for the use of certain DJJ Funds for economic development projects under a budget line item category for DJJ Business Development Projects ("**DJJ Business Development Project Funds**"); and

WHEREAS, the Commissioner has received a proposal for financial assistance from Cast 7, LLC ("**Cast 7**") that, in combination with funds provided from other sources, will provide financing for the purchase of equipment that will allow Cast 7 to streamline, automate and increase production capacity and minimize product handling in the casting process to meet existing and future demands in the global grate market (the "**Project**"), which is more specifically described in the Board packet materials which are attached hereto and incorporated by reference as Exhibit A; and

WHEREAS, the Commissioner has requested the Board to recommend the expenditure of up to \$1,300,000 of DJJ Business Development Project Funds to purchase a participation interest in a bank loan to Cast 7, which is being made as part of a \$2,600,000 total investment to finance the cost of the Project, with the participation interest to be acquired on the terms and subject to the conditions set forth in Exhibit A and as otherwise discussed at the board meeting; and

WHEREAS, the technical advisory committee, appointed by the Commissioner under the provisions of Minnesota Statutes Section 298.297 to review the terms and conditions of the proposed Project, met on October 12, 2022, and recommended approval of the requested financial assistance for the Project; and

WHEREAS, the Board met in open session at 1:30 p.m. on October 20, 2022, at the agency's Administration Building located near Eveleth, Minnesota, to consider, among other matters, Cast 7's request for financial assistance for the Project and has determined that it would be in the public interest to recommend the expenditure of DJJ Business Development Project Funds for the Project, and that the granting of the requested financial assistance would promote economic development in the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby recommends the expenditure of up to \$1,300,000 of DJJ Business Development Project Funds to purchase a participation interest in a bank loan to Cast 7 to finance a portion of the cost of the Project, with such participation interest to be purchased on the terms and subject to the conditions set forth in Exhibit A and in the agency's standard participation loan forms, including the provisions customarily contained therein that require borrowers to pay at least prevailing wages to workers performing work on construction projects.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 20TH DAY OF OCTOBER 2022.

| Member | Aye | Nay | Abstain | Excused |
|--------------------------------|----------|----------|----------|----------|
| Senator Tom Bakk | X | | | |
| Senator Justin Eichorn | X | | | |
| Senator Carrie Ruud | X | | | |
| Representative Rob Ecklund | X | | | |
| Representative Spencer Igo | X | | | |
| Representative Dave Lislegard | X | | | |
| Representative Dale Lueck | X | | | |
| Representative Julie Sandstede | | | | X |
| TOTAL | 7 | 0 | 0 | 1 |

Signed: _____
Senator Tom Bakk, Chair

Cast 7, LLC
11364 Highway 37
Hibbing, MN 55746

Department of Iron Range Resources and Rehabilitation
Participation Loan

| | |
|-----------------------------|---|
| Applicant: | Cast 7, LLC |
| Project Location: | 11364 Highway 37, Hibbing, MN 55746 |
| Principal(s): | Tim Bungarden 30% Owner and President |
| Project Description: | The new equipment will streamline, automate production, increase capacity and minimize product handling in the casting process. The equipment and improvements consist of a Wet Reclaim Tie In, Waterjet Improvements (Robot), Core Machine, Air Compressors, Horizontal Molding (Robot), In Line Blast, 2 nd Power Supply, Dust Collection and Robotic Finishing. |
| Market Opportunity: | With increased production capacity, Cast 7, LLC will be able to meet |

| | | |
|-----------------------------|---|------------------------------|
| Applicant: | Cast 7, LLC | |
| | existing and future demands in the global grate market. | |
| Project Investment: | Security State Bank - Equipment Loan – 120-month amortization at a negotiated rate | \$1,300,000.00 |
| | IRRR – Equipment Loan – 120-month amortization. | \$1,300,000.00 |
| | | |
| | TOTAL | <u>\$2,600,000.00</u> |
| Jobs: | <u>4 to 5</u> Planned New <u>25</u> Retained New job Wages <u>\$30-\$55/hr-</u> <u>\$63,000 - \$115,000</u> per year plus benefits. | |
| Collateral: | The loan will be secured by all accounts, inventory and the equipment purchased with the proceeds from this loan, and the loan will also be guaranteed by Hilcar, LLC, Timothy Bungarden and Metal 7, LLC. | |
| Business History: | <p>Incorporated in 1995, Cast Corporation, a manufacturing and sales company, was involved in tooling, castings, machining and truncated domes. Cast Corporation sells to a variety of industries including mining, industrial, recreation and automotive. Cast Corporation built their foundry operations as a new start up in 2014 and operated it as a separate division within the existing S Corporation, Cast Corporation. Over the years, Cast Corporation's foundry has gained market share in the local mining operations selling stainless steel and ni-hard wear resistant parts. It took a number of years with running tests, etc., to gain acceptance. In 2021, to expand sales opportunities and leverage additional markets, Cast Corporation sought to identify a strategic investor; Metal 7 was identified. Metal 7 is a Canadian company with over 40 years of history of designing and manufacturing high-performance products and equipment to help their clients increase the efficiency of their processes, specifically those used by iron ore pelletizing plants. Metal 7 has an international presence. Discussions began in early 2021 with Metal 7 about doing a carve out of Cast Corporation's foundry operations. To facilitate the transaction, Cast Corporation organized a new LLC called Cast 7, LLC in November 2021. Cast Corporation then contributed all of the existing foundry equipment assets to the new LLC. On December 31, 2021, Metal 7 (through M7 US, Inc) purchased 70% of the shares of the newly created LLC and Tim Bungarden (through a new holding company, Hilcar Holdings, Inc.) retained 30% of the shares of Cast 7, LLC. Hilcar Holdings, Inc. is an S-Corp that is 100% owned by Tim Bungarden and it owns 100% of the S-Corp, Cast Corporation and 30% of Cast 7, LLC. The foundry building continues to be owned by Cast Corporation and is leased to Cast 7, LLC on a five-year renewal lease.</p> | |
| Past Agency History: | Date | Cast Corporation |

| | | | | |
|---|---|------------------------|------------------------|---------------|
| Applicant: | Cast 7, LLC | | | |
| | Originated | Initial Balance | Current Balance | Status |
| | 12/17/2012 | \$358,500.00 | \$257,630.78 | Current |
| | 4/3/2013 | \$31,500.00 | \$22,759.66 | Current |
| | 10/7/2014 | \$945,000.00 | \$772,868.03 | Current |
| | 3/31/2015 | \$500,000.00 | \$0.00 | PIF |
| | 7/2/2019 | \$305,000.00 | \$0.00 | PIF |
| | 3/24/2020 | \$125,000.00 | \$91,661.05 | Current |
| | 4/30/2021 | \$131,000.00 | \$105,234.54 | Current |
| Contingencies: | None | | | |
| Technical Advisory Committee Recommendation: | The TAC recommended approval at its October 12, 2022 meeting. | | | |
| Funding Authorization: | Douglas J. Johnson Economic Protection Trust Fund: This project is authorized under the provision of the Douglas J Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291 – 298.298) pertaining to expenditures of Douglas J Johnson Economic Protection Trust Fund monies for economic development projects in that these statutes authorize small business development loans to private enterprises for the purpose of job creation and economic development within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341. | | | |

4) FY23 Development, Broadband and Community Infrastructure Projects – Resolution No. 23-003

Representative Rob Ecklund moved that the Board recommend an expenditure of up to \$1,858,188, whereas, \$1,379,688 would be expended from Public Works-TEPF Funds and \$478,500 would be expended from Public Works-DJJ Corpus Funds, to provide grants for 13 broadband, community and development infrastructure projects, as described in Resolution No. 23-003. Seconded by Senator Justin Eichorn. Motion carried.

Voting in Favor of the Motion: Representative Rob Ecklund, Representative Spencer Igo, Representative Dave Lislegard, Representative Dale Lueck, Senator Tom Bakk, Senator Justin Eichorn, Senator Carrie Ruud

Voting Against the Motion: None

Abstain: None

Excused: Representative Julie Sandstede

**IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD
OF THE STATE OF MINNESOTA
FY23 PUBLIC WORKS PROJECT RECOMMENDATIONS**

Resolution No.: 23-003

WHEREAS, pursuant to the agency's approved fiscal year 2023 ("FY23") budget, the Commissioner is authorized to expend up to \$6,500,000 for development and community infrastructure projects, for the benefit of the Taconite Assistance Area as defined in Minnesota Statutes Section 273.1341 ("**TAA**"), from the line item for Public Works funded through the Taconite Area Environmental Protection Fund as authorized by Minnesota Statutes Section 298.223 ("**Public Works-TEPF Funds**"); and

WHEREAS, pursuant to the agency's approved fiscal year 2023 ("FY23") budget, the Commissioner is authorized to expend up to \$3,500,000 for the benefit of the TAA for broadband, development and community infrastructure projects from the corpus of the Douglas J. Johnson Economic Protection Trust Fund as authorized by Minnesota Statutes Sections 298.292, subdivision 1, and 298.296, subdivision 2(c) ("**Public Works-DJJ Corpus Trust Funds**"); and

WHEREAS, the Commissioner has received proposals for the expenditure of up to \$1,858,188 for 13 broadband, community and development infrastructure projects, which are more fully described in Exhibit A, which is attached hereto and incorporated by reference (collectively the "**Proposed Projects**"); and

WHEREAS, \$1,379,688 for the Proposed Projects would be expended from Public Works- TEPF Funds and \$478,500 for the Proposed Projects would be expended from Public Works-DJJ Corpus Funds as provided in Exhibit A; and

WHEREAS, the Board met in open session at 1:30 p.m. on October 20, 2022, at the agency's Administration Building located near Eveleth, Minnesota, to consider, among other matters, the Proposed Projects and has determined that the expenditure of Public Works-TEPF Funds and Public Works-DJJ Corpus Trust Funds for the purposes and in the amounts specified in Exhibit A would be in the public interest and promote economic development within the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby recommends the expenditure of up to \$1,379,688 of FY23 Public Works-TEPF Funds and \$478,500 of FY23 Public Works-DJJ Corpus Trust Funds to provide grants for the Proposed Projects in the amounts and for the purposes set forth in Exhibit A.

BE IT FURTHER RESOLVED that the Board's recommendation for the expenditure of funds for all of the Proposed Projects, including those Proposed Projects which have associated private development work, is contingent upon the agency, in its grant contracts, requiring each such grantee entity to commit to the payment of prevailing wages for the funded project as required by law, or to the extent required in the Board's Resolution 96-005.

BE IT FURTHER RESOLVED that the Board's recommendation for the expenditure of all funds for the Proposed Projects is further contingent upon all such project financing being in place before the agency's funds are released.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 20TH DAY OF OCTOBER 2022.

| Member | Aye | Nay | Abstain | Excused |
|--------------------------------|------------|------------|----------------|----------------|
| Senator Tom Bakk | X | | | |
| Senator Justin Eichorn | X | | | |
| Senator Carrie Ruud | X | | | |
| Representative Rob Ecklund | X | | | |
| Representative Spencer Igo | X | | | |
| Representative Dave Lislegard | X | | | |
| Representative Dale Lueck | X | | | |
| Representative Julie Sandstede | | | | X |
| TOTAL | 7 | 0 | 0 | 1 |

Signed: _____
 Senator Tom Bakk, Chair

DEVELOPMENT INFRASTRUCTURE

City of Ely (TEPF)

Grant Amount: \$48,825

The project consists of infrastructure and utility relocation for the Razor Edge Systems expansion. Razor Edge Systems is expanding their manufacturing into an adjacent property they have recently purchased. The property requires the extension of water and sewer to the building as well as the reconfiguration of existing utilities to make the building usable for manufacturing, research and development. The business is expanding their products and have recently added engineering staff that requires expanded production, warehousing and research and development space. Razor Edge Systems is a local family-owned business that has been operating for 60 years and has continually expanded to add innovative products and serve additional markets. These efforts have led to a full-time work force of twenty-one highly skilled staff. Razor Edge Systems is an expert in the knife sharpening business and has customers around the globe that are in the meat processing industry. The project is expected to create six permanent jobs and four construction jobs.

| USES | | SOURCES | |
|-------------------------------|------------------|---------------------------------------|------------------|
| Infrastructure and site work | \$48,825 | Iron Range Resources & Rehabilitation | \$48,825 |
| Facility construction | 345,565 | City | 25,000 |
| Access improvements and power | 15,400 | Private | 531,965 |
| Contingency | 25,000 | | |
| Property acquisition | 171,000 | | |
| TOTAL | \$605,790 | TOTAL | \$605,790 |

City of Grand Rapids (TEPF)**Grant Amount: \$47,000**

The project consists of bringing the Itasca Family YMCA up to code with an updated fire suppression system and HVAC control system. The current fire alarm infrastructure is 20 years old and is failing. The project includes replacement of the fire alarm system and aging HVAC network controls, programming, software and associated electrical work. In addition to the 5,300 members the Itasca Family YMCA serves, it also provides critical services as a licensed childcare center in the region. These safety upgrades are necessary to keep these services in state compliance. The project is expected to create one construction job.

| USES | | SOURCES | |
|--|-----------------|---------------------------------------|-----------------|
| Fire alarm system and HVAC system controls | \$95,000 | Iron Range Resources & Rehabilitation | \$47,000 |
| | | Itasca County | 47,000 |
| | | Itasca Family YMCA | 1,000 |
| TOTAL | \$95,000 | TOTAL | \$95,000 |

City of Hibbing (TEPF)**Grant Amount: \$300,000**

The project consists of infrastructure and site work for the Lees Industrial Building that is located in the Hibbing Industrial Park. The developer relocated the shell of an existing 29,700 square foot building from the Bennett Park area to the Hibbing Industrial Park, which included the steel structure, roof, siding, and reconstruction. Additional improvements were added to include a concrete floor, interior plumbing, a complete HVAC system and 800 amp 3-phase power. The total investment to date by the developer is \$2,400,000. In April of 2022, Daimler Trucks was secured as a long-term tenant to lease the space as a distribution center for their new expansion.

This next phase of site development work includes constructing parking on the west and south sides of the building, a fenced-in storage area to the east, and a truck load-out area with loading docks on the north side. Water, sewer, gas, and 3 phase power would be brought into the building and to the new building located north of 31st Street. A road extension to Diane Lane is also included to allow trucking access. The project is expected to create 15 construction jobs.

| USES | | SOURCES | |
|------------------------------|--------------------|---------------------------------------|--------------------|
| Infrastructure and site work | \$685,500 | Iron Range Resources & Rehabilitation | \$300,000 |
| Building construction | 1,500,000 | Private | 2,077,440 |
| A&E | 123,390 | | |
| Contingency | 68,550 | | |
| TOTAL | \$2,377,440 | TOTAL | \$2,377,440 |

BROADBAND INFRASTRUCTURE

City of Hibbing – Mediacom (DJJ)

Grant Amount: \$128,500

The project consists of expanding Mediacom fiber optic to serve up to 573 unserved households in the city of Hibbing 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. Engineering will begin in October 2022 with customer connections complete in Spring of 2024.

| USES | | SOURCES | |
|--|--------------------|---------------------------------------|--------------------|
| Fiber construction | \$3,930,807 | Iron Range Resources & Rehabilitation | \$128,500 |
| Electronics, Customer Installation & Engineering | \$351,462 | DEED Border to Border | \$2,141,135 |
| | | Saint Louis County | \$128,500 |
| | | City of Hibbing | \$43,000 |
| | | Mediacom Communications | \$1,841,134 |
| TOTAL | \$4,282,269 | TOTAL | \$4,282,269 |

COMMUNITY INFRASTRUCTURE

City of Babbitt (TEPF)

Grant Amount: \$250,000

The project includes extending the water and sewer lines approximately two miles to the campground and RV park. This project consists of expanding the existing Birch Lake Recreation Area to add a new 22-acre campground that includes 49 new campsites that will accommodate recreation vehicles as well as tent campers. A camp facility, which includes offices, showers and restrooms will be constructed at the campground to serve campers. Construction of the water and sewer lines encountered unforeseen geological conditions that did not allow the contractor to install the utility lines using directional drilling construction methods. A much larger than expected portion of the utilities had to be installed by means of open trench installation to remove the boulders. An excessive amount of boulders, site restoration, and ledge rock were all encountered that resulted in cost overruns, construction delays and a reroute of the utilities on USFS property. The project is expected to create three construction jobs.

| USES | | SOURCES | |
|----------------|------------------|---------------------------------------|------------------|
| Infrastructure | \$550,000 | Iron Range Resources & Rehabilitation | \$250,000 |
| | | City | 300,000 |
| TOTAL | \$550,000 | TOTAL | \$550,000 |

City of Bigfork (TEPF)

Grant Amount: \$51,877

The project consists of sewer line and lift station upgrades. The outdated and failing sanitary sewer system on Golf Course Lane requires immediate replacement. This issue poses a public health safety risk and disruption of essential services. Repairs for the current system costs the city thousands of dollars annually. The project is expected to create one construction job.

| USES | | SOURCES | |
|------------------------------------|------------------|---------------------------------------|------------------|
| Sewer line and lift station repair | \$83,970 | Iron Range Resources & Rehabilitation | \$51,877 |
| Contingency | 8,397 | City | 61,945 |
| A&E | 21,455 | | |
| TOTAL | \$113,822 | TOTAL | \$113,822 |

Bois Forte Band of Chippewa (DJJ)

Grant Amount: \$350,000

The project consists of the replacement of a failing concrete dam with a new rock arch dam. The concrete dam currently in place on Nett River was constructed in 1987 and consists of two, 25-foot gate sections and a 40-foot emergency spillway. The existing concrete-span dam has substantial mechanical and structural failure points. This dam is used to support water level control in Nett Lake, the Bois Forte Band's premier wild rice lake. Under correct environmental conditions, Nett Lake produces over one million pounds of wild rice on an annual basis. This rice product is a long-standing cultural and sustenance food resource for tribal members. Nett Lake also supports the local tribal economy by wild rice sales that provide seasonal income for tribal members who serve as guide services for non-native waterfowl hunting parties and product that the governing Council of Bois Forte sells to local businesses and to individuals. The project is expected to create 16 construction jobs.

| USES | | SOURCES | |
|------------------|--------------------|---------------------------------------|--------------------|
| Dam construction | \$1,238,767 | Iron Range Resources & Rehabilitation | \$350,000 |
| Contingency | 50,000 | Bois Forte Band of Chippewa | 987,767 |
| A&E | 49,000 | | |
| TOTAL | \$1,337,767 | TOTAL | \$1,337,767 |

Clinton Township (TEPF)

Grant Amount: \$69,000

The project consists of security, accessibility and energy efficiency upgrades to its emergency services facility and community center. The emergency services facility is 32 years old and the community center is 21 years old and both entry and exit access points to the facility are in need of immediate updates. In addition, the parking lot requires handicap accessibility improvements. The project is expected to create one construction job.

| USES | | SOURCES | |
|----------------------------|------------------|---------------------------------------|------------------|
| Facility and site upgrades | \$138,109 | Iron Range Resources & Rehabilitation | \$69,000 |
| | | Township | 69,109 |
| TOTAL | \$138,109 | TOTAL | \$138,109 |

Crane Lake Water and Sanitary District (TEPF)

Grant Amount: \$250,000

The project consists of upgrades to the wastewater treatment plant. A flow equalization step to the existing wastewater treatment plant and other improvements are needed to keep the plant operational. Crane Lake serves as a gateway to several prominent Federal and Provincial (Canada) wilderness areas. It is estimated that there are approximately 125 year-around residents, 200-300 seasonal residents and thousands of visitors who utilize the Crane Lake area as a "Gateway Community" to Voyageurs National

Park (VNP), the Boundary Waters Canoe Area Wilderness (BWCAW), and the Canadian Quetico wilderness. The project is expected to create seven construction jobs.

| USES | | SOURCES | |
|--|--------------------|---------------------------------------|--------------------|
| Infrastructure and road reconstruction | \$831,096 | Iron Range Resources & Rehabilitation | \$250,000 |
| Contingency | 56,424 | Minnesota Clean Water Fund | 600,000 |
| A&E | 162,480 | St. Louis County | 200,000 |
| TOTAL | \$1,050,000 | TOTAL | \$1,050,000 |

Eveleth Virginia Airport Authority (TEPF)

Grant Amount: \$60,361

The project consists of upgrading the original lighting to LED lighting at the Airport Terminal in the terminal building, terminal hangar, and the terminal maintenance garage. Exterior LED lights will also be installed near the sidewalk leading to the front door to increase safety. The sidewalks will be replaced and offer a proper access for handicap accessibility. The exterior of the terminal building and attached hangar will be repainted and the terminal hangar man door will be replaced. The project is expected to create three construction jobs.

| USES | | SOURCES | |
|------------------------------------|------------------|---------------------------------------|------------------|
| Terminal and security Improvements | \$333,741 | Iron Range Resources & Rehabilitation | \$60,361 |
| A&E | 38,380 | MNDOT | 244,132 |
| | | Airport | 57,628 |
| | | OSHA | 10,000 |
| TOTAL | \$372,121 | TOTAL | \$372,121 |

City of Hibbing (TEPF)

Grant Amount: \$150,000

The project consists of lining existing residential sewer line. The sewer lines were constructed between 1935 and 1940 and are failing. The sanitary sewers were constructed using clay tile pipe and over time, the clay tile has become very brittle. Many of the joints have become offset and there are many areas of pipe that have longitudinal and lateral cracking. The new lining will extend the life of the infrastructure. The project is expected to create five construction jobs.

| USES | | SOURCES | |
|-------------------------|------------------|---------------------------------------|------------------|
| Sewer line construction | \$703,000 | Iron Range Resources & Rehabilitation | \$150,000 |
| | | City | 400,000 |
| | | CDBG | 153,000 |
| TOTAL | \$703,000 | TOTAL | \$703,000 |

City of Virginia (TEPF)

Grant Amount: \$65,125

The project consists of the reconstruction of Progress Park Drive from Highway 53 to Siegel Blvd in Eveleth. Due to increased traffic of heavy equipment traversing this roadway to construct the new Rock Ridge School, the road surface and roadway are deteriorated and have outlived their useful life earlier than expected. The improvement of Progress Park Drive will improve traffic flow for the existing businesses

located along and at the end of the street including Slumberland and United Glass and the newly constructed Rock Ridge School facilities. The project is expected to create eight construction jobs.

| USES | | SOURCES | |
|--|------------------|---------------------------------------|------------------|
| Infrastructure and street reconstruction | \$123,800 | Iron Range Resources & Rehabilitation | \$65,125 |
| A&E | 6,450 | VEEDA | 65,125 |
| TOTAL | \$130,250 | TOTAL | \$130,250 |

City of Virginia (TEPF)

Grant Amount: \$87,500

The project consists of substantial improvements to the computer systems that operate and monitor the sanitary sewer lift station across the city. The city has 17 sanitary sewer lift stations located throughout the city and improvements to the computer system will allow for greater efficiency, reporting ability, and monitoring capabilities as well as reduced costs of operation. The project is expected to create two construction jobs.

| USES | | SOURCES | |
|----------------------|------------------|---------------------------------------|------------------|
| SCADA System Upgrade | \$200,000 | Iron Range Resources & Rehabilitation | \$87,500 |
| A&E | 40,000 | City | 87,500 |
| | | CDBG | 65,000 |
| TOTAL | \$240,000 | TOTAL | \$240,000 |

5) FY23 Regional Trails Projects – Resolution No. 23-004

Senator Justin Eichorn moved that the Board recommend an expenditure of up to \$176,900 from the Regional Trails Program Funds for four regional trails projects, as presented in Resolution No. 23-004. Seconded by Senator Carrie Ruud. Motion carried.

Voting in Favor of the Motion: Representative Rob Ecklund, Representative Spencer Igo, Representative Dave Lislegard, Representative Dale Lueck, Senator Tom Bakk, Senator Justin Eichorn, Senator Carrie Ruud

Voting Against the Motion: None

Abstain: None

Excused: Representative Julie Sandstede

IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD OF THE STATE OF MINNESOTA DOUGLAS J. JOHNSON ECONOMIC PROTECTION TRUST FUND FY23 REGIONAL TRAILS PROJECT RECOMMENDATIONS

Resolution No.: 23-004

WHEREAS, pursuant to the agency's approved fiscal year 2023 ("FY23") budget, the Commissioner is authorized to expend up to \$3,500,000 for regional trails projects from the corpus of the Douglas J. Johnson Economic Protection Trust Fund as authorized by Minnesota Statutes Sections

298.292, subdivision 1, and 298.296, subdivision 2(c) ("**Regional Trails Program Funds**") for the benefit of the Taconite Assistance Area as defined in Minnesota Statutes Section 273.1341 ("**TAA**"); and

WHEREAS, the Commissioner has received proposals for the expenditure of up to \$176,900 for four regional trails projects, which are more fully described in Exhibit A, which is attached hereto and incorporated by reference (collectively the "**Proposed Projects**"); and

WHEREAS, the Board met in open session at 1:30 p.m. on October 20, 2022, at the agency's Administration Building near Eveleth, Minnesota, to consider, among other matters, the Proposed Projects and has determined that the expenditure of Regional Trails Program Funds for the purposes and in the amounts specified would be in the public interest and promote economic development within the TAA.

NOW, THEREFORE, IT IS RESOLVED, that the Board hereby recommends the expenditure of up to \$176,900 of Regional Trails Program Funds to provide grants for the Proposed Projects in the amounts and for the purposes set forth in Exhibit A.

BE IT FURTHER RESOLVED that the Board's recommendation for the expenditure of all funds for the Proposed Projects, including those Proposed Projects which have associated private development work, is contingent upon the agency, in its grant contracts, requiring each such grantee entity to commit to the payment of prevailing wages for the funded project as required by law, or to the extent required in the Board's Resolution 96-005.

BE IT FURTHER RESOLVED that the Board's recommendation for the expenditure of all funds for the Proposed Projects is further contingent upon all such project financing being in place before the agency's funds are released.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION ADVISORY BOARD THIS 20TH DAY OF OCTOBER 2022.

| Member | Aye | Nay | Abstain | Excused |
|--------------------------------|----------|----------|----------|----------|
| Senator Tom Bakk | X | | | |
| Senator Justin Eichorn | X | | | |
| Senator Carrie Ruud | X | | | |
| Representative Rob Ecklund | X | | | |
| Representative Spencer Igo | X | | | |
| Representative Dave Lislegard | X | | | |
| Representative Dale Lueck | X | | | |
| Representative Julie Sandstede | | | | X |
| TOTAL | 7 | 0 | 0 | 1 |

Signed: _____
Senator Tom Bakk, Chair

EXHIBIT A
REGIONAL TRAILS PROJECTS

City of Bovey**Grant Request \$50,000**

The proposed project includes two important trails in Bovey. The first is a new multi-use trail connection that requires the purchase of land by the city along Highway 169 for trail right-of-way, and which will run along the southern end of Bovey. The second is the reconstruction of a section of the Canisteo Trail, which is a trail connecting Bovey with the Mesabi Trail and Coleraine.

Both the multi-use trail connection and the Canisteo Trail will be used by local residents as well as travelers and recreationalists from outside the region. The multi-use trail connection will be used by snowmobilers traveling across the Iron Range. The Canisteo Trail is used by local residents to walk or bike safely within the two communities, and it's also utilized by users of the Mesabi Trail as they access businesses, services, and other amenities in Bovey and Coleraine.

| USES | | SOURCES | |
|--------------------------------------|------------------|---------------------------------------|------------------|
| Purchase of 21 acres from RGGS | \$63,000 | Iron Range Resources & Rehabilitation | \$50,000 |
| Reconstruction of the Canisteo Trail | \$64,000 | City of Bovey | \$54,000 |
| | | Itasca Snow Rangers Snowmobile Club | \$13,000 |
| | | Itasca County Trails Taskforce | \$10,000 |
| TOTAL | \$127,000 | TOTAL | \$127,000 |

City of Hoyt Lakes**Grant Request \$50,000**

The Ranger Snowmobile & ATV Club is responsible for maintaining 120 miles of trails across the Aurora, Biwabik and Hoyt Lakes area. The Ranger Snowmobile & ATV Club estimates 3,000 to 6,000 snowmobiles utilize the trails over a winter with good snowfall accumulation, and an additional 2,000 to 4,000 ATVs travel on this trail section each summer.

The proposed funds are to purchase a skid steer with a bucket, forks and brush cutter attachments. The purchase will allow the club volunteers to maintain their ATV and snowmobile trails and will result in a better-quality trail and overall safety.

| USES | | SOURCES | |
|------------------------|------------------|---------------------------------------|------------------|
| Skid Steer Vehicle | \$77,000 | Iron Range Resources & Rehabilitation | \$50,000 |
| Skid Steer Attachments | \$28,500 | MN Department of Natural Resources | \$70,125 |
| Contingency Costs | \$14,625 | | |
| TOTAL | \$120,125 | TOTAL | \$120,125 |

Itasca County**Grant Request \$55,500**

This request is for phase II of a significant snowmobile and ATV trail segment that will connect the City of Nashwauk to the Alborn-Pengilly trail, which is located 9 miles to the south of town. When complete, this segment will be the first official trail connecting into Nashwauk and will provide users the benefit of numerous related business services, including direct access to the city owned campground. Planning for the trail began over 5 years ago and includes land authorization from two mining companies, US Steel and

Mesabi Metallica. Phase I of construction began during the fall of 2021, and the phase II is anticipated to be completed in the first half of 2023. Future project phases include a trail connection to the extensive ATV and snowmobile trail systems to the north, and a multi-use trailhead and campground expansion in Nashwauk.

| USES | | SOURCES | |
|-------------------------------------|------------------|---------------------------------------|------------------|
| Full Trail Development-Construction | \$111,500 | Iron Range Resources & Rehabilitation | \$55,500 |
| | | Minnesota State GIA Program | \$56,000 |
| TOTAL | \$111,500 | TOTAL | \$111,500 |

Northern Lights Nordic Ski Club

Grant Request \$21,400

Northern Lights Nordic Ski Club is an all-volunteer organization whose mission is to promote cross-country skiing as a healthy family activity that enhances the quality of life. The club grooms eight area ski trails within Itasca County. The request is for the purchase of a modified John Deere Gator side by side and associated equipment for trail maintenance and snow grooming. After adding tracks and a cab the Gator will look like a smaller version of a Sno-Cat used to groom downhill ski trails. The groomer will be operated by volunteers and will enhance the quality of the Nordic trails across the county and improve safety. The Nordic ski trails in Itasca County provide an extensive and quality recreational experience for residents and are also a big draw to tourists, especially those from the warmer climates in the southern part of the state.

| USES | | SOURCES | |
|---|-----------------|---------------------------------------|-----------------|
| Purchase ATV equipped with attached groomer and maintenance equipment | \$42,800 | Iron Range Resources & Rehabilitation | \$21,400 |
| | | Northern Lights Nordic Ski Club | \$10,900 |
| | | North Star Ski Touring Club | \$2,000 |
| | | Itasca Trails Task Force | \$8,500 |
| TOTAL | \$42,800 | TOTAL | \$42,800 |

6) Adjournment

The meeting adjourned at 2:25 p.m.