

A SPECIAL MEETING OF THE



Wednesday, October 7, 2026

3:30 p.m.

IRRR Administration Building

4261 Hwy 53 South, Eveleth, MN 55734

Meeting of the Iron Range Resources & Rehabilitation Board
IRRR Administration Building
4261 Hwy 53 South, Eveleth, MN 55734
Wednesday, October 7, 2026 – 3:30 p.m.

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**Meeting of the Iron Range Resources & Rehabilitation Board
IRRR Administration Building
4261 Hwy 53 South, Eveleth, MN 55734
Wednesday, October 7, 2026 – 3:30 p.m.**

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

AGENDA

1. Call to Order
2. Roll Call
3. Approval of May 27, 2026 Meeting Minutes
See Addendum A
4. Commissioner's Comments
5. Aqua Power Inc. and Range Furnace Cleaning Inc.
6. Chisholm Economic Development Authority
7. City of Hoyt Lakes – Site Ready Development Grant – Laskin Energy Park
8. Virginia Economic Development Authority (VEDA) – Steam Conversions
9. Public Works Projects
10. Housing Projects
11. Other
12. Adjournment

Participation Loan

Aqua Power Inc. and Range Furnace Cleaning Inc.

Applicant: Aqua Power Inc.

Project Location: 800 Park Ave., Eveleth, MN 55734

Principal(s): Bobbi and Timothy Ersbo

Project Description: Purchase two buildings that house Aqua Power and complete the buyout of the remaining shares of stock in Aqua Power and Range Furnace Cleaning. The purchase and buyout will complete the principals' acquisition of the companies.

Market Opportunity: Aqua Power primarily serves mining and ethanol producers across the Upper Midwest, with growing demand for its specialized hydro-jetting services. Its established customer base and strong industry reputation position the company to expand into other industrial markets, creating opportunities for revenue growth and diversification.

Project Investment:

Agency/Partner Investor	Investment Terms	Amount
IRRR	240-month amortization (real estate)	\$642,000
IRRR	120-month amortization (equipment)	458,000
Security State Bank	240-month amortization (real estate)	642,000
Security State Bank	120-month amortization (equipment)	458,000
Total Project Investment		\$2,200,000

Jobs: --- Planned New 46 Retained

Wages: \$19 to \$50 per hour / \$40,000 to \$105,000 per year

Collateral: Shared first position commercial real estate mortgage on properties located at 800 Park Ave. and 401 Hat Trick Ave. in Eveleth and a shared first position Uniform Commercial Code (UCC) blanket on all inventory, equipment and accounts receivable. Personal guarantees of Bobbi and Timothy Ersbo.

Business History: Aqua Power was formed in 1981 to serve the mining industry with hydro-blasting cleaning and vacuum truck services. The company's focus changed in 2003 when Tony Bernard became an owner, and the company began pursuing additional customers in the ethanol industry. The customer base is currently 65% mining and 35% ethanol industries. Tony Bernard entered into a contract for deed agreement with Bobbi and Timothy Ersbo in September 2023. The project will finalize the balloon portion of the contract for deed.

Past Agency History:

Business Name	Date	Amount	Balance	Current
Aqua Power Inc.	08/01/2013	\$250,000	\$35,584	Yes

Contingencies: None.

Technical Advisory Committee (TAC) Recommendation: The TAC recommended approval at its September 9, 2026, 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.

Non-Recourse Loan

Chisholm Economic Development Authority

Applicant: Chisholm Economic Development Authority (Chisholm EDA)

Project Location: 1 7th St. SW, Chisholm, MN 55719

Project Description: The Chisholm EDA plans to acquire the former Minnesota Twist Drill property to preserve its industrial use, retain existing jobs, create employment opportunities and support the city's long-term tax base.

Following acquisition, the Chisholm EDA intends to lease the building to one or more industrial users. The proposed investment will address critical deferred maintenance and building improvements, including replacement of the roof, which has reached the end of its useful life. Equipment essential to building operations and industrial manufacturing will also be replaced to return the facility to productive use.

The project also includes the potential installation of a demising wall to divide the building into separate tenant spaces. The configuration would give the city greater flexibility to accommodate multiple industrial users, diversify the property's tenant base and maximize use of the facility.

Proposed Project Budget:

Use of Funds	Amount
Property acquisition	\$665,000
Building improvements with equipment	1,917,000
Capital reserve and building assessment	212,000
Operations setup - six months of utilities	156,000
Total Loan Request	\$2,950,000

Market Opportunity: A prospective manufacturing company is developing a business plan to resume operations at the property. The proposed company would include experienced manufacturing professionals with extensive industry expertise and familiarity with the facility, its manufacturing processes and customer base. The group has begun contacting prospective customers and potential investors to build a foundation for future operations.

The Chisholm EDA's investment would help position the property for renewed industrial activity while preserving industry expertise, attracting private investment, supporting job retention and creation, and strengthening the city's commercial and industrial tax base.

Project Investment:

Agency/Partner Investor	Investment Terms	Amount
IRRR	Non-recourse loan; net lease revenue payments	(up to) \$2,950,000
Total Project Investment		(up to) \$2,950,000

Jobs: 25 Full-Time and 5 Part-Time Planned New

Wages: \$22 to \$25 per hour / \$48,000 to \$55,000 per year

Collateral: First position mortgage on the property at 1 7th St. SW, Chisholm, MN 55719.

Business History: None.

Past Agency History: None.

Contingencies: No action/no further action letter from the Minnesota Pollution Control Agency and an executed lease with the tenant.

Technical Advisory Committee (TAC) Recommendation: The TAC recommended approval at its September 22, 2026, 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.

City of Hoyt Lakes - Laskin Energy Park

Site Ready Development Grant to the city of Hoyt Lakes - \$162,500

The city of Hoyt Lakes is conducting site-ready due diligence and pre-design feasibility for five contiguous acres within its industrial park, advantageously located along the St. Louis County Highway 110 corridor on the northern boundary of Colby Lake Road.

The city, along with Iron Range Resources & Rehabilitation (IRRR) and local partners, has performed extensive infrastructure and engineering due diligence within the industrial park since 2014. Driven by recent interest from an expanding manufacturer, the city aims to continue evaluating the site to support securing the business development opportunity.

To support early decision-making, work will soon begin to evaluate site viability, define operational and spatial requirements, identify initial schematic building design considerations and develop order-of-magnitude cost information.

IRRR's service area lacks industrial space to meet the needs of manufacturers seeking to relocate or expand. In order to address the absence of customizable, state-of-the-art facilities, IRRR has invested in industrial parks and speculative (spec) buildings throughout the service area.

The proposed project includes the following site-ready due diligence activities:

- **ALTA survey:** \$35,000
- **Natural resources and environmental services:** \$27,500
- **Geotechnical evaluation:** \$15,000
- **Pre-design feasibility and cost modeling:** \$85,000

IRRR's investment includes:

- \$162,500 grant to the city of Hoyt Lakes for site-ready due diligence.
- Funding source will be the Douglas J. Johnson Economic Protection Trust Fund.

Technical Advisory Committee (TAC) Recommendation: The TAC recommended approval at its September 9, 2026, 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.

Project: Virginia Economic Development Authority (VEDA) Downtown Commercial Rehabilitation Program

Purpose: Funding for the VEDA Downtown Commercial Rehabilitation Program to complete steam conversions.

Virginia Economic Development Authority (VEDA)

Grant Request: \$1,800,000

Project Description:

Property owners in the city of Virginia have been transitioning from the city's aging district steam heating system to alternative heating systems. As properties left the system, steam service was reduced to a core group of downtown buildings. On January 22, 2024, Virginia Public Utilities (VPU) Commission approved the final phase of the transition, which includes the downtown district. Steam service will end October 31, 2026. Remaining property owners must convert their buildings to alternative heating systems or properly winterize them.

To date, most property owners have completed steam conversions using available public and private funding. Sources include the 0% VPU Conversion Loan Program, VEDA Downtown Commercial Rehabilitation Program, IRRR's Business Energy Retrofit and Downtown Building Rehabilitation grants and property owner contributions.

Despite these efforts, some downtown buildings have not completed steam conversions. With support from IRRR staff, the city contacted the remaining property owners to identify barriers and determine which projects could move forward with additional financial assistance.

For many properties, the estimated market value is less than half the projected cost of the steam conversion and related improvements. As a result, property owners may need to invest more in conversion than their property is worth.

The VEDA Downtown Commercial Rehabilitation Program has limited funds available, creating a financing challenge for businesses that must complete conversions before the deadline. Based on outreach, many property owners are prepared to move forward if additional program funding becomes available.

About 21 downtown commercial properties have not completed the conversion and may be eligible for the VEDA Downtown Commercial Rehabilitation Program. The program provides forgivable loans of up to \$49,000 for projects costing \$70,000 or more. For projects under \$70,000, the program may cover up to 70% of eligible project costs.

Two historic downtown properties require extensive mechanical, electrical, plumbing, structural and other improvements in addition to new heating systems. VEDA proposes higher amounts for these properties because of the size and cost of the required work. The additional assistance would support

the rehabilitation and continued use of these historic buildings, which might otherwise remain vacant or become too costly to rehabilitate.

The October 31, 2026, steam shutdown creates an immediate need to address the remaining properties. Without an alternative heating system, affected buildings may not be able to maintain required indoor temperatures during the winter, which could create building code and occupancy issues. Unheated or vacant buildings also face an increased risk of frozen pipes, water damage, deterioration and other costly repairs.

The effects of not completing a conversion could extend beyond individual properties. Owners may delay improvements, leave buildings vacant or abandon properties that are too costly to rehabilitate. Over time, this could increase downtown vacancies, contribute to property deterioration and tax forfeiture and potentially lead to demolition.

These impacts are especially significant in Virginia's compact downtown, where vacant or deteriorating buildings can affect nearby properties, businesses and the commercial district. Downtown also includes historic buildings that contribute to the community's character. Keeping these buildings occupied and in use supports ongoing downtown revitalization.

The additional, one-time funding for the VEDA Downtown Commercial Rehabilitation Program will help property owners complete remaining steam conversions. The funding will complement property owner investments and other public and private resources, helping projects move forward before the October 31, 2026, steam shutdown. It will also support the continued stabilization and redevelopment of Virginia's downtown commercial district.

The following conditions must be met to receive IRRR grant funding:

- IRRR funds may only be used for eligible steam conversion projects.
- Property owners must provide temporary heat or properly winterize the property until the steam conversion is complete.
- Participating property owners must be current on property taxes.
- Any grant funds not spent by December 31, 2027, shall be returned to IRRR.
- Loan repayments received through the program will be returned to VEDA to support the Downtown Commercial Rehabilitation Program.
- Program loans may be transferred to a new property owner if program requirements are met and the transfer is approved.
- A signed and approved resolution authorizing VEDA to apply for and accept IRRR funds.

Uses		Sources	
VEDA Downtown Commercial Rehabilitation Program	\$1,123,000	IRRR	\$1,800,000
VEDA Downtown Commercial Rehabilitation Program – historic/signature buildings	677,000		
Total	\$1,800,000	Total	\$1,800,000

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: **6**

Agency Investment: **\$2,771,500**

Total Project Investment: **\$13,226,669**

Balsam Township

Grant Amount: \$70,000

The project consists of improvements to the Balsam Township community center, including installation of a new steel roof, replacement of interior and exterior doors, and other necessary facility repairs and upgrades. The project will also improve accessibility and connections within the park by adding approximately 550 feet of ADA-compliant concrete sidewalks. The sidewalks will connect the community center to key park amenities, including the pavilion, playground, hockey rink parking area and tennis and pickleball courts.

Uses		Sources	
Roof replacement	\$60,000	IRRR	\$70,000
Door and interior updates	35,667	Blandin Foundation	100,000
Plumbing	12,000	Balsam Township	20,844
Concrete	42,318		
Sign	40,859		
Total	\$190,844	Total	\$190,844

Chisholm-Hibbing Airport Authority

Grant Amount: \$250,000

The project consists of capital infrastructure improvements at Range Regional Airport, including replacement of approximately three miles of aging perimeter fencing, rehabilitation of Taxiway A West and the aircraft tie-down apron, and stormwater drainage improvements. The fence replacement will include a federally required environmental assessment, design, permitting and construction of a new fence that meets Federal Aviation Administration requirements. The new fence will improve airfield security and aircraft operations and reduce the risk of wildlife incursions and unauthorized access. Work on Taxiway A West and the tie-down apron will include milling, grading and paving, along with improvements to stormwater drainage infrastructure. Range Regional Airport serves northeastern Minnesota, supporting commercial air service, business aviation, emergency medical flights, military operations and regional economic development. The improvements will support safe, reliable and efficient service for passengers, businesses, emergency responders and surrounding communities.

Uses		Sources	
Perimeter fence installation	\$2,269,282	IRRR	\$250,000
Taxiway, apron and storm water construction	3,786,992	Chisholm-Hibbing Airport Authority	323,006
		Federal Aviation Administration	4,421,609
		Minnesota Department of Transportation Office of Aeronautics	1,061,659
Total	\$6,056,274	Total	\$6,056,274

Crane Lake Township

Grant Amount: \$51,500

The project consists of extending electrical utilities to serve 14 new residential parcels and at least two commercial parcels. The parcels were created through a collaborative land exchange involving the Congdon family, U.S. Forest Service, Minnesota Department of Natural Resources, Explore Minnesota and local partners.

Uses		Sources	
Electric utility installation	\$51,598	IRRR	\$51,500
Road construction	181,500	Private	225,951
Environmental	6,008		
Engineering and legal fees	38,345		
Total	\$277,451	Total	\$277,451

City of Ely

Grant Amount: \$650,000

The project consists of constructing a new fire apparatus building for the city and an ambulance facility for the Ely Area Ambulance Joint Powers Board. The facilities will address critical space needs and strengthen emergency services infrastructure. The fire apparatus building will accommodate modern fire trucks and equipment that cannot fit in the 100-year-old city hall. Additionally, relocating equipment from the aging public works garage could make that site available for housing development. The ambulance facility will provide functional space to support emergency medical services in Ely and surrounding communities. Together, the facilities will improve the safety, efficiency and functionality of fire and ambulance operations and help ensure reliable emergency response for residents, businesses and visitors.

Uses		Sources	
Ambulance garage acquisition	\$460,000	IRRR	\$650,000
Ambulance garage construction	1,083,400	City of Ely	733,900
Fire department garage construction	1,140,500	U.S. Department of Agriculture Rural Development: Congressionally Directed Spending	1,300,000
Total	\$2,683,900	Total	\$2,683,900

City of Eveleth**Grant Amount: \$250,000**

The project consists of upgrades to the city's recently acquired property at 1402 Wolverine Way, which is being used as a business incubator to provide affordable, sustainable space for local businesses. Improvements will include building rehabilitation, structural and lighting upgrades, and other updates needed to meet current building codes, zoning requirements and tenant needs. Located near the Rock Ridge schools and Highway 53, the facility offers convenient access and visibility. The project will create flexible, cost-effective commercial space to support local entrepreneurship, business retention and growth while expanding services and economic activity.

Uses		Sources	
Building acquisition	\$600,000	IRRR	\$250,000
Building improvements	318,200	City of Eveleth	768,200
City of Eveleth's deferred maintenance fund	100,000		
Total	\$1,018,200	Total	\$1,018,200

City of Hibbing**Grant Amount: \$1,500,000**

The project consists of Phase I deferred maintenance improvements at the Central Range Public Works Facility, a primary operations center for public works and Minnesota Department of Transportation maintenance activities across the central Iron Range. The facility supports year-round transportation maintenance, including snow and ice removal, fleet maintenance, emergency response and roadway preservation. Engineering assessments identified more than \$10 million in long-term maintenance needs, with Phase I addressing approximately \$3 million in priority improvements. Work will include upgrades to HVAC, ventilation and building control systems; roof and drainage repairs; replacement of wall joint sealants; and improvements to deteriorated floor drains, doors and aprons. The improvements will restore critical building systems, improve energy efficiency and working conditions, reduce maintenance needs, and help protect the facility from further deterioration. The project will help preserve a critical public asset and support reliable transportation and infrastructure services throughout the region.

Uses		Sources	
Facility upgrades	\$2,350,000	IRRR	\$1,500,000
Architectural and engineering	300,000	Minnesota Department of Transportation	850,000
Contingency	350,000	City of Hibbing	650,000
Total	\$3,000,000	Total	\$3,000,000

Program: **Housing**

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

Economic Impact:

of Projects: **6**
of Programs: **1**
Agency Investment: **\$5,500,000**
Total Project Investment: **\$49,513,142**
New Housing Units: **198**
Rehabilitated Housing Units: **0**
New Lots for Future Housing Units: **0**

of Project Increases: **1**
Agency Investment: **\$500,000**

Housing Projects

City of Biwabik

Grant Amount: \$625,000

The project consists of site work, construction and soft costs to develop eight new one-bedroom workforce housing units on a former school and brownfield site. The project will remediate documented environmental conditions and create attainable rental housing for local workers.

Uses		Sources	
Site acquisition	\$40,000	IRRR	\$625,000
Site work, soil corrections and environmental remediation	100,000	Affordable Housing for America Grant	350,000
Construction	1,350,000	Developer loan	545,000
Soft costs	147,000	Developer	217,000
Contingency	100,000		
Total	\$1,737,000	Total	\$1,737,000

City of Crosby**Grant Amount: \$500,000**

The project consists of site work, construction and soft costs to develop Cuyuna Ironworks, an eight-unit multifamily housing development. The project will provide high-quality, market-rate rental units to help meet the growing workforce and community housing needs in the Cuyuna Lakes region. The units will serve small households, young professionals and local workers. **Note: The IRRR grant award is contingent on the recipient securing additional gap financing during the FY27 grant cycle.**

Uses		Sources	
Site acquisition	\$162,000	IRRR	\$500,000
Construction	2,506,995	Minnesota Housing: Workforce Housing Development Program	1,400,000
Soft costs	1,025,864	Developer loan	994,859
Contingency	150,000	Developer	950,000
Total	\$3,844,859	Total	\$3,844,859

City of Hibbing**Grant Amount: \$2,000,000**

The project consists of site work, construction and soft costs to develop Iron Exchange at 400, a mixed-use workforce housing development on Howard Street. The 98,125-square-foot complex will include approximately 3,000 square feet of restaurant space, 1,000 square feet of office space and 2,000 square feet of retail space at street level. The development will offer 80 apartments: eight studios, 44 one-bedroom units, 12 two-bedroom/one-bath units and 16 two-bedroom/two-bath units. The site also will include 21 surface parking spaces. The city, IRRR and the Minnesota Department of Employment and Economic Development have invested approximately \$2 million into the demolition of former buildings at the site. The city is planning to establish a Tax Increment Financing (TIF) district in support of this project. **Note: The IRRR grant award is contingent on the recipient securing additional gap financing during the FY27 grant cycle.**

Uses		Sources	
Site work and construction	\$19,000,000	IRRR	\$2,000,000
Soft costs	4,343,887	- Minnesota Housing: Workforce Housing Development Program - Sub-Debt Loan	3,775,000
		Developer Loan	12,839,138
		Developer	4,729,749
Total	\$23,343,887	Total	\$23,343,887

Housing and Redevelopment Authority (HRA) of Virginia**Grant Amount: \$275,000**

The project consists of site work, construction and soft costs to redevelop a parcel at 600 4th St. S. into three single-family residential lots on a brownfield site. Locally known as “Mill 40,” the site dates to the early 1900s, when it supported nearby sawmill operations and railroad infrastructure. The property has been unused for more than 30 years and was acquired by the HRA from Rock Ridge Independent School District (ISD) No. 2909. The project will subdivide the parcel into three lots for the construction of three new single-family homes, returning the underused property to productive use and adding housing options in the community. **Note: The IRRR grant award is contingent on the recipient securing additional gap financing during the FY27 grant cycle.**

Uses		Sources	
Site acquisition	\$19,162	IRRR	\$275,000
Site preparation and construction	1,199,991	HRA of Virginia	50,000
Soft costs	212,445	Minnesota Department of Employment and Economic Development: Contamination Cleanup and Investigation Grant	26,870
Contingency	60,000	Minnesota Housing: Single Family Request for Proposal (Value Gap and Construction Financing)	1,115,698
		City of Virginia, Virginia Public Utilities Commission and Rock Ridge ISD No. 2909	24,030
Total	\$1,491,598	Total	\$1,491,598

City of Marble**Grant Amount: \$90,000**

The project consists of site preparation and utility extension to develop Stanwell Court, a proposed 20-unit senior cottage community developed by Stanwell Holdings Inc. Marble has an aging population and limited accessible senior housing, requiring some longtime residents to relocate when suitable housing is unavailable locally. Grant funding will support public infrastructure improvements, including municipal water and sanitary sewer extensions, roadway and sidewalk upgrades, utility extensions and site clearing. The improvements will support the housing development while expanding the city’s capacity for future residential and economic development.

Uses		Sources	
Site preparation	\$13,540	IRRR	\$90,000
Utility infrastructure	185,000	Developer	108,540
Total	\$198,540	Total	\$198,540

City of Virginia**Grant Amount: \$1,610,000**

The project consists of site work and construction to develop Midway Apartments, a 73-unit workforce housing development. The three-story, elevator-served building will include 73 market-rate residential units, 67 covered parking spaces in an attached garage and 79 surface parking spaces. **Note: The IRRR grant award is contingent on the recipient securing additional gap financing during the FY27 grant cycle.**

Uses		Sources	
Site acquisition	\$699,000	IRRR	\$1,610,000
Site preparation	1,530,109	City of Virginia	1,077,866
Construction	11,831,915	Minnesota Housing: Workforce Housing Development Program	5,317,608
Soft costs	2,369,700	Developer	8,766,000
Contingency	356,150	Energy rebates	15,400
Total	\$16,786,874	Total	\$16,786,874

Housing Program**North St. Louis County Habitat for Humanity****Grant Amount: \$400,000**

The project consists of utility infrastructure, site work and construction for the development of affordable homeownership opportunities across Iron Range communities. During the 2027 construction season, six homes will be built or rehabilitated, and two additional sites will be prepared through the organization's Affordable Homeownership Program. Projects include two homes in Virginia, three in Hibbing and one in Chisholm, as well as two foundations in Eveleth for homes to be constructed in 2028.

North St. Louis County Habitat for Humanity serves individuals and families who qualify for a mortgage and have incomes within limits set relative to the area median income. Homeowner selection is based on demonstrated need for housing, ability to repay an affordable mortgage, and a willingness to partner in the construction of their home. All IRRR funding will be used for construction-related costs.

Uses		Sources	
Construction	\$1,161,500	IRRR	\$400,000
Program administration	948,884	North St. Louis County Habitat for Humanity	825,455
		Minnesota Housing and St. Louis County	554,500
		Community organizations and private donors	204,929
		Grants and foundations	125,500
Total	\$2,110,384	Total	\$2,110,384

Grant Increase

City of Eveleth

Grant Increase: \$500,000

Original Project Approval: The two-year project consists of redeveloping a 20-acre site in the center of the community that was previously home to the Eveleth school campus.

Year 1 work will begin in spring 2025 and include:

- Utility infrastructure to serve six single-family lots.
- A parking lot to support an existing community multi-purpose building and future recreational amenities and trails.
- Planning and civil engineering.

Year 2 work will begin in spring 2026 and include:

- Site grading.
- Utility infrastructure to serve 22 single-family lots.
- New road construction and streetscape improvements.
- Park and trail construction.

The city is seeking additional grant funding from Minnesota Housing and the Department of Natural Resources to support the project. After all other funding options have been secured, the city will submit an additional IRRR grant request to fund any remaining project costs.

When completed, the redevelopment project will result in 28 single-family lots, a seven-acre park with recreational amenities and trails, the transformation of an existing school building into a community multi-purpose building, and future opportunities for multifamily housing. The city completed a housing market analysis in 2024, and the results indicated demand for new housing construction in the Eveleth area. IRRR previously approved \$2,000,000 for the project in February 2025.

Reason for Grant Increase: The city has requested additional funding to support the Year 2 work identified above, which is now one year behind schedule. Grant funding from Minnesota Housing and the Minnesota Department of Natural Resources, as originally anticipated, was not secured in 2025.

The \$500,000 grant increase will bring IRRR's investment to \$2,500,000, and the total project investment will remain at \$9,476,749, as shown in the budget table.

Uses		Sources	
Rock Ridge Independent School District (ISD) No. 2909 building demolition	\$5,543,934	IRRR - original grant	\$2,000,000
Grading, utility infrastructure, roadway, park, local trails, parking lot and streetscape improvements	2,989,491	IRRR - grant increase	500,000
Site acquisition	582,000	City of Eveleth	1,432,815
Planning and civil engineering	361,324	Rock Ridge ISD No. 2909	5,543,934
Total	\$9,476,749	Total	\$9,476,749