

Iron Range Resources and Rehabilitation**Projects Summary**

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2026	2028	2030		2028	2030
Legend Maintenance Building- Giants Ridge	1	GO	6,400	0	0	0	0	0
Minnesota Discovery Center Relocation	2	GO	3,200	0	0	0	0	0
Total Project Requests			9,600	0	0	0	0	0
General Obligation Bonds (GO) Total			9,600	0	0	0	0	0

AT A GLANCE

- Established in 1941, the Department of Iron Range Resources & Rehabilitation was created to diversify the economy within a region largely dependent on the removal of minerals (iron ore and taconite) and other natural resources.
- The agency's service area is defined by Minnesota Statute 273.1341 and encompasses 13,000 square miles in northeastern Minnesota: 53 cities, 134 townships, portions of four tribal nations and 14 school districts. The service area population is approximately 156,000.
- The agency is primarily funded by a portion of local taconite production tax paid by mining companies on each ton of iron ore pellets or concentrates produced. The tax is paid in lieu of property taxes by mining companies located within the agency's service area.
- The Department of Iron Range Resources & Rehabilitation operates on an annual budget established by the commissioner and approved by the Iron Range Resources and Rehabilitation board and the Governor.

PURPOSE

The Department of Iron Range Resources & Rehabilitation is an economic development agency that reinvests local taconite production taxes back into northeastern Minnesota businesses and communities in order to strengthen and diversify the economy. Loans are provided to businesses relocating or expanding in the region. Grants are available to local and tribal units of government, educational institutions and nonprofits. Grants support projects related to business development, infrastructure and broadband, housing, downtown revitalization, worker training and certification, and tourism and recreation. The agency also owns the Giants Ridge Golf and Ski Resort and the Minnesota Discovery Center, governmental enterprises with amenities that help support the area's economy.

STRATEGIES

The agency's strategic plan aligns its collaborative efforts around long-term economic growth that increases the well-being of all people in northeastern Minnesota. The agency's mission helps focus funding priorities around leveraging capital, improving quality of life and retaining and creating good paying jobs. The agency aligns its strategies with four long-term goals related to community development, asset reinvestment, business development and workforce development.

Communities invest in their foundational, business and social assets to ensure quality of life for all residents.

- Infrastructure funding is available to improve, replace and modernize foundational assets such as sewer, water, broadband and housing.
- Redevelopment programs provide funds to improve business assets including interior and exterior renovation, energy efficiency and retrofits.
- Community development grants fund the construction, maintenance and improvement of social assets such as parks, recreation, trails, and arts and culture organizations.
- Agency broadband investments leverage other resources to increase the number of residents served by the state's 2026 broadband speed goals.
- The agency participates in enterprise sustainability to manage energy, conserve water and reduce waste.
- Access and equity inform outreach efforts and staff and leaders work directly with tribal nation representatives from Bois Forte, Fond du Lac, Grand Portage, and Leech Lake to help connect their development priorities with grant and loan resources.

Agency investments in Giants Ridge increase its economic impact and contribute to the quality of life in the region.

- Improve assets that contribute to economic impact.
- Track economic impact over time using independent analysis.
- Maintain Giants Ridge's state and national golf course rankings.

Businesses invest in northeastern Minnesota.

- Respond to business needs with creative and flexible financial solutions.
- Recruit new businesses through lead generation, tradeshows and outreach to targeted industries.
- Promote energy efficiency for small businesses through the Business Energy Retrofit grant program.

Workers have the education and training to meet business needs.

- Invest in workforce development programs that meet businesses' training and education needs.
- Support the development of skills development that increase workers' ability to earn a family-sustaining income.
- Invest in higher education programs through the Iron Range Higher Education Committee.

M.S. 298.22 provides the legal authority for the Department of Iron Range Resources & Rehabilitation.

AT A GLANCE

The Department of Iron Range Resources & Rehabilitation is an economic development agency that invests resources to foster growth and economic prosperity in northeastern Minnesota by enhancing livable communities, maximizing collaborations and partnerships and strengthening businesses and worker education. Agency strategic priorities include:

- Providing grants to local units of government and nonprofits that contribute to stable, livable and healthy communities and funding foundational assets and community infrastructure that improve, replace and modernize for future growth.
- Recruiting targeted industries to the region to increase economic growth and tailoring financing solutions with partners that meet individual business retention and expansion needs.
- Supporting innovative education and workforce development initiatives that address regional business and industry workforce needs.
- Investing in development and infrastructure at Giants Ridge and Minnesota Discovery Center to increase the economic impact of the facilities and enhance the quality of life for visitors and area residents.

Fostering economic development and promoting tourism are explicit statutory responsibilities of the agency. Foundational asset investments made at Giants Ridge have strengthened the region's tourism economy, generating \$55-60 million annually into the regional economy.

Factors Impacting Facilities or Capital Programs

The agency owns 83 structures in three locations on the Iron Range: Eveleth (headquarters), Biwabik (Giants Ridge) and Chisholm (Minnesota Discovery Center or MDC). Most of the buildings and infrastructure are at Giants Ridge and MDC campuses built in the 1970s and 1980s. The agency has made significant capital reinvestments over the years, but capital needs are now at levels that cannot be supported by the agency's annual operating budgets.

Giants Ridge and MDC serve local residents and visitors from across the nation. Demand for outdoor experiences, recreation and cultural resources is driving the need for changes and improvements at both locations.

Giants Ridge is the agency's recreational asset that helps to diversify the economy on the Iron Range. The facility provides a variety of outdoor recreational offerings including golf and skiing. In order to maintain the state's asset, the agency has identified strategic investments for Giants Ridge that sustain the existing golf and ski operations.

- **Irrigation infrastructure replacement and design:** Replace failing underground water line infrastructure system for the golf course irrigation. The current piping at Giants Ridge is 30 years old and beyond its expected useful life. Components of the original system are difficult to find and often nonexistent. Failure of the lines due to the system's age would have a negative impact on Giants Ridge and the Iron Range communities that depend on the tourism economy from golf visitors. The irrigation infrastructure replacement will sustain the facility's recreational operations and lower the facility's water usage during the summer. The system will also include automation and energy efficiencies. The agency received bond funding in 2023, and the project is expected to commence in 2026.
- **Maintenance Replacement and Nordic Golf facility:** Built in 1984 the current Legend Maintenance Building is approaching 40 years of service. This project would replace an aging asset and relocate the

current maintenance building outside of the base area allowing for a smoother and safer flow of traffic. In the footprint of the old maintenance building, the Nordic Golf Center will anchor the Giants Ridge base area and expand indoor and outdoor recreational facilities for skiers and golfers. It will add to the overall functionality of the base area and create a cohesive interface between the Nordic ski trails and the golf course. Currently the golf shop is in an old maintenance building and there is no dedicated indoor Nordic space for skiers and ski teams to base from at Giants Ridge. The need for such a facility is vital to the operations. Improvements will include energy efficiencies, safe working conditions, improved traffic and customer flow and create a better arrival area for guests.

- **Aerial chairlift infrastructure replacement:** A new aerial chairlift would replace an aging chairlift infrastructure that provides transport to the top of the ski, bike and hiking areas. The current chairlift is 39 years old and no longer supported by the manufacturer. Replacement parts and technical support are difficult to find. The new infrastructure would provide reliable and energy efficient aerial transportation.

Minnesota Discovery Center is comprised of a museum, research center, and park encompassing 660 acres, that tells the story of the Iron Range - "The Land, The Mines, The People, and The Work" - through exhibits, interpretation, programming, and research materials. MDC is a 501c(3) nonprofit in charge of operating and maintaining the state-owned capital assets originally constructed in the 1970's and 1980's. Currently, historical collections are at high risk due to inadequate, outdated, and failing archival infrastructure. The state-owned facilities and historical archives need to be protected. MDC is the largest state-owned records repository outside of St. Paul and one of the largest museum and cultural complexes in northern Minnesota.

Earlier this year the lessor of the ground lease upon which the MDC is built notified the agency that it does not intend to renew the lease when it expires in 2049 (the underlying land has valuable iron ore deposits and will likely be mined). Rather than spending \$30-50 million on repairs and maintenance at the current site, the agency has begun the process to develop a strategy which will likely lead to the relocation of MDC to another site in the City of Chisholm.

Outdoor recreation and cultural opportunities support northeastern Minnesota's tourism economy, contribute to Minnesotans' health and quality of life and support business attraction and retention. In 2019, Giants Ridge had a \$55.4 million economic impact on local communities, up \$12 million from a 2016 analysis. Economic growth is a result of capital investment, and the results align with the agency's mission to diversify IRRR's service area.

Self-Assessment of Agency Facilities and Assets

Recent capital investments have focused on replacing failing infrastructure, facilities and equipment. For each location, master plans, facility assessments, studies and reports are evaluated when determining capital projects and levels of investment. Priority projects must meet objectives in the areas of safety, asset preservation, efficiency or operational performance.

Agency Process for Determining Capital Requests

The agency implements capital improvement strategies that advance the missions of Giants Ridge and Minnesota Discovery Center to keep them competitive while improving revenues and managing expenses. Facility managers develop capital requests using studies, master plans, stakeholder input and facility conditions. Requests address aging infrastructure, deferred maintenance, building and system life cycles, access, safety and efficiency. They are reviewed by senior leaders, and the Commissioner approves final projects and reviews them with the Iron Range Resources and Rehabilitation advisory board.

Major Capital Projects Authorized in 2024 and 2025

The agency received \$12,229,000 for the Giants Ridge's snowmaking infrastructure system during the 2023 legislative session.

The Minerals Article of the 2024 omnibus tax bill enacted by the legislature provided \$2,200,000 in IRRR revenue bond funds to the MDC for repairs and ADA compliance on their Chisholm campus.

Iron Range Resources and Rehabilitation

Project Narrative

(\$ in thousands)

Legend Maintenance Building - Giants Ridge

AT A GLANCE

2026 Request Amount: \$6,400

Priority Ranking: 1

Project Summary: \$6.4 million in general obligation bonds to relocate and construct a new maintenance building at The Legend golf course located within the Giants Ridge Recreation Area in Biwabik, Minnesota.

Project Description

This project involves constructing a new maintenance building to replace the existing 40-year-old facility for the operations staff who maintain The Legend golf course and relocating it to a site away from the main entrance to enhance safety for guests and employees.

Project Rationale

This project eliminates aging and inefficient infrastructure located at the main entrance where guests arrive. The 40-year-old maintenance building—originally built for ski operations and later repurposed for golf course maintenance—now poses safety concerns due to heavy equipment and deliveries sharing space with guests. By constructing a new, energy-efficient, and secure maintenance facility at a separate location, the project will improve operational efficiency, enhance guest and employee safety and create a more welcoming arrival experience. In addition to reducing deferred maintenance, the project will generate dozens of construction jobs and support the local economy.

Project Timeline

Funding: 2026

Design: Already Complete

Bid: Fall 2026

Construction: 2027

Completion: 2028

Other Considerations

Between 2017 and 2019, Giants Ridge, which includes The Legend, generated an average annual economic impact of \$55.4 million in northeastern Minnesota. This project will help The Legend continue drawing tourism revenue into the local economy while expanding employment opportunities for the regional workforce. It also promotes healthier, more vibrant communities throughout the region and the state. As one of the largest employers on the East Iron Range, Giants Ridge plays a vital role in supporting the area's economic and social well-being.

Impact on Agency Operating Budgets

This project will reduce agency spending on deferred maintenance by repurposing the existing 40-year-old maintenance building and constructing a new facility in a more central location on the property. Relocating operations to the new site will improve efficiency, lower ongoing operating costs and enhance overall functionality. Additionally, the new building will incorporate energy-efficient technologies, helping to reduce the facility's overall carbon footprint.

Description of Previous Appropriations

In 2023 the Legislature appropriated \$12.229 million in general obligation bonds for snowmaking infrastructure and replacing water lines at Giants Ridge.

Project Contact Person

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

Iron Range Resources and Rehabilitation

Project Detail

(\$ in thousands)

Legend Maintenance Building- Giants Ridge

PROJECT FUNDING SOURCES

Funding Source	Six Prior Years	FY 2026	FY 2028	FY 2030
<i>State Funds Appropriated and Requested</i>				
General Obligation Bonds	\$ 0	\$ 6,400	\$ 0	\$ 0
<i>State Funds Pending</i>				
<i>Non-State Funds Already Committed</i>				
<i>Non-State Funds Pending</i>				
TOTAL	\$ 0	\$ 6,400	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Six Prior Years	FY 2026	FY 2028	FY 2030
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 350	\$ 0	\$ 0
Project Management	\$ 0	\$ 220	\$ 0	\$ 0
Construction	\$ 0	\$ 5,680	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 150	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 6,400	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2026	FY 2028	FY 2030
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0	0	0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 6,400	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Has the project owner requesting state funds reviewed and agree to meet the applicable capital requirements listed in the “Statutory Requirements” below and in the “Capital Budget Requirements” section of the MMB Capital Budget Instruction documents?	Yes
Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2030?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

(\$ in thousands)

Minnesota Discovery Center Relocation

AT A GLANCE**2026 Request Amount:** \$3,200**Priority Ranking:** 2**Project Summary:** \$3.2 million in general obligation bonds to support the design, engineering, site acquisition, and infrastructure for the relocation and repurposing of the Minnesota Discovery Center and its Iron Range archives to a new site in Chisholm. The project will create compliant, efficient, and inclusive facilities that address critical preservation, capacity, and accessibility issues threatening the MDC's historical collections.**Project Description**

This project will support site acquisition, design, engineering, utilities, and infrastructure for the relocation and repurposing of the Minnesota Discovery Center and its archives of Iron Range history at a new site in Chisholm.

The project includes site work and the installation of infrastructure to support the Minnesota Discovery Center at its new location in Chisholm.

Project Rationale

The project will provide compliant, adequate, efficient, and inclusive public facilities that protect, preserve, and expand one of the largest artifact and archival collections in Minnesota. Most importantly, it addresses high-risk infrastructure issues that currently threaten existing historical artifacts and archival materials.

Additional impacts of the project include:

- Proper preservation and storage of thousands of overflow records and historical artifacts in the MDC's collections.
- Increased archival capacity, allowing the MDC to grow its historical collections and generate additional revenue through record requests, exhibitions, and visitation.
- Reduction of disparities and inequities in the current design of archival facilities.
- Improved inclusive access to existing and future historical artifacts and archival collections for scholarly, educational, and research purposes.
- Creation of a new multi-use space available for rent, supporting the MDC's growing list of facility rental clients.
- Reduced labor and energy costs, as well as improved safety, allowing the MDC to reinvest savings into critical infrastructure improvements that enhance the public experience.

Project Timeline

Funding: 2026

Design, Engineering, and Site Acquisition: 2027

Construction: 2028

Completion: 2029

Other Considerations

The Minnesota Discovery Center (MDC) is a 501(c)(3) nonprofit responsible for operating and maintaining state-owned capital assets originally constructed in the 1970s and 1980s. MDC's current capital budget is insufficient to address more than \$40 million in critical infrastructure needs across our 660-acre campus.

This bonding proposal identifies the most urgent capital needs to proactively address them before an emergency situation arises. Currently, historical collections are at high risk due to inadequate, outdated, and failing archival infrastructure. Something as simple as a false fire alarm could destroy millions of irreplaceable records and artifacts at any time.

MDC strongly believes that state-owned facilities, such as our historical archives, should be held to the highest standards, as they belong to the residents of Minnesota.

- MDC is the largest state-owned records repository outside of St. Paul and one of the largest museum and cultural complexes in northern Minnesota. It is also one of Chisholm's largest employers and contributes \$3.89 million annually to the local and regional economy.
- In 2021 alone, MDC's research center archival collection served thousands of individuals from 48 states and 17 countries, as well as military APOs and Washington, D.C.
- This project benefits rural residents in a distressed region of our state and serves all Minnesotans.
- It creates jobs, attracts more tourists to the region, and helps diversify employment opportunities for the regional workforce.
- The research center and archival spaces are public resources.
- Museums in Minnesota have a \$917 million economic impact and rank among the most trusted institutions in the United States.

Impact on Agency Operating Budgets

This project will likely provide significant energy savings and building efficiencies and generate new revenue through facility rentals and special events. Furthermore, a larger research and academic audience will be served, both in person and virtually, which will also contribute to increased revenue. MDC will save tens of thousands of dollars by avoiding the need for major annual repairs and maintenance.

Description of Previous Appropriations

N/A

Project Contact Person

Sean Peyla

Facilities and Operations Manager

218-735-3005

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

Iron Range Resources and Rehabilitation

Project Detail

(\$ in thousands)

Minnesota Discovery Center Relocation

PROJECT FUNDING SOURCES

Funding Source	Six Prior Years	FY 2026	FY 2028	FY 2030
<i>State Funds Appropriated and Requested</i>				
General Obligation Bonds	\$ 0	\$ 3,200	\$ 0	\$ 0
<i>State Funds Pending</i>				
<i>Non-State Funds Already Committed</i>				
<i>Non-State Funds Pending</i>				
TOTAL	\$ 0	\$ 3,200	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Six Prior Years	FY 2026	FY 2028	FY 2030
Property Acquisition	\$ 0	\$ 500	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 500	\$ 0	\$ 0
Project Management	\$ 0	\$ 400	\$ 0	\$ 0
Construction	\$ 0	\$ 1,800	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 3,200	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2026	FY 2028	FY 2030
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0	0	0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 3,200	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Has the project owner requesting state funds reviewed and agree to meet the applicable capital requirements listed in the “Statutory Requirements” below and in the “Capital Budget Requirements” section of the MMB Capital Budget Instruction documents?	Yes
Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2030?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A