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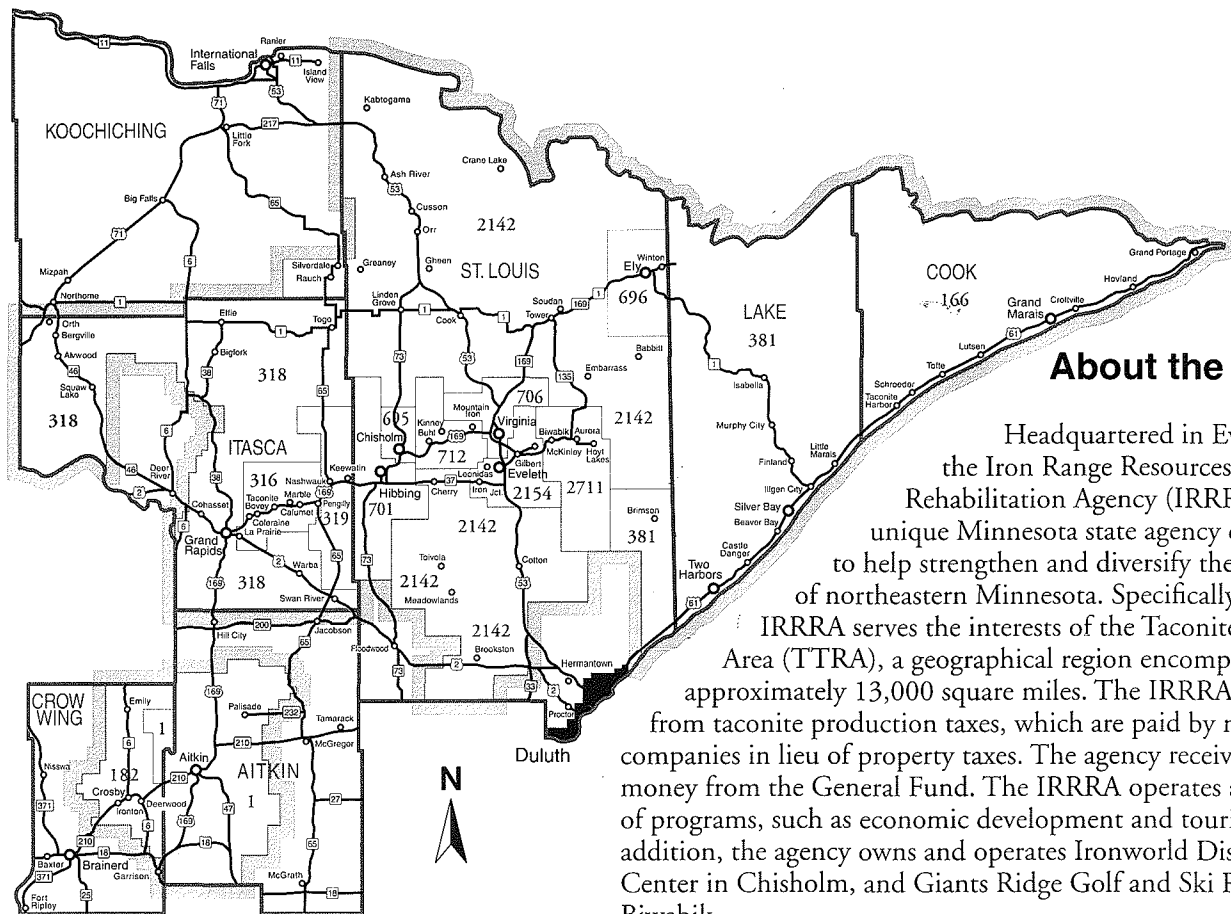
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## IRON RANGE RESOURCES & REHABILITATION AGENCY

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2002

# TACONITE TAX RELIEF AREA



## About the Agency

Headquartered in Eveleth, the Iron Range Resources and Rehabilitation Agency (IRRRRA) is a unique Minnesota state agency designed to help strengthen and diversify the economy of northeastern Minnesota. Specifically, the IRRRA serves the interests of the Taconite Tax Relief Area (TTRA), a geographical region encompassing approximately 13,000 square miles. The IRRRA is funded from taconite production taxes, which are paid by mining companies in lieu of property taxes. The agency receives no money from the General Fund. The IRRRA operates a number of programs, such as economic development and tourism. In addition, the agency owns and operates Ironworld Discovery Center in Chisholm, and Giants Ridge Golf and Ski Resort near Biwabik.

## History

The IRRRA was created by the Minnesota Legislature in 1941 with the urging and strong support of Governor Harold Stassen to rehabilitate the Iron Range area of northeastern Minnesota. While the methods of rehabilitation have varied over the years, the mission of the agency continues to be one of economic development and diversification.

## Mission Statement

The agency adopted the following mission statement in 1992:

*"First, to be careful custodians of the public money entrusted to us.  
Second, to enhance the economic vitality of the Taconite Tax Relief Area through value-driven, cost-effective projects and programs designed for the long-range benefit of the region."*

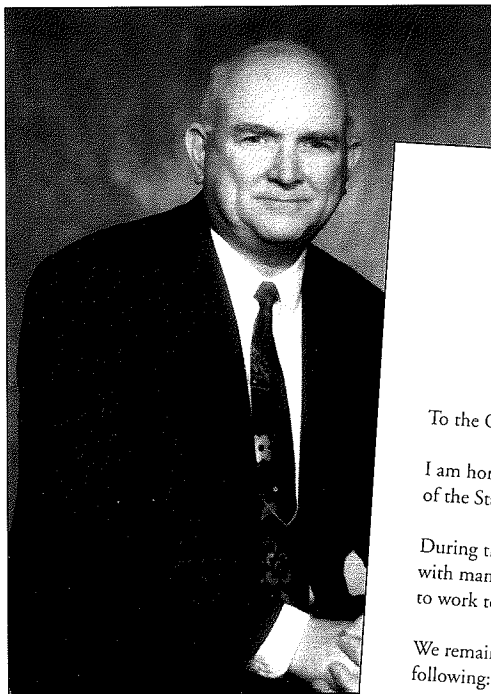
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## COMMISSIONER'S LETTER

### To the Governor & Legislature of the State of Minnesota:



**IRON RANGE  
RESOURCES &  
REHABILITATION  
AGENCY** **IRR**

P.O. Box 441, Highway 53 South  
Eveleth, Minnesota 55734-0441  
(218) 744-7400 • 800-765-5043  
Fax: (218) 744-7401

To the Governor and Legislature of the State of Minnesota:

I am honored to submit to the Honorable Jesse Ventura, Governor of the State of Minnesota, and to the Legislature of the State, this thirtieth Biennial Report of the Iron Range Resources and Rehabilitation Agency (IRRRA).

During the last biennium, the IRRRA celebrated its 60th anniversary. Northeastern Minnesota once again is faced with many challenges and obstacles, as it was when the agency was formed in 1941. However, the agency continues to work toward its original mission of diversifying and strengthening the economy.

We remain optimistic about the region's future, due to many projects and initiatives that are underway, including the following:

To better insure long-term utilization of Minnesota iron ore resources, the agency is promoting the development of new value-added iron products that can be used by both mini mill and integrated steelmakers. In addition, efforts are underway to diversify Minnesota's mining industry by supporting the development of non-ferrous minerals.

Recent IRRRA business recruitment efforts have helped create more than 1,500 quality jobs across the Iron Range. These jobs are the result of recruiting efforts with our business and community partners, and of course—an excellent workforce.

In July 2001, we launched our new Energy Initiative, to explore and capitalize on opportunities in the energy field and to promote regional job creation and economic growth. Numerous projects are in progress, which hold great promise.

Giants Ridge Golf & Ski Resort in Biwabik continues to receive national attention as a four-season resort destination. This attention will intensify with next summer's opening of The Quarry, the resort's second 18-hole championship golf course. The Quarry will surely boost Giant Ridge's powerful economic impact on the region.

In closing, the IRRRA is as critical to the region's future today as it was in 1941. We will continue to build on the strong foundation that has been built over the past decades and serve the region in the decades to come.

Sincerely,

A handwritten signature in cursive script that reads "John Swift".

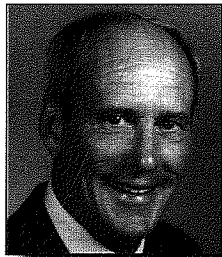
John Swift, Commissioner



# IRRR BOARD MEMBERS DURING FY 01-02



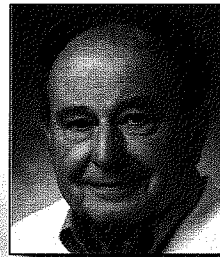
*Doug Johnson*



*Larry Howes*



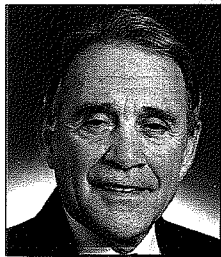
*Tom Bakk*



*Joe Begich*



*Pat Ives*

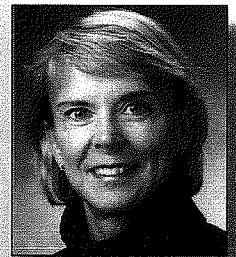


*Bob Lessard*



*Don Samuelson*

|  |                     |
|--|---------------------|
| Tom Bakk, Representative 6A.....       | Cook                |
| Joe Begich, Citizen.....               | Eveleth             |
| Larry Howes, Representative 4B.....    | Walker              |
| Pat Ives, Citizen.....                 | Hibbing             |
| Doug Johnson, Senator 6.....           | Cook                |
| Sandy Layman, Citizen.....             | Cohasset            |
| Bob Lessard, Senator 3.....            | International Falls |
| Tom Rukavina, Representative 5A.....   | Virginia            |
| Don Samuelson, Senator 12 .....        | Brainerd            |
| Tony Sertich, Representative 5B.....   | Chisholm            |
| Loren Solberg, Representative 3B ..... | Bovey               |
| Sam Solon, Senator 7 .....             | Duluth              |
| John Swift, Commissioner .....         | Eveleth             |
| Dave Tomassoni, Senator 5 .....        | Chisholm            |



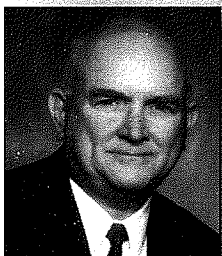
*Sandy Layman*



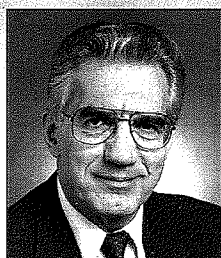
*Tom Rukavina*



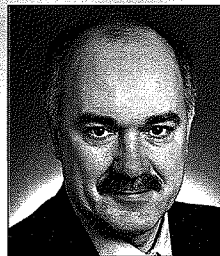
*Loren Solberg*



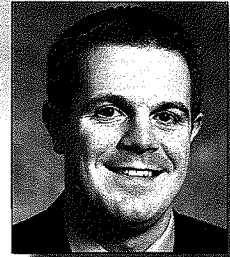
*John Swift*



*Sam Solon\**  
1931-2001



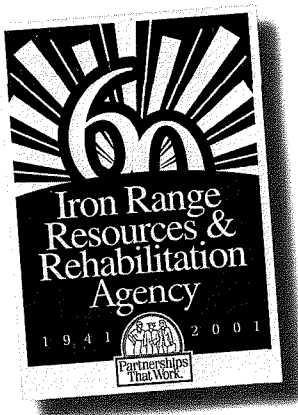
*Dave Tomassoni*



*Tony Sertich*

\* Senator Sam Solon lost his courageous battle with liver cancer on December 28, 2001. "Senator Sam," as his friends and colleagues affectionately called him, had served for 31 years in the state legislature. After serving one term in the House, he ran for Senate and was re-elected seven times. He had served on the IRRR Board since 1979. Senator Sam's reputation as a champion for northeastern Minnesota lives on in the memories of all who knew him.

## 60TH ANNIVERSARY



### 60 Years and Counting

On April 27, 2001, the Iron Resources and Rehabilitation Agency (IRRRRA) marked its 60<sup>th</sup> anniversary. The IRRRA was created by the Minnesota Legislature in 1941 with the urging and strong support of Governor Harold Stassen to rehabilitate the Iron Range area of northeastern Minnesota.

The oldest Minnesota state agency created to address a specific issue, the organization

has worked since its founding to diversify the economy of northeastern Minnesota and to improve the quality of life for area residents. Its impact can be quantified through jobs created and dollars invested, but the IRRRA is about more than numbers. It is about planning for the future and creating common direction.

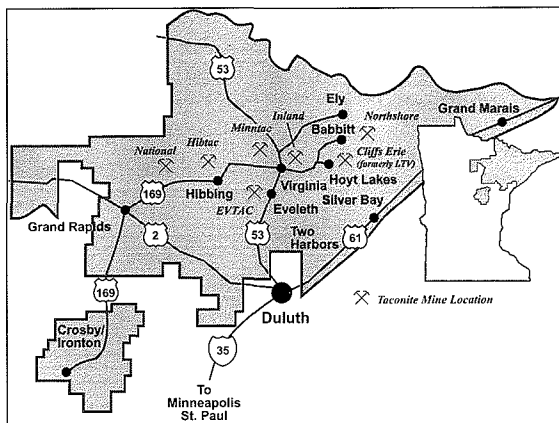
Stassen's vision still endures today within the IRRRA, as the agency continues to build on the strong foundation established over the last six decades.

## MINING INITIATIVES

### Mining

**M**ining of iron ore is one of the pillars of the northeastern Minnesota economy. Taconite companies provide approximately 4,100 high-paying jobs, forming the backbone of the regional economy. In

addition, other spin-off industries that do business with the taconite companies provide more than 14,000 jobs. And every year, Minnesota iron mining contributes \$1.3 billion to the state's economy and purchases goods and services from companies in nearly 200 communities across the state.



*Location of taconite mines in the TTRA.*

Taconite companies pay production taxes levied in lieu of property taxes, which buy down property taxes paid by homeowners residing within the Taconite Tax Relief Area (TTRA) and support public services provided by various levels of government, including the IRRRA. In 2002, the agency received approximately \$11 million, or 15 percent, of the \$75 million in taconite production taxes paid.

Part of the IRRRA's mission is to lessen the area's dependence on mining by helping to

diversify the economy, but the agency also recognizes the importance of keeping the mining industry strong. The IRRRA simultaneously is pursuing several different but complementary objectives in the minerals sector: recapitalization of Minnesota's taconite industry; development of value-added iron and steel products from Minnesota iron ore; development of non-ferrous minerals (copper, nickel, PGMs and precious metals); and minerals research that encourages and supports both current and future mining activities.

During the past decade, the following major contributions have been made to the region's taconite industry. In 1994-95 through its Taconite Assistance Program, the IRRRA awarded \$2 million in grants to each of the Minnesota taconite companies for new equipment and facility improvements. Special assistance has also been provided, a \$6 million loan to National Steel Pellet Company was part of a \$25 million incentive package provided by the state of Minnesota and other stakeholders that helped National's taconite plant reopen in 1994 following a one-year closure. In 2000, \$4.25 million was awarded for mining projects to introduce new or better technology. The IRRRA also administers two taconite production tax rebate programs that help recapitalize Minnesota iron mines. Under current law, these rebate programs provide \$10.7 million annually for research & development, new equipment, facility improvements and innovative mineland reclamation projects.

Through these programs, the IRRRA has

invested approximately \$116 million in Minnesota's taconite industry since 1993. These dollars have leveraged over \$132 million from the producers to undertake projects exceeding \$248 million. Ongoing agency mining initiatives include the Taconite Economic Development Fund, IRRRA Producer Grant Program, IRRRA Drilling Incentive Grant Program, Minnesota Blue Ribbon Committee on Mining, ferrous and non-ferrous initiatives and the East Range Economic Response Team.

## Taconite Economic Development Fund

In 1992, the Minnesota Legislature established the Taconite Economic Development Fund (TEDF) to encourage the taconite companies to make capital investments in their plants. Under current law, 30.1-cents of the \$2.103 tax paid per ton of taconite pellets produced is set aside in a special account administered by the IRRRA to



*Minntac production truck – truck-to-rail conversion.*

be rebated to each company for projects reviewed by a joint committee of the salaried and hourly employees of each plant. This rebate, commonly referred to as the investment tax credit, was made permanent by the 2001 Legislature. Previously, there was only authority for specified production years. Since 1993, \$71.5 million has been made available for equipment and facilities or for research and development in Minnesota on new mining, or taconite, iron or steel production technology through the TEDF.

## IRRRRA Producer Grant Program

The 1996 Minnesota Legislature appropriated \$10 million from the Northeast Minnesota Economic Protection Fund for grants to the taconite producers for environmentally unique reclamation projects, pit or plant repairs,

expansions or modernizations other than for a value-added iron products plant, including but not limited to, haulage trucks and equipment and mining shovels. Guidelines were established for the program that distributed the money to the companies in proportion to each company's respective share of total production and mandated that the same joint committee specified by TEDF legislation review the projects funded.

In order to receive a grant, each company must provide land or other items of consideration valued at 15% of the amount of the grant.

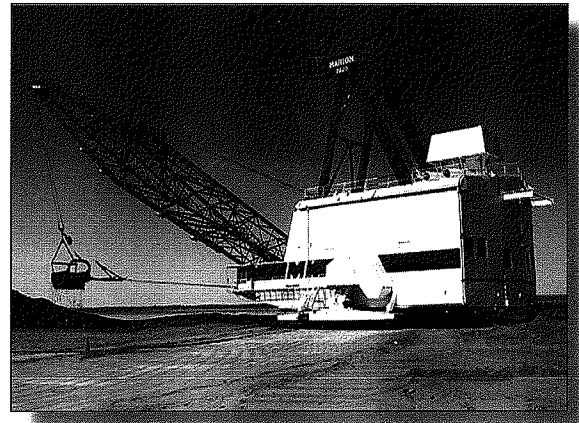
Over 3,330 acres of land have been conveyed to TTRAC communities and the IRRRA for economic and community development, new housing, recreation and other public purposes through the year 2002.

In 1997, the Legislature changed the funding base for Producer Grants from a special appropriation to an annual distribution of 5-cents per ton from the production tax each company pays. Under current law, approximately \$1.5 million in Producer Grants will be distributed through production year 2002.

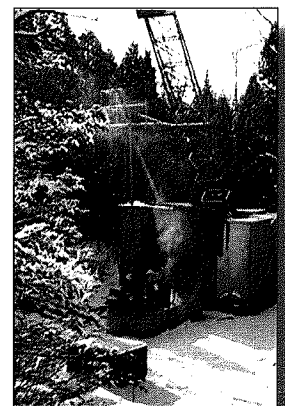
Together the 30.1-cent TEDF distribution and the 5-cent Producer Grant provide a 35.1-cent rebate or approximately 17% of the total production tax collected to taconite producers annually through production year 2002 for capital improvements.

## IRRRRA Drilling Incentive Grant Program

During the past several years, the IRRRA has spearheaded efforts to develop minerals other than iron. The agency funds a drilling incentive grant program (DIG) that provides grants to companies conducting exploratory drilling. Under DIG, the IRRRA will match up to 40% of direct drilling costs, not to exceed a match of \$20,000 per drill hole, to companies certified as eligible for the leasing of state mineral rights by the Minnesota Department of Natural Resources Lands & Minerals Division. To date, six grants totaling approximately \$69,000 have been awarded.



*Hibbing Taconite dragline.*



*Exploratory drilling funded by the IRRRA.*



## Minnesota Blue Ribbon Committee on Mining

The IRRRA also remains involved in the discussion of state mining and minerals policy. From 1993 to 1999, the IRRRA commissioner chaired the Governor's Task Force on Mining and Minerals, a group charged with recommending actions that sustain and enhance the long-term viability of mining in the region and the state. The Task Force issued six reports to the governor and the Legislature. During this period, Minnesota 8<sup>th</sup> District Congressman

James Oberstar organized a group called the Taconite Enhancement Committee which met frequently to discuss mining issues.

In 1999, Governor Ventura authorized the extension of the Task Force naming IRRRA Commissioner John Swift as chair. Subsequently, the Governor and Congressman Oberstar merged the Task Force and the committee spearheaded by the congressman to create the Minnesota Blue Ribbon Committee on Mining. This group, co-chaired by Commissioner Swift and Tom Reagan, retired chief of staff for Oberstar and former University of Minnesota regent, continues to meet regarding mining and minerals matters. It also is looking at ways the state of Minnesota and other stakeholders can sustain and enhance its iron mining industry, as well as develop new non-ferrous mineral resources. The group discusses issues ranging from steel imports to environmental permitting, from minerals research to the development of new products from mining wastes.

## Ferrous and Non-Ferrous Initiatives

These and other agency initiatives underscore the IRRRA's continued commitment to mining. The Ventura Administration and the Legislature share this commitment, as evidenced by creation of the Minnesota Minerals 21<sup>st</sup> Century Fund. With \$60 million in state funds, matched by up to \$20 million in IRRRA funds, the fund can be tapped for loans or equity investments in new mineral processing facilities. By using these funds, the state of Minnesota can partner with private companies on new and exciting projects ranging from taconite to direct reduced iron to steel to non-ferrous minerals. It's hoped that these programs, those created by the Legislature and those created by the IRRRA, will help

ensure that the standard of living and quality of life that mining has helped to build and support during the past century can be sustained and enhanced in the next century, too.

The IRRRA also is helping to diversify Minnesota's iron mining industry by supporting the development of value-added iron and steel products and non-ferrous minerals. One of the latest developments is a demonstration plant aimed at producing a high-purity iron. With \$8 million in loans from the IRRRA and another \$8 million loan from the Minnesota Minerals 21<sup>st</sup> Century Fund, Mesabi Nugget, LLC is developing a \$24 million project aimed at opening a new market for the region's mining industry.

The Mesabi Nugget Project will develop and apply the Kobe Steel ITmk3 iron nugget process at the Northshore Mining Company taconite



plant in Silver Bay. The new process produces 95% pure iron nuggets directly from iron ore, which can then be shipped to electric furnaces and foundries to make steel. The first step is already underway and includes the construction and operation of a 25,000-ton per year pilot demonstration plant that will demonstrate that the process is technically and economically feasible for a commercial-sized plant. If the demonstration plant is successful, Mesabi Nugget plans to build a commercial plant in 2005 with a minimum capacity of 325,000-tons per year.

The IRRRA also is supporting the bankable feasibility study and project development for a vertically integrated minimill (taconite plant/direct reduced iron plant/steel mill) near Keewatin, Minnesota. Minnesota Iron & Steel proposes to convert taconite concentrate into direct reduced iron, melt it in an electric furnace and then make 2.4 million tons per year of hot rolled automotive quality steel coils.

Another proposed project still in the planning stage could potentially allow Minnesota to break into the non-ferrous mining business. Teck

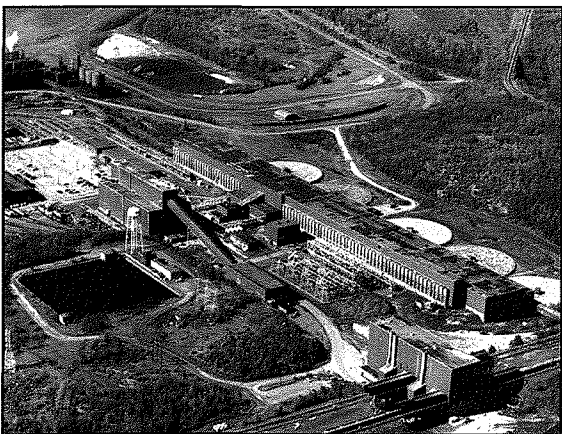


Cominco American Incorporated, would build and operate a base metal mine, concentrator and hydrometallurgical plant on the site of the idled LTV Steel Mining Company property in Hoyt Lakes, Minnesota. The plant would process copper-nickel ore from a deposit near Babbitt. The 10,000-ton per year copper metal plant would take approximately 3 1/2-years to design, construct and operate. If the project successfully operates at this level, plans would allow for expansion to full-scale operations of 120,000-tons per year.

In addition, the IRRRA has helped fund research in copper-nickel, platinum group minerals and titanium processing. In partnership with the Minerals Coordinating Committee, the agency is currently providing funding to the Natural Resources Research Institute (NRRI) to complete an analysis of Minnesota's business climate for non-ferrous mining projects compared to that of other U.S. states, Canadian provinces and foreign countries. In addition, the agency is sponsoring the NRRI in developing a pamphlet that will outline the permitting process for exploring and mining in Minnesota.

## East Range Economic Response Team

In May 2000, LTV Steel Mining Company, the region's sixth largest private employer and second largest taconite plant operation, announced the planned, permanent closure of its mining facility



*Idled LTV taconite processing facility, Hoyt Lakes.*

and operations. Immediately following the announcement, local, regional, state and federal officials began working collaboratively through the IRRRA, Arrowhead Regional Development Commission and the Northspan Group Inc. to develop a coordinated response to the sudden and severe impact of the closure. The outcome of

this activity was the formation of the East Range Economic Response Team.

Efforts are coordinated through the Leadership Steering Committee, co-chaired by IRRRA Commissioner John Swift and State Senator Doug Johnson. This committee directs the Technical Support and Strategy Team which is comprised of regional, state and federal economic development officials and two representatives from each of the four subcommittees. The four subcommittees are charged with different response activities and include Marketing, Recruitment and Diversification; Facility Reuse; Worker Response and Retention; and Community Response.

The structure of the response team reflects the need to simultaneously develop and implement alternative plans that address both the human and economic aspects of the situation. The Marketing, Recruitment and Diversification Team explores non-mining related alternatives. The Facility Reuse Team works to retain and reuse the greatest possible portion of the former LTV mine, plant and power plant as mineral processing facilities. The Worker Response and Retention Team responds to the needs of the LTV workforce and suppliers and other businesses impacted by the closure, and the Community Response Team provides a coordinated response to the communities affected.

## Mineland Reclamation

The mission of the Iron Range Resources and Rehabilitation Agency's Mineland Reclamation Division, established by the Minnesota Legislature in 1977, is to provide for the reclamation, restoration or reforestation of minelands not otherwise provided for by the state law for the purpose of reclaiming and enhancing those areas of northeastern Minnesota adversely affected by (the) mining (of) taconite and iron ore (Minnesota Statutes 298.223 1977).

Reclamation projects include eliminating dangerous areas, establishing vegetation and reforestation, repairing and preventing erosion and dust problems, creating recreational areas and restoring wildlife habitats on abandoned



*Mineland Reclamation earthmoving project in Chisholm.*

minelands. The Mineland Reclamation Division also has focused on projects that stimulate increased economic development and tourism.



*Stocking rainbow trout in one of the mine lakes.*

In recognition of the agencies budgetary challenges the Mineland Reclamation Division has reduced its budget substantially over the past biennium. The division continues to form new partnerships between units of government and private industry to accomplish

mutually beneficial programs to better serve the people of northeastern Minnesota. The new partnerships stretch dollars farther and also combine the skills and knowledge of staff. Mineland Reclamation projects continue to have a larger share of local participation and lever substantial funding from other sources.

## Tree Seedling Production and Planting

Approximately 300,000 containerized tree seedlings are grown annually in a totally controlled environment in the Mineland Reclamation Division's growth chambers. The seedlings are used to reforest abandoned mining lands. Abandoned mine lands present an extremely harsh growing environment and our superior quality containerized tree seedlings are the only way we can achieve success in establishing vegetation on these sites. The seedlings are also used to reforest reclamation sites on state lands within the TTRA. From 1978 to 2001, the Mineland Reclamation Division has planted over 3.5 million tree seedlings, transplants and tree spade trees on over 900 sites within the TTRA. During the 23 planting seasons, the division has averaged over 35 planting sites per year. The vast majority of the sites are remote, abandoned mine waste sites, such as, tailing and stockpiles, rock stockpiles, stripping dumps and gravel pits. Once reclaimed, these sites support fiber production and future timber harvesting.

Trees also are planted at entrances to communities, major highway corridors, along bike trails, mine pit accesses, campgrounds, recreation areas, and golf courses. Seed orchards are established to provide improved quality seed

for seedling production. The division also has been instrumental in efforts to develop blister rust resistant white pine for planting in northeast Minnesota.

## Mineland Reclamation Projects

The following projects were funded the past biennium:

Aurora.....St. James Pit, Storm Damage Repair  
 Biwabik.....Sliding Hill Construction  
 Breitung Township.....Playground Relocation  
 Chisholm.....Business Park  
 Chisholm.....IRRC Parking Lot Construction  
 Coleraine.....Eagles Ridge Golf Course Imprv.  
 Coleraine.....Relocation of Mesabi Trail  
 Crosby/Ironton.....Croft Mine Oper. & Maint.  
 Crosby/Ironton.....Cuyuna Range Trail  
 Ely.....Pioneer Mine, Sewer-Water to Dry Bldg.  
 Eveleth.....Leonidas Overlook, Safety Const.  
 Gilbert.....Campground Improvements  
 Hibbing.....BMX Bike Track Improvements  
 Hibbing.....Vic Power Park, Earth Shaping  
 Itasca County.....Laurentian Vision Planning  
 Keewatin.....Sliding Hill Construction  
 McKinley and Ely.....Emergency Projects  
 Mesabi Range.....Fish Stocking  
 Mesabi Range.....Laurentian Vision Planning  
 Mesabi Range.....Mesabi Mapping Project  
 Tower.....Historic Train Canopy Construction  
 Virginia.....Site Grading for Housing Dev.



*Plantings of large trees can easily be done using the truck-mounted tree spade.*

### Economic and Community Development

Consolidation of the business and community development divisions has provided more resources and focus on our goal of assisting businesses and communities in creating jobs within the Taconite Tax Relief Area (TTRA). Project dollars have been combined and used primarily for projects that provide quality employment



*The Development team is ready to assist businesses and communities in creating jobs in the TTRA.*

opportunities. Participation with communities will remain in the form of grants for those projects that are eligible and may be requested on an as-needed basis. Business retention and expansion is achieved through careful and diligent analysis of the needs of existing businesses, and being responsive to those needs. As part of this analysis, the economic and community development division surveyed the manufacturing facilities within the region on their business operations.

The IRRRA also continues to address workforce issues by maintaining a resume posting web site to assist regional businesses in attracting qualified employees, and by bringing regional employers together to discuss the dynamics of regional workforce issues. In addition, marketing assistance was available to businesses located in the TTRA through a program administered by this division which offered professional guidance in the

areas of marketing strategy evaluation, sales representative research, brochure development, marketplace evaluation, web site development, distribution identity (name, logo, etc.), and more. Forty-five businesses have received marketing assistance in the past biennium.

Key components to the growth and development of the region continue to include the following:

- A well-educated, dedicated workforce
- Available resources, including equity financing
- Top notch education, including technology training
- Advanced telecommunications technology
- Abundant infrastructure; natural gas, electric and steam power
- Transportation; air, rail, highway, and shipping
- Quality regional health care
- Quality of life, including housing, recreation, culture, climate, etc.

### Financing Programs

The IRRRA has become one of the largest and most active commercial lenders in northeastern Minnesota, with a loan portfolio in excess of \$40 million. Business development throughout the region is achieved through a Bank Participation Loan Program, direct loans, employment incentive grants, training grants, key employee relocation grants, and venture capital investments. A total of \$9.6 million in agency business lending/capital investments leveraged over \$45 million in private lending for projects through the TTRA during the past biennium. The current loan portfolio consists of 133 loans and over \$41.5 million serviced by three loan officers. In excess of 1,000 jobs are expected to be created/retained as a result of these agency investments during the biennium.

The most accessed of the agency's financing tools is the Bank Participation Loan Program, a low interest business financing program available to eligible borrowers. This program is a partnership with various lending institutions. The agency facilitates the structuring of financial packages with the involved parties, with the

agency buying up to a 50% participation in eligible loans and providing significantly lower financing costs to the borrower. The following types of businesses are eligible: manufacturing/assembly; tourism projects which attract tourism expenditures from outside the region; and technologically innovative industries.

During the past biennium, the division has become even more active in taking actual ownership in companies by making equity investments. Other financing tools include direct loans, loan guarantees, and grants to eligible businesses. Grants for public works projects may also be awarded if job creation is demonstrated.

## **Delta Dental**

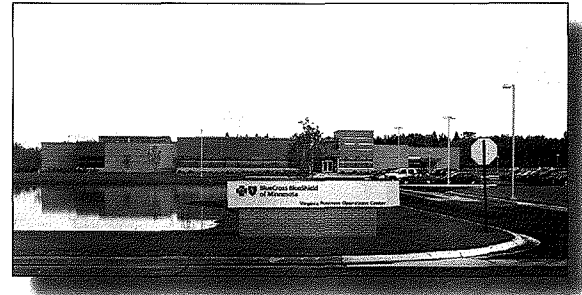
Delta Dental Plan of Minnesota administers prepaid dental service plans under agreements offered to its subscribers on a risk basis. Headquartered out of Eagan, MN, the company made a strategic decision to open a customer service operation in Gilbert, MN. This operation opened in October 2000. The company, at its Gilbert operation, currently employs over 90 in a 20,000 square foot facility, including a newly constructed 10,000 square foot addition. The operation is expected to add additional employees in the near future. The agency provided \$450,000 toward the building purchase and renovation, a \$400,000 employee incentive grant, a \$160,000 training grant, an \$80,000 infrastructure grant for a parking lot, and most recently, a \$750,000 renovation to the building which Delta Dental is leasing from the agency for their expansion. Employment is expected to exceed 200 employees.

## **Belcourt Corporation**

Belcourt Corporation (d/b/a BelCorp), based in Burnsville, MN, is a die-cutting company that stamps non-metal parts out of sheet or roll goods for a variety of companies. The company determined that an expansion in northeastern Minnesota would be beneficial for continued growth. The new 30,000 square foot facility, located in Hoyt Lakes, MN, is expected to exceed 60 employees. The total project cost is \$2,450,000, and the agency provided a \$200,000 employment incentive grant, a \$50,000 relocation grant, as well as a \$500,000 bank participation loan to the company.

## **BlueCross & BlueShield**

BlueCross & BlueShield of Minnesota, with primary facilities in the Twin Cities, opened a 28,000 square foot claims adjudication center in Virginia, MN, in June 2002, with plans to construct an additional 9,500 square foot facility in Aurora, MN. The Virginia location will have the capacity to employ over 150 and the Aurora facility will have the capacity to employ over 50 individuals. With a total project cost of \$12,000,000, the agency provided a \$600,000 employee incentive grant, a \$100,000 transition grant to the company and a \$250,000 infrastructure grant to the City of Virginia.



*The BlueCross & BlueShield location in Virginia, Minnesota.*

## **Building Demolition**

The Building Demolition Program is no stranger to the communities of northeastern Minnesota. In fact, the program's popularity makes it difficult to keep up with the demand. Since 1972, the program has removed 6,550 abandoned and unwanted structures throughout the Taconite Tax Relief Area (TTRA). During the past biennium, 239 structures were removed.

These dilapidated, unwanted and hazardous structures were removed for counties, cities, and townships in a safe, timely manner. The only costs to owners are for the hazardous materials inspection, tipping fees, and a small IRRRA surcharge. Typically, a single-family dwelling is removed for approximately \$1,800. The removal of these structures provides a cleaner and healthier environment, paves the way for new construction and strengthens the property tax base.

Due to budgetary constraints, the longevity of the Building Demolition Program in the next biennium and beyond will be highly dependent on revenue sources outside of the IRRRA. The agency has been working to identify which

government entities would be interested in subsidizing the costs of providing the IRRRA demolition program in their community. If the program can be restructured to meet both the needs of the communities and the budgetary limitations of the IRRRA, the program can continue to make the TTRA a more attractive

place to live, work and raise a family.

## Building Demolition Number of structures removed

### FY 01-02

|                    |            |                    |    |
|--------------------|------------|--------------------|----|
| Aurora             | 13         | Balkan Twp.        | 2  |
| Biwabik            | 5          | Bovey              | 2  |
| Buhl               | 2          | Calumet            | 1  |
| Cook               | 3          | Crosby/Ironton     | 2  |
| Chisholm           | 17         | Effie              | 2  |
| Ely                | 11         | Ellsburg Twp.      | 1  |
| Eveleth            | 18         | Fayal Twp.         | 4  |
| Gilbert            | 4          | Grand Marais       | 1  |
| Grand Rapids       | 5          | Hibbing/Kelly Lake | 35 |
| Hoyt Lakes         | 1          | Keewauin           | 2  |
| Kinney             | 2          | Lake Vermilion     | 7  |
| Makinen/Markam     | 3          | Marble             | 2  |
| McKinley           | 2          | Mountain Iron      | 3  |
| Nashwauk           | 11         | Orr                | 3  |
| Parkville          | 1          | Pengilly/Swan Lake | 3  |
| Sturgeon/Side Lake | 19         | Tower              | 6  |
| Two Harbors        | 12         | Virginia           | 33 |
| Warba              | 1          |                    |    |
| <b>Total</b>       | <b>239</b> |                    |    |



*A school near Two Harbors destroyed by an arson set fire was removed by the Demolition Program in April 2002. It was a joint effort of the IRRRA Demolition Program, MPCA, St. Louis County and Bay West Excavating.*

## ENERGY INITIATIVES

### Energy Initiatives

In July 2001, the IRRRA launched its new Energy Initiative. The purpose of the initiative is to explore and capitalize on opportunities in the energy field and to promote regional job creation and economic growth. Focus areas include: clean coal technologies, biomass development, hydroelectric and wind power, solar energy and fuel cells. The goal is to facilitate meetings, foster partnerships, conduct regional energy evaluations and assist with project financing.

### Powerful Projects

Several energy projects are already underway. The agency has provided financial assistance to Excelsior Energy, Inc. to develop a coal gasification facility at the former LTV Mine site, now Cliffs-Erie. The IRRRA has also provided financing to the East Range Joint Powers Board to purchase and erect a wind-monitoring tower on the tailings basin at the former LTV Mine, to evaluate area wind capacity. The agency is also working with a wind farm developer to locate wind farms along the Laurentian Divide and

to construct a wind component manufacturing facility in our region.

Partnering with the Department of Commerce and the University of Minnesota, the agency is working to implement a state Industries of the Future (IOF) program. The IOF program's mission is to build industry awareness of new technologies and methods that help them improve their manufacturing processes in ways that also reduce energy consumption and environmental emissions. Minnesota's program will focus on the mining and wood products industries. The agency secured an \$185,000 federal grant to develop this program.

Finally, the IRRRA, in partnership with United States Steel and area loggers, is working to construct a biomass production facility at U.S. Steel's Minntac plant in Mountain Iron.

# BUSINESS RECRUITMENT & TECHNOLOGY

## Business Recruitment

The past two years have been two of tremendous challenge and change across the Iron Range.

## The Message

To build upon those successes, the agency's business recruitment marketing efforts have focused on utilizing personal testimonials and endorsements from key business executives associated with the

new or growing firms. People like Michael Walsh, President and CEO of Delta Dental; Dana Lien, Vice President of Blue Cross & Blue Shield of Minnesota; Marty Lehman, CEO of Entronix

International; Susan Edberg, Vice President of Northwest Airlines; Michael Pemo, President of Navigant Integrated Services; and Bonnie Fena, President of Repron Manufacturing Services have all lent their name and prestige towards endorsing the region as a good place in which to locate and run a business.

As an added bonus, the many positive attributes of the region were highlighted as part of two special supplemental feature editions that appeared in *Twin Cities Business Monthly* magazine and which were then subsequently mailed as free standing marketing pieces to thousands of business executives throughout the Midwest.

## The Targets

In addition to the above-mentioned initiatives, efforts have been made to quantify the strengths

### RECENT BUSINESS EXPANSIONS INTO NORTHEASTERN MINNESOTA

|  | NEW JOBS CREATED                                       |
|--|--|
| Accelerated Payments, Inc., Two Harbors                  | 41 new jobs  |
| Aitkin Iron Works, Aitkin                                | 50 new jobs  |
| Anderberg Communications, Biwabik                        | 35 new jobs  |
| BlueCross & BlueShield of Minnesota, Virginia & Aurora   | 200 new jobs   |
| Belcorp, Inc., Hoyt Lakes                                | 60 new jobs  |
| Delta Dental Plan of Minnesota, Gilbert                  | 85 new jobs—capacity for 120 more                      |
| Entronix International, Eveleth and Virginia             | 160 new jobs   |
| Irresistible Ink, Ely, Two Harbors, Virginia             | 60 new jobs—total more than 300                        |
| Magnum Machining, Deerwood                               | 60 new jobs  |
| Navigant Integrated Services, (formerly SATO Travel) Ely | 133 new jobs   |
| Northwest Airlines, Chisholm                             | 200 new jobs—total more than 600                       |
| Repron Manufacturing Services, Hibbing                   | 50 new jobs—total more than 550                        |
| Sykes Enterprises, Inc., Eveleth and Virginia            | 340 new jobs   |
| Woodline Manufacturing, Inc., Eveleth                    | 40 new jobs (over next two years)<br>(currently at 45) |
| <b>TOTAL</b>   | <b>1,514 new jobs... and hiring!</b>                   |

## The Challenge

The closure of LTV Steel's mining and taconite production facilities in Hoyt Lakes dealt a terrible blow to the basic underpinnings of the region's economy, putting over 1400 workers out of their jobs. Add to that the bankruptcy of National Steel Pellet Company and the region-wide effects from a national steel industry that has been permeated with tremendous economic difficulties and you have the formula for great economic stress and uncertainty across the Iron Range.

## The Change

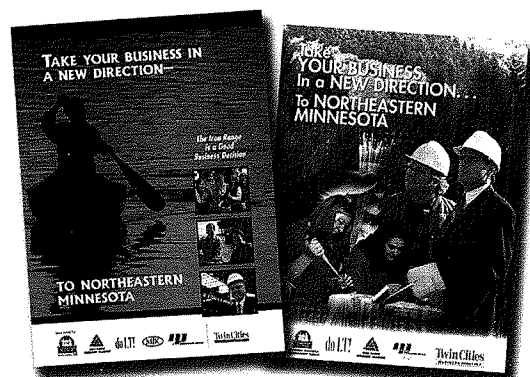
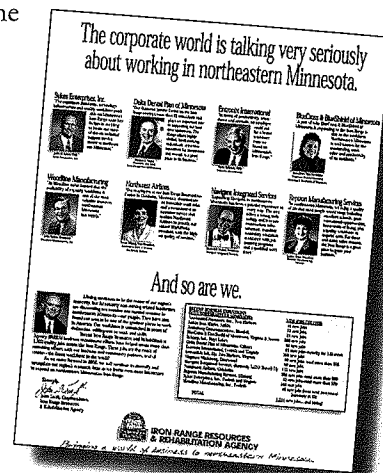
At the same time, the region made significant strides in diversifying its economic base. Blue chip companies like Navigant Integrated Services (formerly SATO Travel), Delta Dental, BlueCross & BlueShield, Entronix International, Northwest Airlines, and Repron Manufacturing Services all either moved into the region or grew their operations here during that time. In fact, the expansion of these businesses has resulted in the creation of over 1,500 new jobs over the past two years despite the turmoil in the mining and wood products industry.

"...the greatest resources of any region are its people — those who love the area in which they live and work and will rise up to meet such challenges.

The Iron Range has been calling upon those people in recent years and they have responded.

The result is an area economy that is changing, that is diversifying for the better to strengthen itself for generations to come."

**-Bill Hanna,  
Executive Editor  
Mesabi Daily News  
July 31, 2002**





and attributes of the region in order to provide focus to the agency's business recruitment efforts. This has led to the jointly funded partnership between the IRRRA and the U.S. Department of Commerce Economic Development Administration (EDA) to secure the services of Paragon Decision Resources, Inc., a national site locator firm, which, after considerable analysis, identified four targeted market sectors in which the Taconite Tax Relief Area (TTRA) is significantly competitive. They are: (1.) upscale customer services centers, (2.) metal fabrication and machinery manufacture, (3.) high-end electronics assembly, and (4.) value-added wood products.

With that information as a background, another joint IRRRA/EDA partnership was developed with the world-renown international forest products strategic management firm of Jaakko Pöyry Consulting, to help refine a targeted value-added wood products strategy for the region.

## The Trade Shows

All of these efforts are being augmented by an aggressive initiative to gain exposure for the region in front of the appropriate targeted industries. With the cooperation of the Iron Range Economic Alliance (IREA), a grass roots economic development organization consisting of community officials and economic development professionals from throughout the region, the agency and its partners have been increasing their presence and involvement with a growing number of industry trade shows both in Minnesota and nationwide. Staffing a booth and prospecting the Strictly e-Business Computer Expo, Medical Device Manufacturers' Show and AmCon Metal Fabricators' Trade Show, all in the Twin Cities, has been complemented by participation in international woodworking and metal fabricating trade shows across the country. Leads, large and small, from these activities are pursued with diligence by the trade show participants and agency staff.

## The Twin Cities

For three years now, the IRRRA has maintained a full-time office in the World Trade Center in St. Paul. This effort has had a positive impact on business recruitment efforts by several measures. First, leads and inquiries from the Twin Cities' metropolitan area and central and southern Minnesota can be immediately followed up and qualified. Secondly, it has provided the agency with an opportunity to

become more actively involved in various metropolitan-based business organizations and networking opportunities such as the Minnesota High Tech Association and the Collaborative, which is a network of entrepreneurial companies and venture capital organizations. And, finally, it has provided the agency with an excellent opportunity to more effectively collaborate with the Department of Trade and Economic Development and the Minnesota World Trade Office on business development and recruitment opportunities.

## The Partners

The agency's business recruitment efforts are done in conjunction with other partners, starting first with the agency's own business and community development professionals and extending beyond, to the members of the IREA, community and educational leaders, bankers and businesses such as Minnesota Power, and regional organizations such as the Arrowhead Regional Development Commission, the Arrowhead Business Connection, the Northspan Group, the University of Minnesota Duluth Center for Economic Development, the Natural Resources Research Institute, Northeast Ventures, Iron Range Ventures and many others. Because of the effective partnering that results from these efforts, northeastern Minnesota is viewed with envy by many other parts of our state.

## Do I.T! (Information Technology) Initiative

For four years, the IRRRA has spearheaded the Do I.T! private/public partnership. The first year was devoted to development of the vision and mission, and the last three years saw the implementation phase of the program take root and bear fruit for the region's information technology assets.

Do I.T!'s mission is to create an umbrella organization that will strengthen the region's economy by providing focus and assistance to communities, businesses and institutions in awareness, understanding and utilization of advanced technology.

As we move into the 21<sup>st</sup> century, no segment of society will be untouched by the rapid deployment of information technology. Thus, the Do I.T! initiative is focusing on three areas: the deployment of connectivity and infrastructure throughout the region;

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"We see this program as creating a seamless bridge of technology linking business, education institutions and governments together across the entire breadth of northern Minnesota rural communities."

**-Jack LaVoy,  
Manager, Marketing,  
Recruitment and  
Technology**

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technology-based economic development expansion; and community technology awareness and education.

**do I.T!**

## **Connectivity and Infrastructure**

Northeastern Minnesota has excellent resources provided by numerous sources, offering high-speed broadband connectivity utilizing fiber optic cable, DSL and wireless technologies. Do I.T! staff has worked closely with state-wide and regional initiatives to encourage expansion of high-speed networks throughout the state, including support for the Governor's Big Plan to have every home in Minnesota connected to 256K and every business connected to 512K technology.

Do I.T! is a major partner in the Northeast Wide Area Network (NEWAN), a high-speed video, voice and data ATM (asynchronous transfer mode) network now in operation throughout the region. This venture consists of 29 area libraries, 31 K-12 school districts, 13 higher education institutions and seven operating or planned technology centers which are linked to the world with T1 broadband connectivity.

For the past two years, Do I.T! has targeted companies willing to supply wireless to and within the area. Staff has met with a number of wireless providers encouraging expansion into the region. This is especially true for those remote regions of the TTRA.

Eleven communities are actively participating in the development of technology centers for their areas. Do I.T! has pledged assistance in the form of equity investment or non-recourse loans.

The Itasca Technology Exchange in Grand Rapids, Minnesota is fully operational and now in its second phase of expansion. The facility, located in the Central Square Mall, currently houses five new businesses.

The Hibbing Community Technology Initiative is finalizing plans for a center, which will be located temporarily in 5,000 square feet of space in the DMR Electronics Inc. facility. Hibbing developed a temporary technology center in City Hall as the Hibbing Economic Development Authority entered into data entry contracts with Medtronic, Inc., its first client.

The Cuyuna Range Technology Center is in the funding identification phase for their \$2.1 million project, which will be located in the Iron-ton industrial park.

Efforts are also underway in the Quad Cities of Eveleth, Gilbert, Mountain Iron, and Virginia as part of the Quad Cities Economic Development Authority. Two Harbors is developing a project in conjunction with its new school. This community effort will link the schools, medical community and business community in a technology center development.

The City of Ely is identifying a new technology center, as its entire existing technology center was occupied by Navigant Integrated Services, a travel management company employing over 100 travel specialists in the facility.

## **Technology-based Economic Development**

Recruitment of technology companies to northeastern Minnesota has always been a key component of the Do I.T! initiative and the entire IRRRA Business Recruitment division. Navigant Integrated Services, Delta Dental Plan of Minnesota, BlueCross & BlueShield of Minnesota, Entronix International, Irresistible Ink, and Reptron Manufacturing Services are examples of companies that have located or expanded their facilities in the TTRA.

On the horizon is the exciting potential development of Ten Rivers, LLC of Bayfield, WI. The company is teaming up with Do I.T! to create up to ten new high-tech businesses in northern Minnesota and Wisconsin over the next decade. Plans call for Do I.T! to take an equity position of up to \$1.5 million in each of the companies that is located in the TTRA. Each of the companies is expected to employ up to 100 people with 90% of the workforce involved in high-level information technology positions. This partnership is already involved in the creation of the first of the ten, Superior Edge. The second company is in the early development stage and is expected to be the next candidate for consideration. The goal of the economic development portion of this project is to bring upper level high tech jobs, paying over \$50,000 per year, to the region.

Regional business must also adapt to the opportunities that technology presents. Do I.T! has participated in two major partnerships to bring this about.

The 21<sup>st</sup> Century Arrowhead Program, a partnership with the Center for Economic Development at the University of Minnesota

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"Expanding Navigant to northeastern Minnesota has been a positive experience in every way. The area offers strong technology and telecommunications infrastructure, excellent secondary education, assistance with job training programs and a qualified workforce."

**-- Michael J. Premo,  
President, Navigant  
Integrated Services**

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Duluth has assisted over 150 TTRA businesses with free information technology consulting to "for-profit" businesses to increase revenue, decrease costs and improve service through the use of technology. Over the biennium, Do I.T! invested \$174,000 in two partnership grants for the program.

Another business assistance program is the Northern Tier High Tech Corridor. This web-based program is promoting and sharing the technology and knowledge resources of Northern Minnesota. The program offers a comprehensive database of the area's resources and creates a forum in which those resources can be shared, providing a valuable resource for business, economic development, higher education, entrepreneurs, government and non-profit organizations. The Do I.T! Board of Directors awarded the project a \$50,000 partnership grant to assist in the development and management of the website.

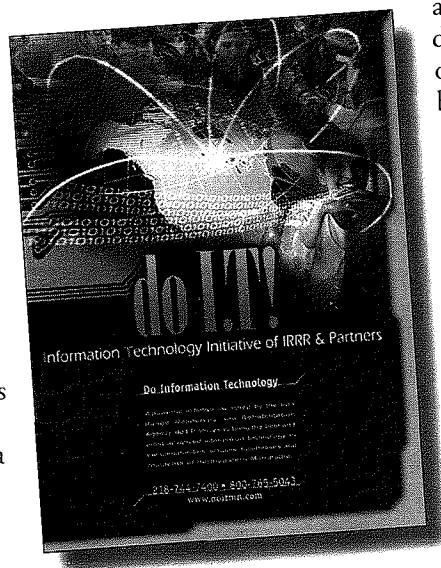
## Community Technology Awareness

Technology awareness is crucial to the continued development of the region in all aspects of society. While businesses must be technologically astute, it is also important that TTRA residents are aware of the benefits that technology utilization can bring to the region.

Do I.T! has worked closely with post-secondary and K-12 institutions, libraries, organizations and local units of government to encourage and promote information technology knowledge and utilization. Do I.T! also published a brochure listing all of the information technology courses available in the TTRA's seven community colleges. The program has worked with the colleges in developing customized training and other opportunities to keep the region's work force prepared for the changes in technology and available to fill I.T. jobs.

The Community Technology Awareness grant program has been instrumental in fostering innovative and exciting training opportunities for private and non-profit organizations, plus public and private schools. The program has made available \$750,000 for these grants over a three-year period.

Another program supported by Do I.T! will help integrate technology into the region's K-12 curriculum. To this end, Do I.T! is partnering with the Range Association of Municipalities and Schools to fund the development and integration of this far-reaching and broad-based initiative.



Tracking state-wide and national technology awareness trends has also been part of the Do I.T! initiative. Do I.T! staff has presented at State Economic Development Conferences in Illinois, Minnesota, and Wisconsin, as well as the Rural Telecommunications Congress and the Networks for the People Conference in Washington D.C.

Do I.T! has been participating with the Minnesota Technology Action Group, the Department of Administration's Broadband Deployment in Rural Minnesota effort and is a partner in the True North initiative. It has also vigorously promoted northeastern Minnesota's technological capabilities at numerous trade shows and technology conferences throughout the state and upper Midwest.

For more information, visit [www.doitmn.com](http://www.doitmn.com) or write to: Do I.T! Program, P.O. Box 441, Eveleth, Minnesota 55734

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"We want people to seriously consider investing in our region. Our Lotus knowledge management solution helps generate enthusiasm by showcasing what is possible in northern Minnesota—and the possibilities are endless."

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**- Michael Wellcome,  
Project Director,  
Northern Tier High  
Tech Corridor**

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### FY 2001 Grants

|  |   |          |
|--|---|----------|
| Cherish Inc. ....                              | Online training course scholarships ..... | \$29,905 |
| Mesabi Comm. & Technical College .....         | Tuition Job Training Assistance .....     | \$19,530 |
| Northeast Service Cooperative Technology ..... | Internship Program .....                  | \$29,915 |
| Elder Services Network .....                   | Senior Citizens Computer Training .....   | \$25,000 |
| Eveleth Housing and Redevelopment .....        | Computer Training Center .....            | \$15,000 |
| ISD 318 .....                                  | Teacher Computer Training .....           | \$16,730 |

### FY 2002 Grants

|   |   |          |
|---|---|----------|
| Lake Cnty Council for Comm. Service ..... | Sr. Citizens Computer Training Program .....  | \$16,000 |
| Hibbing Public Library .....              | Computer Training Program Dev. ....           | \$10,250 |
| Cherish Inc. ....                         | Online training course scholarships .....     | \$29,950 |
| Itasca Community College .....            | Engineering Technology Awareness .....        | \$27,475 |
| ISD 318 .....                             | Tech. training seminars and showcases .....   | \$30,000 |
| Vermilion Community College .....         | Mesabi East HS technology training .....      | \$30,000 |
| Northeast Entrepreneur Fund .....         | Business planning technology curriculum ..... | \$30,000 |
| Hibbing Community College .....           | Online computer training for credit .....     | \$22,800 |
| Virginia Public Schools .....             | Elementary Technology Program .....           | \$30,000 |
| Hibbing Catholic Schools .....            | Technology Training Curricula Dev. ....       | \$30,000 |
| Itasca Community College .....            | Computer Training Seminars .....              | \$2,250  |

## TOURISM

Tourism is a major focus in the IRRRA's effort to further diversify the economy of northeastern Minnesota. The Northern Lights Tourism Alliance (NLTA), a citizens' advisory group comprised of tourism professionals from across the TTRA, aids in this endeavor. The Tourism Planning and Development Division continues regional tourism marketing, while recreational opportunities and events offered by Giants Ridge Golf and Ski Resort, Ironworld Discovery Center and the Trails Division continue to attract tourism and travel to the area.

### Tourism Planning and Development

#### Destination Marketing

In partnership with the NLTA, the division promotes the Wild North as a vacation destination, through projects that complement and enhance the efforts of community organizations and the Minnesota Office of Tourism, to optimize the economic impact of tourism in the region.

Over the past two years, the highly successful advertising and marketing program has evolved from primarily print advertising to direct mail. The targeted

market is consistent with past programs and this strategy is the most cost-effective for the available resources. At the Governor's Conference on Tourism in January 2002, the Northern Lights Tourism Alliance received a Marketing Award of Merit for a 2001 direct mail promotion that was its pilot project for direct mail. In 2002, response to the direct mail has reached 15% for winter and 25% for summer. These results are phenomenal for a direct mail promotion. The Discovery Guide is no longer printed as a fulfillment piece, rather the communities provide their own vacation planners in response to inquiries.

The Heritage Tour Guide is distributed at Travel Information Centers throughout the state,

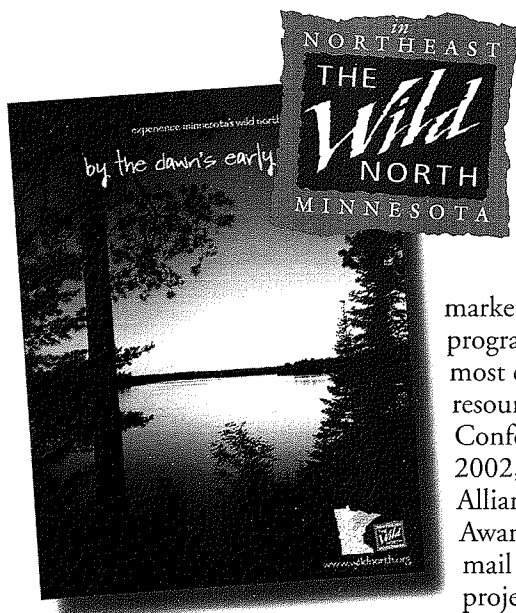
as well as chambers of commerce and convention and visitors bureaus, local libraries and by the Minnesota Office of Tourism in response to inquiries for heritage tours and historic sites. The Wild North Golf Alliance received a start-up grant from the IRRRA and has now become self-sustaining via memberships and sponsorships.

### Alternative Wastewater Technologies

Several years ago, the IRRRA and the NLTA initiated an effort to find alternative methods for wastewater treatment in northeastern Minnesota that were both affordable and effective. The success of the project has enabled the agency to leverage a \$250,000 Federal EPA grant in FY 2002 for the education and implementation phase of the project, making future allocation of agency resources unnecessary.

The project was undertaken in 1994 when new rules promulgated by the Minnesota Pollution Control Agency (MPCA) established minimum standards for individual wastewater treatment systems. Owners of area resorts, cabins and year-round homes located on lakes found it difficult to comply because of restrictive site and soil conditions. This created large, unanticipated financial hardships for many and left them with few acceptable on site treatment options.

A Technical Committee, comprised of representatives from 10 counties, 3 state agencies, including IRRRA and MPCA, the University of Minnesota – Natural Resources Research Institute, and private industry partners, was assembled to address the issue. As a group, these entities have worked together to develop a series of initiatives. Demonstration projects were successfully designed, constructed, operated and monitored, proving that non-standard methods can attain acceptable wastewater treatment parameters. However, existing state rules and county regulations do not address permitting requirements for these alternative systems, so the Technical Committee is developing a new code based on performance. The new code will allow the permitting of systems suitable to the site rather than trying to fit the site to a prescriptive design. This new approach will require a strong educational effort to help the public, state and local politicians, systems designers, contractors,



and state and regulatory officials to understand the role and function of managed on site wastewater systems in the region. The EPA grant secured earlier this year will be used for this purpose. The educational process was launched by a major conference held in April 2002 attended by over 300 people.

## Giants Ridge Golf & Ski Resort

**G**iants Ridge Golf & Ski Resort continues to serve as the IRRRA's tourism and economic development pinnacle and success story of northeastern Minnesota. Purchased in 1984 by the IRRRA, Giants Ridge was transformed from a ski hill attracting day visitors within a 50-mile radius, to a four-season resort destination attracting over 130,000 multiple-night guests each year from throughout Minnesota, the United States and Canada.

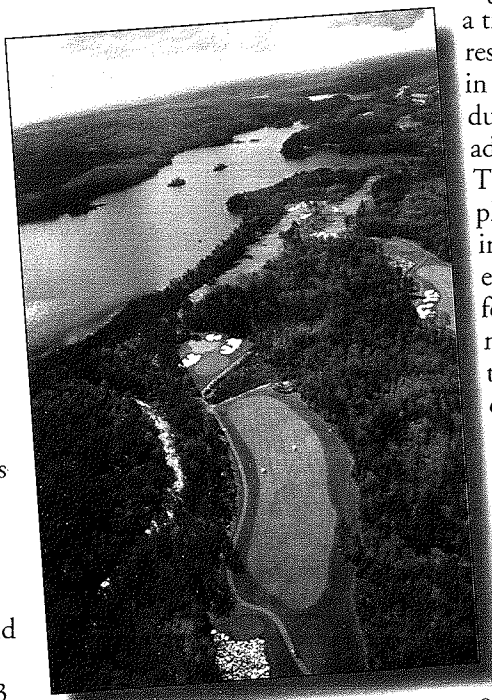
The mission of Giants Ridge Golf & Ski Resort is to "Provide first class recreational experiences to enhance economic development in northeastern Minnesota." And, during the past two years, the resort has operated with the primary goal of being the Midwest's Best Four-Season Destination Resort. It has succeeded.

## Economic Development & Impact

Giants Ridge is one of the single largest employers in the eastern region of the Taconite Tax Relief Area and has a tremendous impact on the local employment market. Over \$1.5 million in payroll is directly attributed to the Giants Ridge facilities for over 200 employees, and indirect employment generates another \$1.5 million in payroll in St. Louis County.

The annual economic impact of the golf course is approximately \$6 million, and the annual economic impact of skiers is approximately \$13 million.

Each winter, Giants Ridge receives 105,000 skier visits, and 26,000 golf visits each summer.



With the addition of a second 18-hole championship golf course, the number of visitors will increase even more. Ninety percent of the resort visitors are from outside a 90-mile radius, which results in significant dollars flowing into the local economy via revenues collected in lodging, gas, restaurants, retail shopping and recreation.

## Golf

The Legend at Giants Ridge continues to gain national attention each season as publications such as *Golf Digest* rate the course among the top in the nation. For the second consecutive year, *Golf Digest* ranked Giants Ridge with a 4 1/2 star rating in its "Top Places To Play."

Anticipation is high for the opening of the second championship golf course, The Quarry. The Quarry's anticipated opening date is Spring 2003, and golfers are already calling to inquire when they can book their tee time.

2001 marked the opening of "Bunkers" a food service facility located between holes one and ten at The

Legend. "Bunkers" has been a tremendous success and has resulted in substantial increases in food and beverage revenues during the golf season. In addition, since the opening of The Legend in 1997, the per player revenue has continually increased each season, encompassing areas of green fees, food and beverage and merchandise. A majority of the golfers spend \$250-\$750 on each trip they take to Giants Ridge.

## Wild North Golf

Wild North Golf continues to be an important facet in the Giants Ridge golf operations. The Wild North

Golf Alliance makes playing golf in northeastern Minnesota easier than ever. Northeastern Minnesota is on the radar screen of golfers and





is drawing rave reviews with more than 25 golf courses located within the region.

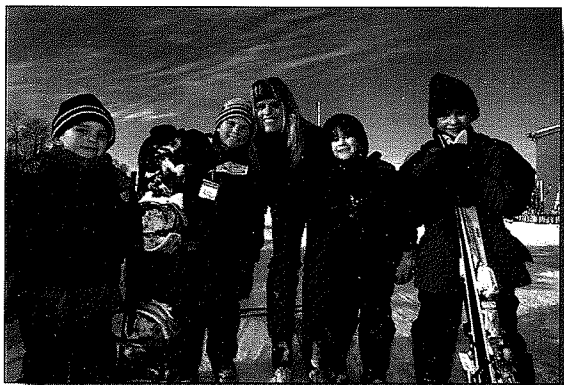
The alliance member courses now total 12 and include:

|                                      |              |
|--------------------------------------|--------------|
| Eagle Ridge .....                    | Coleraine    |
| Ely Golf Course .....                | Ely          |
| Eveleth Municipal .....              | Eveleth      |
| The Wilderness at Fortune Bay .....  | Tower        |
| Giants Ridge Golf & Ski Resort ..... | Biwabik      |
| Hoyt Lakes Municipal .....           | Hoyt Lakes   |
| Pokegama .....                       | Grand Rapids |
| Ruttger's Sugarbrooke .....          | Grand Rapids |
| Superior National .....              | Lutsen       |
| Vermilion Fairways .....             | Cook         |
| Wendigo .....                        | Grand Rapids |
| Wolfridge .....                      | Angora       |

Through its efforts, Wild North Golf is committed to increasing golf rounds at member facilities by assisting in the promotion, marketing, and advertising of these courses. The Alliance also serves to assist members in improving existing operations and management practices, primarily in the areas of golf course maintenance, customer service, marketing and daily operations.

## Winter Sports

Giants Ridge is home to 34 alpine ski runs; 70 kilometers of groomed cross country ski trails; over 30 kilometers of snowshoe trails; easy access to 3,000 miles of groomed snowmobile trails; and, a 3,000 foot terrain park complete with a 14-foot wall and 600 feet of half pipe, a new quarter pipe, floater, rail slide, and a state-of-the-art sound system.



Giants Ridge continues to host many special events each season including the Pepsi Challenge, USASA Snowboard Competitions, and the Minnesota State High School League Nordic and Alpine state meets.

A premier snow product coupled with great events and superior customer service create a ski area that truly has everything needed for the ultimate winter sports getaway. And the revenues demonstrate just that.

Over the past two years, Giants Ridge Golf and Ski Resort increased its Season Pass sales by 20%. The ski business experienced a nine-year record in revenue and five percent increase in attendance in the 2000-2001 season. The ski area had slightly fewer visitors in 2001-2002, but they are staying longer and spending more money. This is a tremendous accomplishment, as the Western and Midwestern ski industry endured an extremely difficult 2001-2002 season due to a flat national economy and warm winter temperatures. (Overall, the Western and Midwestern ski industry had a 30 percent decrease in business.)

In addition, for the first time, the ski area is drawing accolades similar to the nationally recognized golf course by being ranked "The Number One Ski Area in Minnesota" for two consecutive years and one of "The Top Three Ski Areas in the Midwest." Giants Ridge ranked number one in Minnesota in the areas of grooming, snow conditions, customer service and terrain park. (*SKI Magazine*).

## Golf & Ski Accolades

"Top Places to Play"  
*Golf Digest* - 2002 & 2001

Minnesota's Number One Ski Area  
*Ski Magazine* - 2002 & 2001

One of Midwest's Top 3 Ski Areas  
*Ski Magazine* - 2002 & 2001

One of the Top 30 Summer Resorts in the Nation - *Ski Magazine* - 2001

National Environmental Steward Award  
GCSAA - 2001

Best Public Course in Minnesota  
*Golf Digest* - 1999

Top Ten Best New Upscale  
Public Courses in the Nation  
*Golf Digest* - 1998

## Sports Dorm

The Giants Ridge Sports Dorm is now the official "layover point" for Boy Scout Troops on their way to Northern Tier High Adventure in the BWCAW. Giants Ridge connected with Northern Tier High Adventure in Ely as a result of a lodging shortage for Boy Scout troops in



Ely. 2001 marked the first summer the Boy Scout troops utilized the Sports Dorm, and in two short years Giants Ridge is already branded as the ideal lodging stop and "layover point" for the 5,000 Boy Scouts and troop leaders that migrate each summer to the Northern Tier High Adventure Camp.

## Resort Development

The Resort Development Office continues to market and sell The Woodlands at Giants Ridge, a premium single-family housing development with 19 lots located on holes 11, 12 and 18 of The Legend at Giants Ridge. The lots are furnished with water, sewer, telephone, gas, cable and a paved drive. The Woodlands is located just off of Wynne and Sabin Lakes and is situated among towering aspen, birch and pine. Woodlands homeowners have access to all that Giants Ridge offers. Eight lots have been sold - two of those lots have beautiful homes already completed and one more home is under construction. Only eleven lots remain on the market.

## Ironworld Discovery Center

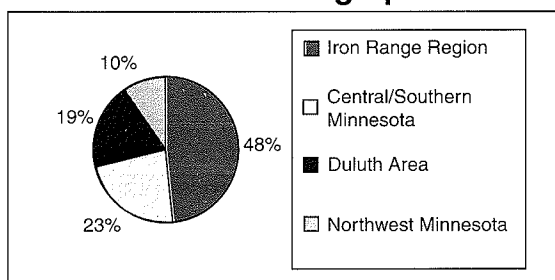
Located on the edge of the Glen Mine near Chisholm, Ironworld is a museum and heritage attraction that preserves northeastern Minnesota's iron mining and immigration history.

Ironworld's museum exhibits and grounds are open to the public from May through September and the Iron Range Research Center library and archives is open twelve months a year. Seasonal programs and venue events provide music, cultural entertainment, and educational experiences for audiences of all ages.

## Education

Beyond School Walls (BSW) is Ironworld's education program that serves school groups as

### Beyond School Walls Student Demographics



a field trip destination. K-12 students tour the Ironworld facility and attend learning stations developed with curriculum content standards. Stations include topics such as Homestead Survivor, Folk Songs and Outrageous Tales, and The Immigrant Experience. All engage students in hands-on learning about Minnesota history. BSW service during the biennium: just over 5,600 students and teachers.

The IRRRA's Mineland Reclamation division hosted its 12th and 13th annual Arbor Days at Ironworld Discovery Center. The program teaches environmental stewardship to fourth graders from across the Iron Range. The total Arbor Day participation was 2,000 students.

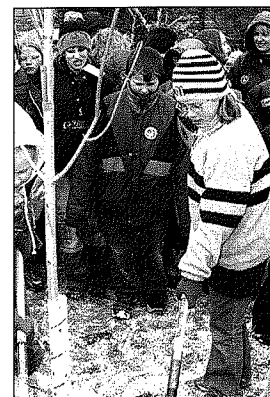
## Iron Range Research Center

In order to encourage the study of Iron Range history, the Iron Range Research Center identifies, collects, processes, catalogs, preserves, displays, and makes accessible the historically significant written, oral, and visual records of Minnesota's Iron Ranges.

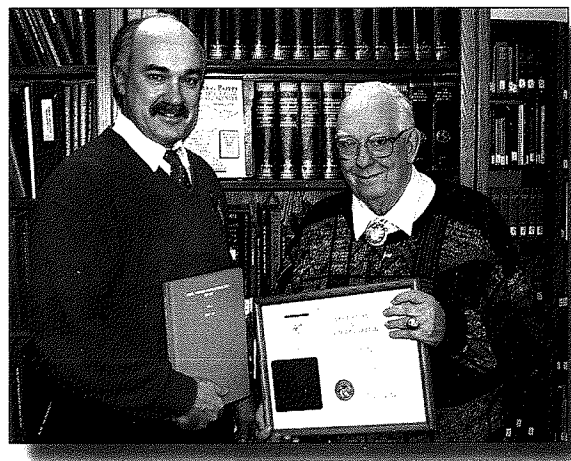
Celebrating 22 years in 2002, the research Center archives has amassed a tremendous collection of primary source materials since opening to the public in 1980. Between the invaluable collections of the archives and the primary and secondary sources featured in the library, the Research Center is one of the largest genealogy and history facilities in the upper Midwest.

Many new resources were introduced in the Research Center this biennium. They include: the 1930 Federal Census microfilms; an index to the 1918 Minnesota Alien Registration; a name index to the Hibbing High School yearbooks (1919 through 2001); and several indexes to cemeteries and death records from Range communities, including indexes to Itasca County resources.

Volunteers log weekly hours in the Research Center, keeping indexes of obituaries and other resources current. Volunteers also help process materials in the archives and library. Special recognition goes out to long time volunteer Conrad Peterzen, who received a commendation from



*Iron Range students team up for the annual tree planting on Arbor Day, 2002.*



*Conrad Peterzen accepts a Governor's Commendation, presented by Senator Tomassoni.*

Governor Jesse Ventura in November 2001. Mr. Peterzen completed a 20 year task of indexing the Naturalization Records from all 87 Minnesota counties. Minnesota is one of the only states in the nation that provides such an index of naturalization records, an invaluable resource for genealogists.

Archivist Aimee Brown joined the Ironworld Discovery Center staff in May 2002. Ms. Brown holds an M.S. in Library and Information Science, Archives Management from Simmons College and a B.A. in Political Science and Scandinavian Studies from Gustavus Adolphus College. Aimee has over five years of library and archives experience and left a post at Smith College, Northampton, Massachusetts as Archives Specialist to take over management of our archival collections.

In June 2001, the Research Center participated in an assessment of Space and Service Conditions conducted by library consultant Ron McGriff. The project included review of the operations, management, service, and physical conditions of the facility. The final assessment recommendations are folded into Ironworld's long-range plan. In response to improving service conditions, the Research Center converted a former conference room into a new microfilm facility for storage, reading and printing of microfilm materials. Thanks to the generosity of the Chisholm Community Foundation, a June 2002 grant in the amount of \$3,750 will purchase a CD server for the microfilm facility, improving researchers access to extensive compact disk collections.

Through on-site, remote and website contact, the Research Center served over 12,000 patrons over the biennium. Visit the website at [www.ironrangeresearchcenter.org](http://www.ironrangeresearchcenter.org).



*Improved customer accessibility is afforded by the new parking area at the Iron Range Research Center.*

## Asset Improvements

Two major site improvement projects were completed at Ironworld Discovery Center during the 2000-2002 biennium.

An additional parking lot was developed on the west edge of the overflow parking area to accommodate the

St. Louis County Fair midway. Public access to the Iron Range Research Center was improved by the construction of a new roadway along the edge of the midway expansion lot. The Research Center road now swings around the Mineland Reclamation shade house and then widens out to provide 75 parking spaces with a spacious turn around for buses.

In March of 2002, Ironworld conveyed, by long-term ground lease, a portion of land in the overflow parking area to the St. Louis County Fair Association. Ironworld was identified as the permanent home of the St. Louis County Fair in 2000 and this lease agreement provided property for the Fair to construct permanent exhibit buildings. Three buildings, owned by the Fair Association, were completed in time for the 117<sup>th</sup> annual St. Louis County Fair in August 2002.

## Pillsbury Trolley Reconditioned

Ironworld's 1928 W-2 class Melbourne trolley, the "Pillsbury Mine," was repaired in June of 2001 with reconditioned Italian built trucks.



*The trolley truck replacement was managed by Rob Olson, mechanic, Jeff Nicholls, trolley operator, and Mike Folman, mechanic.*

Trucks are complete running gear assemblies consisting of brakes, wheels, and electric traction motors. Ironworld's trolley excursion is one of the most popular visitor activities at the facility. The "Pillsbury Mine" and a second trolley, the "Glen Mine" provide museum visitors an

experience right out of the pages of Iron Range history. The original Mesabi trolley line served thousands of Range residents every day. It ran 36 miles from Gilbert to Hibbing and operated from 1912 until 1927.

These two trolleys function as "operating" exhibits. They are considered assets of Ironworld's museum collection and their ongoing maintenance is critical to safe visitor use and preservation.

## Facility Use and Attendance

Between public museum attendance, private events, festivals, and venue events by independent producers, facility use at Ironworld Discovery Center exceeded 165,000 people.

### Facility Use July 1, 2000 through June 30, 2002

|  |        |
|--|--------|
| Public Gate Attendance.....              | 64,700 |
| Research Center .....                    | 12,000 |
| Private Events: .....                    | 6,750  |
| <i>(Weddings, Conferences)</i>           |        |
| Venue Events: .....                      | 81,560 |
| <i>(St. Louis Co. Fair, Blues, Expo)</i> |        |

Ironworld featured a variety of museum-based programs under its new Cultural Arts Series and presented 20 days of ethnic and heritage festivals, including the 25<sup>th</sup> Anniversary of the National PolkaFest, June 27-30, 2002.

Volunteers help make all this activity possible. Ironworld sends a hearty thank you to the 150 active volunteers that logged over 8,500 hours in service during the last two seasons.

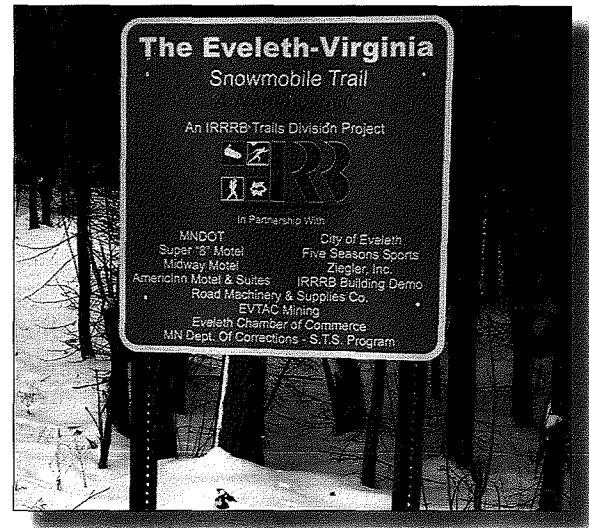


*Marge Ford was inducted into the Polka Hall of Fame in June of 2002.*

## Trails

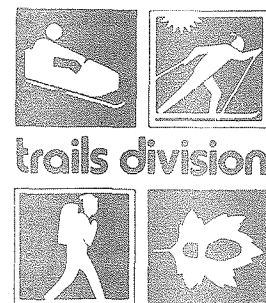
The IRRRA Trails Division continues to partner with a variety of trail service providers consisting primarily of volunteer organizations.

The winter of 2000-2001 saw mediocre amounts of snow after three virtually snow-less winters. The level of snow challenged the division's grooming operations as the trail users' expectations exceeded capability given the amount of snow. During the winter of 2001-2002, the division shed itself of the grooming operations to reflect changing agency internal operations. Each grooming partner was granted equipment and/or monies to help them assume grooming of their trails. Two organizations were granted monies to take over the two agency trails. In total, approximately one half million dollars in equipment and over \$400,000 in grant monies were awarded to ten clubs.



During the past biennium, the division undertook several key, long sought after trail projects. One project was the extension of the Eveleth to Virginia snowmobile trail. This trail was extended through Virginia to connect with the trail network to the north.

A second project was the construction of a segment of snowmobile trail from Eveleth to Gilbert within the Mesabi Trail Project right-of-way. However, emphasis was placed on the construction of two distinct trail treadways. The IRRRA's activity helped the Trail Authority reduce the cost of developing trails. A third and significant project was the installation of a culvert under U.S. Highway 53 to allow for a safer highway crossing. This project was done in conjunction with the Minnesota Department of Transportation's (MNDOT) upgrading of the highway entrance to Virginia.



During the second half of the biennium, a trail from Gilbert to Biwabik was developed. When this segment of trail is completed, a 15-year goal of developing a trail system connecting the Quad Cities to Giants Ridge Golf and Ski Resort will be realized. There were two projects of regional significance during the past biennium: the afore described trail development in the Quad Cities area and the commencement of a bridge project over the St. Louis River. The division partnered with the Eveleth Trail Hawks Snowmobile Club, the Minnesota Department of Natural Resources and MNDOT to construct a 180-foot free span recreational trail bridge. While the project is not

complete, the groundwork is underway, with the engineering done, the physical structure on site and necessary permits granted.

The division's marketing and advertising were reduced during this biennium; however, the division continued to play a significant role in several special events. Included were the grass drag event in Eveleth, part of the Midwest Grass Drags series; World Series of Kitty Cat Racing in Chisholm; and the Snowmobile Hill Cross at Giants Ridge.

## **ADMINISTRATIVE SERVICES**

### **Administrative Services**

**T**he IRRRA's Administrative Services Division provides administrative support to the other divisions of the agency in terms of agency management, human resources and payroll, general accounting, accounts payable, accounts receivable, financial reporting, professional/technical contracting, procurement and information systems. By supplying human and technical resources to all other agency activities and programs, this division enables the agency to better serve customers and clients. It procures supplies, materials, equipment and services from vendors and contractors. In addition, this division performs various financial research and planning functions for the agency.

### **Human Resources**

**T**he IRRRA's Human Resources Division serves roughly 87 full time and 50 temporary employees. The majority of the temporary employees are laborers, student workers and interns serving the two facilities, Giants Ridge and Ironworld. These temporary positions provide the employee an excellent learning experience while simultaneously benefiting the agency.

Human Resource staff members advise and consult with management on human resource issues, handle payroll and employee benefits, employee health and safety, administer labor agreements, maintain an affirmative action plan, ensure equal employment opportunity, facilitate employee recruitment, selection, placement, and training, and maintain personnel records.

One of the major challenges facing the Human Resource Division this year was assisting Division Managers with updating various position descriptions throughout the agency to assure appropriate classification. Many of the revisions were due to restructuring of various programs and projects; however, the major factor were budget reductions and the necessity to downsize staffing.

The employee benefit package that became effective in January 2002 introduced a change in employee insurance benefits and costs. This year's package came with co-pays and deductibles in various cost level tiers. A negotiating initiative by the agency's Designated Insurance Representative with area clinics resulted in a change of the tier level and also the employee co-pay and deductibles. This was a cost savings for the majority of IRRRA employees.

### **Administrative Support Functions**

Previously, all agency administrative support staff functioned as a committee performing various tasks and making recommendations. In the past year, smaller administrative support committees have been utilized in various capacities to review and make recommendations related to office functions, customer service, purchase of office equipment, improved communication systems, and computer training. Input from the entire administrative staff is encouraged to continuously update the agency Office Procedures Manual.

## Health Promotion Committee

The IRRRA Health Promotion Committee is very active in sponsoring health fairs, flu shot clinics, and various themed exercise and nutritional programs throughout the year.

## Heavy Equipment Committee

Those who directly supervise heavy equipment operations comprise this committee. Both supervisors and employees benefit from a manual that defines policies and procedures. A stronger emphasis is being placed on structured training on all equipment and not just that which offers pay differential.

## Employee Performance and Recognition

Performance management components have been aligned to the continually updated business plans of the individual divisions. This typically includes the agency Manager's Team that reviews the candidates and then makes recommendations to the Commissioner, who then makes a final decision. An Employee Recognition Committee is in the process of restructuring the agency's Employee Recognition Program, formerly known as the Shining Star Program. The program is currently being restructured in an effort to recognize more employees on a more regular basis. The agency's committee has met with representatives from other state agencies to obtain new ideas to develop this program.

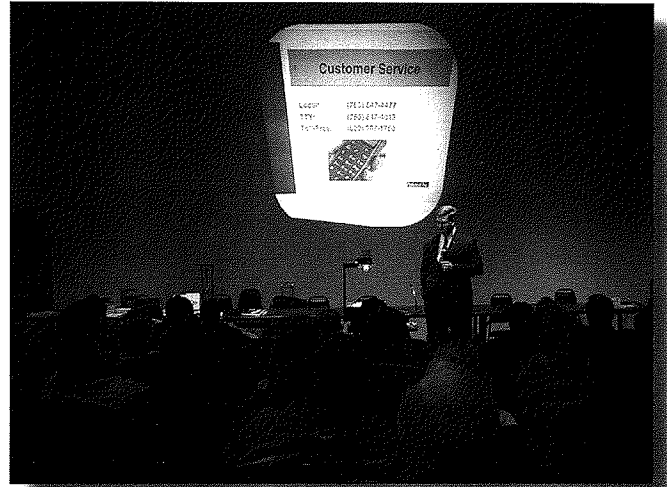
## Safety Committee

The IRRRA Safety Committee's function is to promote and recommend safe conditions for the employees as well as the general public, and meets on a quarterly basis. In the past two years, the agency has developed a Seatbelt Policy for all agency vehicles and a Drug and Alcohol Policy. The committee is in the process of revising the agency Smoking Policy. The committee has continued with safety site inspections, which are conducted by a safety team and supervisor at least annually at each site and corrective measures are taken accordingly. Right to Know training was conducted in the last year, as well as on-going equipment training.

## Employee Education and Training

In the past two years, courses have been offered to employees in the areas of teamwork,

handling difficult situations, performance management, sexual harassment, ADA supervisory and management core, as well as continuous safety training. These courses are additional to the tuition reimbursement offered to employees enrolled in job related college courses. Also, continuous training takes place with information systems, SEMA 4 (Payroll) and MAPS (Accounting and Procurement).



The Human Resource Division is currently in the process of developing an on-going Supervisory Training Plan. This initiative will offer the agency supervisors continuous training in labor relations, time reporting, scheduling, performance management, discipline, handling grievances, employee recognition, coaching, bargaining contract review as well as agency policy and procedure training.

## Policy and Procedures

The Human Resource Division is continually revising and developing new policies and procedures in the Human Resource Area. The ultimate goal of the division is to develop a complete agency manual of policies and procedures. This manual would serve as a resource guide for all employees.

## Early Retirement Incentive Program

The Human Resource Division has played a major role in developing an Early Retirement Incentive Package for agency employees. Due to drastic budget reductions and anticipated layoffs, this package is necessary to reduce staff in lieu of layoff or at least reduce the number of necessary layoffs to meet agency budget restrictions. An Early Retirement Incentive Package, hopefully to be offered in 2002, would allow the agency more flexibility in restructuring staffing.



## Employee Involvement

Meetings are organized by individual divisions to update employees on upcoming programs, projects and benefits. In the fall, a benefit presentation is offered while in the spring, training and updates are made available to employees. Meetings normally feature guest speakers, and various administrative support committees are formed throughout the agency

to assist management in developing employee involvement programs. The agency also has an active Labor Management Committee with AFSCME and a Meet and Confer process with the professional employee unit.

Agency employees are also very generous with various charitable contributions. Every

year, the agency actively participates in the annual State Employees Combined Charities Campaign, with generous donations via an annual silent auction and the payroll deduction program. Employees also donate many vacation hours through the Vacation Donation Program.

## Adopt-a-Highway

In 1999, the employees of the IRRRA adopted a section of U.S. Highway 53 as part of the Minnesota Department of Transportation's Adopt-a-Highway program. The responsibilities include picking up litter along the outside shoulders of a two-mile stretch of highway at least three times a year. This program has brought employees and families together

to get out and improve the community.



## Agency Employees Help with Olympics

The agency made a significant contribution to the 2002 Olympic Winter Games by "loaning"

four employees to the Salt Lake Organizing Committee. The employees are Gary Larson, Mike Skenzich, John Filander and Richard Anderson. Gary served as Chief of Course, John was the assistant Chief of Course and Mike was a snow groomer for the Cross Country and Nordic Combined events held at Soldier Hollow, Heber City. Richard worked at the jump facility at Olympic Park, Park City, preparing the snow surface for the jumpers.

Each of these employees were requested, because of their unique and varied skill



*John Filander, Mike Skenzich and Gary Larson working at the site of the Cross Country and Nordic Combined events at the Winter Olympics in 2002. Not pictured is Richard Anderson.*

complement, to be a part of the Olympic Games team of officials.

## Strategic Planning

In the past five years, major shifts have occurred in the economic base of the Iron Range and the TTRA. Mining companies are struggling to maintain business profitability in the face of high energy costs, increased regulation and intense competition from foreign producers. Economic diversification is a must.

The agency Manager's Team is continually working to determine the best ways to respond to the regional challenge. This year the team spent a great deal of time in an effort to further identify the vision, barriers, strategies and actions required to implement short and long term directions required to position the agency as a catalyst for economic transformation in the region.

## Area Human Resource Group

In 2002, the Human Resource Division, along with the Business Development Division,



organized an Area Human Resource Group. The group is composed of approximately 40 area Human Resource professionals and business owners from the private and public sector. The group's mission is to provide a forum for discussing or sharing human resource issues and practices amongst area and organization professionals and to explore human resource solutions.

## Communications Division

In the past biennium, the Communications Division continued to conduct its media and public relations program concerning the activities of the agency.

## Publications

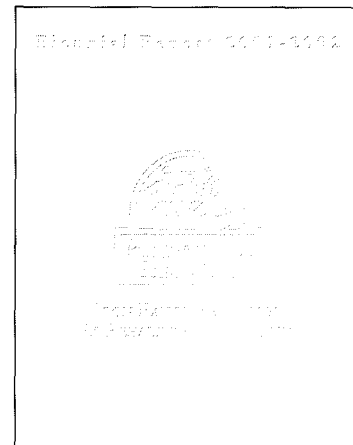
The division produced three agency-related publications. Following are brief descriptions of each:

*RangeView* is the agency's four-color tabloid-sized newsletter, featuring the resources and opportunities of northeastern Minnesota. *RangeView* has been published since 1989

The *Biennial Report to the Legislature* is prepared and submitted to the legislature by November of every even calendar year with reports of agency activities and a complete financial report. It is distributed free upon request.

## Special Events and Projects

One of the division's most exciting responsibilities is helping to plan and implement business open houses, because such celebrations usually indicate increased economic activity and jobs in the region. In the past biennium, the division assisted with open houses at Colby Ridge Townhouse Development, Delta Dental, Sykes, and BelCorp. The division was also involved in an array of agency projects and



and continues to be one of the agency's most recognizable and effective publications. It is sent free of charge to anyone interested in learning about activities in northeastern Minnesota. To subscribe, write to: *RangeView*, IRRRA, P.O. Box 441, Eveleth, MN 55734.

The *Daily Resourcer* is a daily internal e-mail newsletter about the latest agency activities and employee news. In the next biennium, the *Daily Resourcer* will become the *Weekly Resourcer*, in order to conserve staff time for other projects.

efforts including: the Governor's Cabinet Meeting on the Iron

Range; New Horizons Mining Conference; the agency's 60<sup>th</sup> anniversary commemoration; the State Employees Combined Charities Campaign; the Governor's Department Results initiative; and a series of regional business forums.

## Looking Forward

Due to increasing budgetary pressures, the division plans to complete even more projects in-house, including this report, to increase efficiency and cut costs. The division will also provide increased professional support to the agency's facilities.

## FINANCIAL INFORMATION

### Financial Information

**T**he IRRRA is funded by a portion of the taconite production taxes paid by mining companies on each ton of taconite produced. These taxes are paid in lieu of property taxes. As a State of Minnesota agency, the IRRRA acts as a fiscal agent for this money. Unlike other state agencies, the agency receives no operational funding from the State's general fund.

Taconite production taxes are based on the level of taconite produced each calendar year and are paid by the mining companies shortly after the end of the calendar year. School districts, cities, townships and counties are the primary recipients of the taconite tax dollars. Once the funds are distributed according to a formula designated in Minnesota Statute 298.28, the agency receives the remaining funds.

### Operational Accounts

Taconite production taxes are the primary source of funding for the IRRR Board Account and the Taconite Area Environmental Protection Fund (TEPF). Other revenue sources include interest earned on invested cash, admission

fees from the agency's tourism facilities, loan repayments, and other miscellaneous revenues. Interest earnings on invested cash and loan repayments are the primary sources of funding for the Douglas J. Johnson Economic Protection Fund (DJJEPF) operating account. The agency also administers funds in the Supplemental Tax Account for Koochiching and Carlton Counties, which is funded by occupation taxes according to Minnesota Statute 298.17. Except for an administrative charge, all funds are disbursed for economic and environmental development projects at the discretion of each county.

### Non-operational Accounts

The agency administers the corpus of the Douglas J. Johnson Economic Protection Trust Fund (the "2028 Fund"). Interest earned on the corpus is credited to the agency's Douglas J. Johnson Economic Protection Fund for economic development projects. Fund appropriations require authorization from the state legislature. The Taconite Economic Development Fund (TEDF) and Producer Grant Program (PGP) are administered by the agency and rebate funds to the taconite companies for capital investments.

## Northern Lights Tourism Alliance

*Citizen's Advisory Committee on Tourism and Marketing.*

|                        |                 |
|------------------------|-----------------|
| Gordy Anderson (Chair) | Two Harbors     |
| Joyce Barott           | Grand Marais    |
| Rachelle Maloney       | Two Harbors     |
| Eric Hanson            | Cook            |
| Linda Fryer            | Ely             |
| Phyllis Nevala         | Embarrass       |
| Kevin Leecy            | Tower           |
| Ione Tomasetti         | Chisholm        |
| Bill Aho               | Eveleth         |
| David Riddle           | Virginia        |
| Shirley Sanborn        | Crane Lake      |
| Phil Hart              | Lake Kaberogama |
| Rob Kemkes             | Orr             |
| Cheri Bialke           | Grand Rapids    |
| Eric Eiesland          | Grand Rapids    |
| Marc Koprivec          | Keewatin        |
| Steve Johnson          | Bigfork         |
| Carroll Kukowski       | Aitkin          |

## Partners Advisory Committee

*Comprised of 21 citizens of the TTRA, the committee is utilized by the Commissioner to assist in the development and implementation of agency policies and procedures and to serve as a conduit to the Commissioner for issues that are important to the TTRA.*

|                  |             |
|------------------|-------------|
| Henri Beauregard | Biwabik     |
| Lynda Bolf       | Hibbing     |
| Edie Carr        | Gilbert     |
| Andrew Datko     | Gilbert     |
| Joseph Dennie    | Tower       |
| Linda Faatz      | Crosby      |
| Cameron Jayson   | Virginia    |
| Paul Knuti       | Embarrass   |
| Rachelle Maloney | Two Harbors |
| Larry McGuire    | Hibbing     |
| Rhoderick McPeak | Tower       |
| Dennis Orn       | Babbitt     |
| Glenn Patrick    | Britt       |
| David Riddle     | Eveleth     |
| Terry Rugar      | Chisholm    |
| Bradley Sagen    | Ely         |
| Rudy Semeja      | Ely         |
| Ione Tomasetti   | Chisholm    |
| Timothy Tomsich  | Soudan      |
| Mark Wirtanen    | Hibbing     |
| Laurie Wright    | Bovey       |

## Citizen Advisory Committees

## Ironworld Citizen's Advisory Board

*The Ironworld Citizen's Advisory Board serves as an advisor to the Managing Director of Ironworld Discovery Center.*

|                       |               |
|-----------------------|---------------|
| Mary Batinich         | Tower         |
| Claire Landskov       | Mountain Iron |
| Veda Ponikvar         | Chisholm      |
| Carol Ranta           | Hibbing       |
| David Riddle          | ITCVB         |
| Mary Somnis           | IRRRRA        |
| Cheryl Spragg (Chair) | Virginia      |
| Joel Wurl             | Minneapolis   |

## Resort Advisory Board

*An informal advisory board that meets twice per year, once prior to the golf season and once prior to the winter sports season. It reviews new ideas, programs, facilities and developments with the Giants Ridge management and staff. They further serve as advocates of the resort in their respective communities. The Board members represent the Iron Range communities from Hibbing to Hoyt Lakes.*

|                  |            |
|------------------|------------|
| Curt Anttila     | Aurora     |
| Ronald Anzels    | Aurora     |
| John Bachman     | Virginia   |
| Henri Beauregard | Biwabik    |
| Mark Belich      | Duluth     |
| Steve Bradach    | Biwabik    |
| Scott Dane       | Biwabik    |
| Tim Drobnik      | Eveleth    |
| Corky Hayden     | Embarrass  |
| Kevin Kallio     | Iron       |
| Jerry Krikelas   | Virginia   |
| Mark Ludlow      | Cook       |
| Bill Marr        | Orr        |
| Chuck Mattson    | Gilbert    |
| Kim Mattson      | Biwabik    |
| Larry Mismash    | Hoyt Lakes |
| Alan Mugge       | Hoyt Lakes |
| Jerry Newton     | Biwabik    |
| Cathy Niemi      | Biwabik    |
| Kevin Pietrini   | Virginia   |
| David Riddle     | Virginia   |
| David Sherek     | Biwabik    |
| Mary Somnis      | Eveleth    |

## Minnesota Blue Ribbon Committee on Mining

*The Minnesota Blue Ribbon Committee on Mining is a committee authorized by the Governor consisting of representatives from the iron and non-ferrous mining industries, mining suppliers, educational institutions, local government, state agencies and U.S. Congressman Oberstar's office. Its mission is to look at ways that the state of Minnesota and other stakeholders can sustain and enhance Minnesota's iron mining industry, as well as develop non-ferrous mineral resources. The group discusses issues ranging from steel imports to environmental permitting, from minerals research to the development of new products from mining wastes.*

|                      |  |
|----------------------|--|
| Bill Brice           | Director, Division of Lands and Minerals, DNR        |
| Dana Byrne           | Director, Government Relations, Cleveland Cliffs Inc |
| David Foster         | Director, USWA District #11                          |
| Frank Ongaro         | President, Iron Mining Association                   |
| Davis Helberg        | Executive Director, Duluth Seaway Port Authority     |
| Mike Lulich          | Director, Natural Resources Research Institute       |
| Ernest Lehmann       | President, MEXA                                      |
| Cliff Niemi          | Consultant to USX Corporation                        |
| Eric Norberg         | Vice President, Strategic Accounts, MN Power         |
| Ron Dicklich         | Executive Director, RAMS                             |
| Tom Reagan, Co-Chair | Gilbert  |
| John Swift, Co-Chair | Commissioner, IRRRA                                  |
| Ann Foss             | Manager, North/South Major Facilities, MPCA          |
| Chuck Williams       | Duluth   |
| <b>Staff</b>         |  |
| Jackie Morris        | Congressman Oberstar's Office                        |
| Brian Hiti           | Manager, Mining & Natural Resources Dev., IRRRA      |
| Jean Dolensek        | Mining Project Coordinator, IRRRA                    |
| Laureen Hall         | Administrative Assistant, IRRRA                      |

# APPENDIX

## Citizen Advisory Committees

### Do I.T! Board

*Serves as an advisory to the Commissioner in the administration of the agency's private/public information technology initiative.*

|                        |  |
|------------------------|--|
| Steve Acheson.....     | Northeast Alliance for Telecommunications        |
| James Antilla.....     | Hibbing Community College                        |
| Curt Anttila.....      | East Range Joint Powers Board                    |
| Pat Blacker.....       | Northwest Airlines World Perk Reservation Center |
| Robert Buescher.....   | National Steel Pellet Company                    |
| Kirk Bustron.....      | Itasca Technology Exchange                       |
| Paula Carlson.....     | IRRRA  |
| Ron Dicklich.....      | Range Association of Schools and Municipalities  |
| David Fisher.....      | Dept. of Administration                          |
| William Henning.....   | Ely Area Development Association                 |
| Kyle Hopstad.....      | Virginia Regional Medical Center                 |
| Steve Jacobson.....    | Northeast Service Cooperative                    |
| Jack LaVoy.....        | IRRRA  |
| Sandy Layman.....      | Itasca Development Corporation                   |
| Andrew Lucero.....     | Minnesota Power                                  |
| Terry Moore.....       | Hibbing Public Library                           |
| Carol Nelson.....      | Gemini Services                                  |
| Barbara Neprud.....    | Crosby-Ironton Community Education               |
| Richard Nordvold.....  | IRRRA  |
| Joseph Sertich.....    | Northeast Higher Education District              |
| Randy Studier.....     | Minnesota Technology, Inc.                       |
| John Swift.....        | Commissioner, IRRRA                              |
| Michael Valentine..... | Two Harbors Development Commission               |
| Michael Wellcome.....  | Northern Tier High Tech Corridor                 |

### Mineral Coordinating Committee

*The Minerals Coordinating Committee is a body that was established by the Legislature to plan for diversified mineral development and to coordinate minerals research in the state. It is chaired by the director of the Land and Minerals Division of the Department of Natural Resources. Its members include representatives from the Minnesota Pollution Control Agency, the United Steelworkers of America, the Minnesota Geological Survey, the University of Minnesota Institute of Technology, the Natural Resources Research Institute and the Iron Range Resources and Rehabilitation Agency, as well as three individuals appointed by the Governor; one each representing the iron ore and taconite, the non-ferrous metallic minerals and the industrial minerals industries*

|                        |  |
|------------------------|--|
| William Brice.....     | DNR Lands & Minerals Division                |
| Val Chandler.....      | Minnesota Geological Survey                  |
| Richard Clark.....     | Minnesota Pollution Control Agency           |
| Richard Davis.....     | University of Minnesota -Duluth              |
| Dave Edmunds.....      | Edward Kraemer & Sons, Inc.                  |
| Don Fosnacht.....      | Natural Resources Research Institute         |
| Dave Foster.....       | United Steel Workers of America              |
| Brian Hiti.....        | Iron Range Resources & Rehabilitation Agency |
| Ernest K. Lehmann..... | Minnesota Exploration Association            |
| Frank Ongaro.....      | Iron Mining Association                      |

### Wild North Golf Alliance

*An IRRRA partner, non-profit corporation of golf and tourism professionals whose mission is to establish Minnesota's Wild North as a golf destination.*

|                    |   |
|--------------------|---|
| Mike Larson.....   | Superior National at Lutsen             |
| David Riddle.....  | Iron Trail Convention & Visitors Bureau |
| Bill Peterson..... | Vermilion Fairways Golf Course          |
| Gordy Skaar.....   | Eagle Ridge Golf Course                 |
| Linda Roketa.....  | Giants Ridge Golf and Ski Resort        |
| Dick Sarazin.....  | Eveleth Municipal Golf Course           |

### Iron Range Economic Alliance

*The Iron Range Economic Alliance (IREA) is a grass roots economic development organization consisting of community officials and economic development professionals from throughout the TTRA. The IREA uses monies provided for it by the IRRRA to leverage limited local resources in a coordinated effort designed to provide leadership, foster cooperation, and facilitate in the planning, development and implementation of strategies which are directed towards the creation and retention of jobs within the TTRA.*

|                         |   |
|-------------------------|---|
| Barb Ackerson.....      | Arrowhead Economic Opportunity Agency           |
| Ross Wagner.....        | City of Aitkin                                  |
| Dave Hasskamp.....      | Aitkin County Growth, Inc                       |
| Chris Maddy.....        | Arrowhead Business Connection                   |
| John Chell.....         | Arrowhead Regional Commission                   |
| Don Negley.....         | City of Babbitt                                 |
| David A. Maki.....      | Town of Balkan                                  |
| Tom Porter.....         | City of Beaver Bay                              |
| Scott Dane.....         | City of Biwabik                                 |
| David L. Danz.....      | Bois Forte Reservation Tribal Council           |
| James Elioff.....       | City of Bovey                                   |
| Jerry Drong.....        | City of Buhl                                    |
| John Fedo.....          | City of Chisholm                                |
| Alan Christenson.....   | Cook County/Grand Marais Joint EDA              |
| Theresa Martinson.....  | City of Cook                                    |
| R. David Miller.....    | Cuyuna Range Economic Development, Inc          |
| Curt Anttila.....       | East Range Joint Powers Board                   |
| Bill Henning.....       | Ely Area Development Authority                  |
| Tiffany Anderson.....   | Eveleth Economic Development Authority          |
| John Baker.....         | City of Gilbert                                 |
| Jim Wroblewski.....     | Department of Trade and Economic Development    |
| Alan Fritz.....         | City of Grand Rapids                            |
| Duane Northagen.....    | City of Hibbing                                 |
| Jack LaVoy.....         | Iron Range Resources and Rehabilitation Agency  |
| Sandy Layman.....       | Itasca Development Council                      |
| Verna Noonan.....       | Keewatin Development Corporation                |
| Jeri Ann Jurkovich..... | Mesabi Range College                            |
| Brian W. Hanson.....    | Minnesota Power                                 |
| Randy Studier.....      | Minnesota Technology Regional Office            |
| Robert Fragnito.....    | City of Nashauk                                 |
| Mary Mathews.....       | Northeast Entrepreneur Fund                     |
| Lonnie Kacon.....       | Northern Itasca Joint Powers Board              |
| Randy Lasky.....        | Northspan Group, Inc                            |
| Syvilla Shermer.....    | City of Orr                                     |
| Ron Dicklich.....       | Range Association of Municipalities and Schools |
| Connie Christenson..... | St. Louis County/Comm. Dev. Division            |
| Scott Johnson.....      | City of Silver Bay                              |
| Tim Kotzian.....        | City of Tower                                   |
| Mike Valentine.....     | Two Harbors Development Commission              |
| Stephen L. Marder.....  | UMD Center for Economic Development             |
| Terry Leoni.....        | City of Virginia                                |
| Judy Edwards.....       | Virginia Economic Development Authority         |
| Craig Wannio.....       | Mountain Iron Housing & Redevelopment Auth.     |

### Technical Advisory Committee

*The Technical Advisory Committee makes a recommendation to the IRRR Board on projects funded from the Northeast Account based on a review of the respective business plan.*

|                     |                                     |
|---------------------|-------------------------------------|
| Lee Anderson.....   | Husky Spring & Anderson Auto Center |
| Jim Bymark.....     | University Medical Center           |
| Bonnie Fena.....    | K-Byte/Reprtron                     |
| John Dosen.....     | Grand Rapids                        |
| Jim Hausauer.....   | State Bank of Aurora                |
| Bill Oberg.....     | Biwabik                             |
| Bill Spang.....     | American Bank                       |
| Jim Tolan.....      | Small Business Development Center   |
| Marvin Vuicich..... | Wells Fargo Bank                    |

# APPENDIX

## Grants

|  |   |           |  |   |           |
|--|---|-----------|--|---|-----------|
| <b>Accerated Payments Inc</b>                    |   |           | <b>Buhl, City of</b>                           |   |           |
| 2002   | Amendment to Emp. Inc. Grant .....        | \$150,000 | 2001   | Summer Youth .....                      | \$6,000   |
| <b>AEOA</b>                                      |   |           | 2002   | 10 Single Family Lots .....             | \$100,000 |
| 2001   | Housing Technical Assistant .....         | \$75,000  | 2002   | Summer Youth .....                      | \$6,000   |
| 2001   | New Transit Building in Two Harbors ..... | \$10,000  | <b>Calumet Depot Craft Shop</b>                |   |           |
| 2002   | Transit Building .....                    | \$140,000 | 2001   | Painting the Building .....             | \$8,000   |
| <b>Aitkin Chamber of Commerce</b>                |   |           | <b>Calumet, City of</b>                        |   |           |
| 2002   | Tourism .....                             | \$10,000  | 2001   | Summer Youth .....                      | \$2,000   |
| <b>Aitkin, City of</b>                           |   |           | 2002   | Summer Youth .....                      | \$1,300   |
| 2001   | 24 Market Rate Apartment Complex .....    | \$140,000 | <b>Cherish Inc.</b>                            |   |           |
| 2002   | 24 Market Rate Apartment Complex .....    | \$100,000 | 2001   | Do I.T! - CTAP .....                    | \$29,905  |
| <b>Anchor Lake &amp; Scenic Byway Bureau</b>     |   |           | 2002   | Do I.T! .....                           | \$29,950  |
| 2002   | Information Center .....                  | \$18,000  | <b>Cherry School PTSO</b>                      |   |           |
| <b>Anderberg Answering Bureau</b>                |   |           | 2001   | Playground Equipment .....              | \$15,000  |
| 2002   | Employee Incentive .....                  | \$75,000  | <b>Children's Discovery Museum</b>             |   |           |
| 2002   | Expansion .....                           | \$25,000  | 2001   | Educational Classrooms .....            | \$10,000  |
| <b>ARDC</b>                                      |   |           | <b>Chisholm Area Chamber of Commerce</b>       |   |           |
| 2002   | Labor Assessment - UMD .....              | \$5,000   | 2001   | Kitty Cat Races .....                   | \$3,000   |
| 2002   | Seed Grant .....                          | \$3,125   | 2001   | Tourism .....                           | \$2,500   |
| <b>Arrowhead Mfg. &amp; Fabricators</b>          |   |           | 2002   | Tourism .....                           | \$2,500   |
| 2002   | Scholarship Fundraiser .....              | \$250     | 2002   | Kitty Cat Races .....                   | \$3,000   |
| <b>Aurora HRA</b>                                |   |           | <b>Chisholm, City of</b>                       |   |           |
| 2002   | Moose Lodge Renovation .....              | \$50,000  | 2001   | Expansion of Business Park .....        | \$70,000  |
| <b>Aurora, City of</b>                           |   |           | 2001   | Summer Youth .....                      | \$4,000   |
| 2001   | Summer Youth .....                        | \$6,000   | 2002   | Summer Youth .....                      | \$4,000   |
| 2001   | Playground Equipment .....                | \$18,000  | 2002   | Caraco Mining Property .....            | \$45,000  |
| 2001   | St. James Pit .....                       | \$31,000  | 2002   | Industrial Park Expansion-169 .....     | \$250,000 |
| 2001   | Infrastructure to New Business .....      | \$50,000  | <b>Chisholm-Hibbing Airport Commission</b>     |   |           |
| 2002   | Summer Youth .....                        | \$6,000   | 2002   | Repairs .....                           | \$25,000  |
| 2002   | Pine Grove Park .....                     | \$15,000  | <b>Cohasset, City of</b>                       |   |           |
| <b>Babbitt, City of</b>                          |   |           | 2001   | 75 Single Family Lots .....             | \$280,000 |
| 2001   | Housing .....                             | \$80,000  | 2001   | Summer Youth .....                      | \$3,500   |
| <b>Babbitt-Embarrass Area Development Assoc.</b> |   |           | 2002   | Summer Youth .....                      | \$2,300   |
| 2002   | Grooming Equipment and Costs .....        | \$36,200  | <b>Coleraine, City of</b>                      |   |           |
| <b>Balkan, Township of</b>                       |   |           | 2001   | Infrastructure to Industrial Park ..... | \$20,000  |
| 2001   | Land Acquisition .....                    | \$15,000  | 2001   | Eagle Ridge Golf Course .....           | \$15,000  |
| <b>Belcorp</b>                                   |   |           | 2001   | Summer Youth .....                      | \$1,000   |
| 2002   | Relocation & Expansion .....              | \$250,000 | 2001   | Mesabi Trail .....                      | \$20,000  |
| <b>Bigfork, City of</b>                          |   |           | 2002   | Summer Youth .....                      | \$1,000   |
| 2001   | Well and Water Lines .....                | \$18,000  | 2002   | Infrastructure to Industrial Park ..... | \$100,000 |
| <b>Biwabik, City of</b>                          |   |           | <b>College of St. Scholastica</b>              |   |           |
| 2001   | Sliding Hill .....                        | \$25,000  | 2001   | Management Institute .....              | \$10,000  |
| 2001   | Tourism .....                             | \$5,000   | <b>Cook County Res. Development Council</b>    |   |           |
| 2001   | Playground Equipment .....                | \$15,000  | 2001   | 14 Apartment Units in Tofte .....       | \$40,000  |
| 2001   | New Business-DCI .....                    | \$50,000  | 2002   | 14 Apartment Units in Tofte .....       | \$100,000 |
| 2001   | New Foster Home .....                     | \$75,000  | <b>Cook Hospital</b>                           |   |           |
| 2001   | Summer Youth .....                        | \$3,500   | 2001   | Market Study .....                      | \$1,500   |
| 2002   | Summer Youth .....                        | \$3,500   | <b>Cook Timberwolves Snowmobile Club</b>       |   |           |
| <b>Blue Cross Blue Shield of Minnesota</b>       |   |           | 2002   | Grooming Equipment/Costs .....          | \$36,700  |
| 2002   | Manager Relocation .....                  | \$10,000  | <b>Cook, City of</b>                           |   |           |
| 2002   | Opening Expenses .....                    | \$100,000 | 2001   | Summer Youth .....                      | \$3,500   |
| 2002   | Employee Relocation .....                 | \$20,000  | 2002   | Summer Youth .....                      | \$3,500   |
| <b>Bois Forte RBC</b>                            |   |           | <b>Crane Lake Visitor &amp; Tourism Bureau</b> |   |           |
| 2001   | Needs Analysis .....                      | \$12,000  | 2001   | Tourism .....                           | \$5,000   |
| <b>Bovey, City of</b>                            |   |           | <b>Crane Lake, Town of</b>                     |   |           |
| 2001   | Summer Youth .....                        | \$1,500   | 2002   | Organizational Expenses .....           | \$1,000   |
| 2002   | Summer Youth .....                        | \$1,300   | <b>Crosby, City of</b>                         |   |           |
| <b>Breitung, Township of</b>                     |   |           | 2001   | Summer Youth .....                      | \$3,000   |
| 2001   | Summer Youth .....                        | \$3,000   | 2002   | Summer Youth .....                      | \$2,300   |
| 2001   | Playground Relocation .....               | \$20,000  | <b>Crosby-Ironton Joint Powers Board</b>       |   |           |
| 2002   | Site Survey .....                         | \$2,328   | 2001   | Croft Mine Maintenance .....            | \$10,000  |
| 2002   | Summer Youth .....                        | \$3,000   | 2001   | Croft Mine Operation .....              | \$20,000  |
| <b>Cuyuna Range Joint Powers Board</b>           |   |           | <b>Cuyuna Range Joint Powers Board</b>         |   |           |
| 2001   | Cuyuna Range Trail System .....           | \$10,000  | 2001   | Cuyuna Range Trail System .....         | \$10,000  |

# APPENDIX

## Grants

|  |  |             |
|--|--|-------------|
| <b>Delta Dental Plan of Minnesota</b>                |  |             |
| 2001   | Gilbert IGA Building .....                 | \$300,000   |
| 2001   | Employment Incentive .....                 | \$560,000   |
| 2002   | Roof Repair .....                          | \$55,000    |
| <b>East Range Joint Powers Board</b>                 |  |             |
| 2001   | Development Fund .....                     | \$200,000   |
| 2002   | LTV Issues .....                           | \$175,000   |
| 2002   | Application to Renewal Comm. Program ..... | \$12,500    |
| 2002   | Wind Monitoring .....                      | \$10,000    |
| 2002   | Utilites For Union Hall-Aurora .....       | \$6,000     |
| <b>Edge of the Wilderness Lodging Association</b>    |  |             |
| 2001   | Tourism .....                              | \$5,000     |
| 2002   | Tourism .....                              | \$8,708     |
| <b>Elder Services Network</b>                        |  |             |
| 2001   | Do I.T! - CTAP .....                       | \$25,000    |
| <b>Ely Area Resort Association</b>                   |  |             |
| 2002   | Boundary Waters Blues Festival .....       | \$2,000     |
| <b>Ely Chamber of Commerce</b>                       |  |             |
| 2001   | Tourism .....                              | \$22,500    |
| 2002   | Tourism .....                              | \$10,000    |
| <b>Ely Igloo Snowmobile Club</b>                     |  |             |
| 2002   | Grooming Equipment & Costs .....           | \$53,900    |
| <b>Ely, City of</b>                                  |  |             |
| 2001   | Summer Youth .....                         | \$2,500     |
| 2001   | Grubb & Ellis Study .....                  | \$4,000     |
| 2001   | Housing Water/sewer/roads .....            | \$150,000   |
| 2001   | Miners Dry Building .....                  | \$40,000    |
| 2002   | Summer Youth .....                         | \$2,500     |
| 2002   | Mine Shaft Capping .....                   | \$20,000    |
| <b>Ely-Bloomenson Community Hospital</b>             |  |             |
| 2001   | 20 Assisted Living Units .....             | \$100,000   |
| <b>Embarrass, Township of</b>                        |  |             |
| 2001   | Road To Timber Hall .....                  | \$13,000    |
| 2001   | Tourism .....                              | \$5,000     |
| 2001   | Tourism .....                              | \$1,225     |
| 2002   | Summer Youth .....                         | \$3,000     |
| 2002   | Tourism .....                              | \$2,500     |
| <b>Ernest K. Lehmann &amp; Associates</b>            |  |             |
| 2002   | Drilling Costs .....                       | \$16,960    |
| 2002   | Direct Drilling Costs .....                | \$8,480     |
| <b>Eveleth Chamber of Commerce</b>                   |  |             |
| 2001   | Grass Drags .....                          | \$5,000     |
| 2002   | Tourism .....                              | \$2,500     |
| <b>Eveleth Gilbert Public Schools</b>                |  |             |
| 2001   | Playground Equipment .....                 | \$15,000    |
| <b>Eveleth Health Service Park</b>                   |  |             |
| 2002   | Improvements .....                         | \$75,000    |
| <b>Eveleth Virginia Airport Comm.</b>                |  |             |
| 2001   | Wastewater Treatment System .....          | \$13,000    |
| <b>Eveleth, City of</b>                              |  |             |
| 2001   | Do I.T! - CTAP .....                       | \$15,000    |
| 2001   | Senior Housing .....                       | \$100,000   |
| 2001   | Leonidas Overlook Safety Imp. ....         | \$15,000    |
| 2001   | 32 Single Family Lots .....                | \$195,000   |
| 2001   | Summer Youth .....                         | \$3,000     |
| 2001   | Summer Youth .....                         | \$3,500     |
| 2001   | Culvert Under Hwy 53 .....                 | \$30,500    |
| 2001   | Golf Course .....                          | \$70,000    |
| 2002   | Replace The Big Stick .....                | \$10,000    |
| 2002   | Ball Field Relocation .....                | \$15,000    |
| 2002   | Summer Youth .....                         | \$3,500     |
| 2002   | Summer Youth .....                         | \$3,000     |
| 2002   | Senior Housing .....                       | \$300,000   |
| <b>EVTAC</b>   |  |             |
| 2001   | Producer Grant .....                       | \$216,104   |
| 2001   | TEDF .....                                 | \$836,842   |
| 2002   | Producer Grant .....                       | \$205,883   |
| 2002   | TEDF .....                                 | \$1,385,590 |
| <b>FAST, Inc.</b>                                    |  |             |
| 2001   | Key Employee Relocation Incentive .....    | \$10,000    |
| <b>Fayal, Township of</b>                            |  |             |
| 2001   | Summer Youth .....                         | \$3,000     |
| 2002   | Summer Youth .....                         | \$3,000     |
| <b>First National Bank of Gilbert</b>                |  |             |
| 2002   | Dental Dental Escrow Agreement .....       | \$750,000   |
| <b>French, Township of</b>                           |  |             |
| 2001   | Single Family Housing .....                | \$80,000    |
| 2001   | Summer Youth .....                         | \$800       |
| 2002   | Summer Youth .....                         | \$800       |
| <b>Giants Ridge Woodlands</b>                        |  |             |
| 2001   | Accounting Services .....                  | \$2,500     |
| <b>Gilbert Youth Sports Association</b>              |  |             |
| 2001   | Baseball Field .....                       | \$15,000    |
| <b>Gilbert, City of</b>                              |  |             |
| 2001   | OHV Corridor .....                         | \$140,000   |
| 2001   | Housing in Old Traylor Court .....         | \$45,000    |
| 2001   | Summer Youth .....                         | \$4,000     |
| 2002   | Zamboni Building .....                     | \$15,000    |
| 2002   | Lake Ore-Be-Gone .....                     | \$25,000    |
| 2002   | Delta Dental Parking Lot .....             | \$80,000    |
| 2002   | Housing In Traylor Park .....              | \$75,000    |
| 2002   | Summer Youth .....                         | \$4,000     |
| <b>Grand Marais Tourism Association</b>              |  |             |
| 2001   | Tourism .....                              | \$21,287    |
| 2002   | Tourism .....                              | \$9,700     |
| <b>Grand Rapids Convention &amp; Visitors Bureau</b> |  |             |
| 2002   | Tourism .....                              | \$10,000    |
| <b>Grand Rapids, City of</b>                         |  |             |
| 2001   | Summer Youth .....                         | \$3,500     |
| 2001   | Water Sewer Roads .....                    | \$150,000   |
| 2002   | Summer Youth .....                         | \$2,400     |
| <b>Greenwood, Township of</b>                        |  |             |
| 2001   | Hiking Biking Trail .....                  | \$18,000    |
| <b>Gunflint Trail Association</b>                    |  |             |
| 2001   | Tourism .....                              | \$10,000    |
| 2002   | Tourism .....                              | \$5,000     |
| <b>Hibbing Catholic School</b>                       |  |             |
| 2002   | Do I.T! .....                              | \$30,000    |
| <b>Hibbing Electronics</b>                           |  |             |
| 2002   | Employee Incentive .....                   | \$150,000   |
| <b>Hibbing Lions Club</b>                            |  |             |
| 2001   | Press Box .....                            | \$10,000    |
| <b>Hibbing Public Library</b>                        |  |             |
| 2002   | Do I.T! .....                              | \$10,250    |
| <b>Hibbing Taconite Company</b>                      |  |             |
| 2001   | Producer Grant .....                       | \$370,392   |
| 2001   | TEDF .....                                 | \$1,195,948 |
| 2002   | Producer Grant .....                       | \$342,062   |
| 2002   | TEDF .....                                 | \$2,069,089 |
| <b>Hibbing Trailblazers</b>                          |  |             |
| 2002   | Grooming Equipment & Costs .....           | \$18,300    |
| <b>Hibbing, City of</b>                              |  |             |
| 2001   | 40 Assisted Living Units .....             | \$300,000   |
| 2001   | 50 Marker Rate Units .....                 | \$450,000   |
| 2001   | Summer Youth .....                         | \$6,000     |
| 2001   | Vic Power Park .....                       | \$40,000    |
| 2001   | Infrastructure to 25 Housing Lots .....    | \$250,000   |
| 2001   | Extension of Irongate Bus. Park .....      | \$75,000    |
| 2001   | Water, Sewer, and Gas to K-Byte .....      | \$12,000    |
| 2002   | Summer Youth .....                         | \$5,000     |
| 2002   | Parks and Recreation .....                 | \$45,000    |



# APPENDIX

## Grants

|   |                                       |           |  |                                       |           |
|---|---------------------------------------|-----------|--|---------------------------------------|-----------|
| 2002  | Business Park Expansion .....         | \$150,000 | 2001                                   | TEDF .....                            | \$8,653   |
| 2002  | Infrastructure to Housing Lots .....  | \$270,000 |  |                                       |           |
| <b>Hoyt Lakes, City Of</b>                        |                                       |           |  |                                       |           |
| 2001  | Summer Youth .....                    | \$4,000   | <b>Lutsen Trailbreakers</b>            |                                       |           |
| 2001  | Tourism.....                          | \$2,500   | 2002                                   | Grooming Equipment & Costs .....      | \$42,624  |
| 2001  | Summer Youth .....                    | \$4,500   | <b>Maple Hill Community Club</b>       |                                       |           |
| 2001  | Bath House at Fisherman's Point ..... | \$18,000  | 2002                                   | Repairs to the Center .....           | \$5,000   |
| 2002  | Tourism.....                          | \$2,500   | <b>Marble, City of</b>                 |                                       |           |
| 2002  | Summer Youth .....                    | \$5,000   | 2001                                   | 23 Single Family Lots .....           | \$35,000  |
| 2002  | Land Purchase/Arena Improv. ....      | \$15,000  | 2002                                   | City Pumphouse .....                  | \$20,000  |
| <b>I.S.D. # 318, Grand Rapids</b>                 |                                       |           |  |                                       |           |
| 2001  | Do I.T! CTAP .....                    | \$16,730  | <b>McKinley, City of</b>               |                                       |           |
| 2002  | Do I.T!.....                          | \$30,000  | 2001                                   | Summer Youth .....                    | \$500     |
| <b>Iron Range Sports Board</b>                    |                                       |           |  |                                       |           |
| 2001  | Operating Expenses .....              | \$42,000  | 2002                                   | Summer Youth .....                    | \$500     |
| 2001  | Events .....                          | \$30,000  | 2002                                   | Sink Hole.....                        | \$2,500   |
| 2002  | Events on the Iron Range .....        | \$16,000  | <b>Meadowlands, City of</b>            |                                       |           |
| <b>Iron Range, Township of</b>                    |                                       |           |  |                                       |           |
| 2002  | Summer Youth .....                    | \$2,000   | 2001                                   | New Boiler .....                      | \$20,000  |
| <b>Iron Trail Convention &amp; Visitor Bureau</b> |                                       |           |  |                                       |           |
| 2001  | Tourism.....                          | \$22,500  | <b>Mesabi Nursing Home</b>             |                                       |           |
| 2002  | Tourism.....                          | \$10,000  | 2002                                   | Improv. to Become Compliant .....     | \$13,000  |
| <b>Ironton, City of</b>                           |                                       |           |  |                                       |           |
| 2001  | Summer Youth .....                    | \$1,500   | <b>Mesabi Range Community College</b>  |                                       |           |
| 2001  | Lots for Single Family Homes .....    | \$100,000 | 2001                                   | Do I.T! - CTAP .....                  | \$19,530  |
| 2002  | Summer Youth .....                    | \$1,200   | 2001                                   | Main. Mech. Program Move .....        | \$104,500 |
| <b>Ispat Inland Mining Company</b>                |                                       |           |  |                                       |           |
| 2001  | Producer Grant .....                  | \$131,174 | <b>Mesabi YMCA</b>                     |                                       |           |
| 2001  | TEDF .....                            | \$472,999 | 2002                                   | Support for Programs .....            | \$10,000  |
| 2002  | Producer Grant .....                  | \$133,117 | <b>Minnesota High Tech Association</b> |                                       |           |
| 2002  | TEDF .....                            | \$855,444 | 2001                                   | Fair Booth.....                       | \$10,000  |
| <b>Itasca Community College</b>                   |                                       |           |  |                                       |           |
| 2002  | Do I.T!.....                          | \$27,475  | <b>Minnesota Power Telecom</b>         |                                       |           |
| 2002  | Training Programs.....                | \$2,250   | 2002                                   | Delta Dental Fiber Optics .....       | \$40,000  |
| <b>Itasca County</b>                              |                                       |           |  |                                       |           |
| 2001  | Cleanup Program .....                 | \$10,000  | <b>Minnesota Shooting Sports</b>       |                                       |           |
| <b>Itasca Ski and Outing Club</b>                 |                                       |           |  |                                       |           |
| 2001  | Summer Jumping Surface.....           | \$15,000  | 2002                                   | Center Expenses .....                 | \$25,000  |
| <b>Kabetogama Tourism Bureau</b>                  |                                       |           |  |                                       |           |
| 2001  | Tourism.....                          | \$2,500   | <b>Minnesota State Colleges</b>        |                                       |           |
| 2002  | Tourism.....                          | \$3,448   | 2001                                   | South Campus Building Sale .....      | \$175,000 |
| <b>Keewatin Community Development Corp.</b>       |                                       |           |  |                                       |           |
| 2001  | Sliding Hill .....                    | \$25,000  | <b>Mountain Iron, City of</b>          |                                       |           |
| <b>Knights &amp; Ladies of Kaleva</b>             |                                       |           |  |                                       |           |
| 2001  | Lodge Improvements.....               | \$15,000  | 2001                                   | Summer Youth .....                    | \$9,700   |
| <b>La Prairie, City of</b>                        |                                       |           |  |                                       |           |
| 2001  | Summer Youth .....                    | \$3,500   | 2001                                   | Infrastructure to New Bus. Park ..... | \$100,000 |
| 2002  | Summer Youth .....                    | \$3,000   | 2002                                   | Infrastructure to New Bus. Park ..... | \$200,000 |
| <b>Lake County Council</b>                        |                                       |           |  |                                       |           |
| 2002  | Do I.T!.....                          | \$16,000  | 2002                                   | Summer Youth .....                    | \$8,000   |
| <b>Lake County Historical Society</b>             |                                       |           |  |                                       |           |
| 2001  | Tourism.....                          | \$2,500   | 2002                                   | New Community Center Sign.....        | \$15,000  |
| 2002  | Tourism.....                          | \$2,500   | <b>Nashwauk, City of</b>               |                                       |           |
| <b>Lake Superior School #381</b>                  |                                       |           |  |                                       |           |
| 2001  | Do I.T!.....                          | \$3,000   | 2001                                   | Summer Youth .....                    | \$2,000   |
| <b>Lake Vermilion Resort Association</b>          |                                       |           |  |                                       |           |
| 2001  | Tourism.....                          | \$20,000  | 2001                                   | Lots for Single Family Homes .....    | \$100,000 |
| 2002  | Tourism.....                          | \$10,000  | 2001                                   | Ball Field & Concession Stand .....   | \$7,000   |
| <b>Lutsen Tofte Tourism Association</b>           |                                       |           |  |                                       |           |
| 2001  | Tourism.....                          | \$22,500  | 2001                                   | Water & Sewer for New Business .....  | \$250,000 |
| 2002  | Tourism.....                          | \$10,000  | 2002                                   | Single Family Lots .....              | \$50,000  |
| <b>LTV Steel Mining Company</b>                   |                                       |           |  |                                       |           |
| 2001  | Producer Grant .....                  | \$2,810   | 2002                                   | Summer Youth .....                    | \$1,600   |
| <b>National Steel Pellet Company</b>              |                                       |           |  |                                       |           |
| 2001  | Producer Grant .....                  | \$265,757 | <b>Northeast Alliance for Tel.</b>     |                                       |           |
| 2001  | TEDF .....                            | \$840,939 | 2001                                   | Do I.T!.....                          | \$2,000   |
| <b>Northeast Entrepreneur Fund</b>                |                                       |           |  |                                       |           |
| 2002  | Do I.T!.....                          | \$30,000  | <b>Northeast Service Cooperative</b>   |                                       |           |
| 2001  | Do I.T!.....                          | \$94,467  | <b>Northern Habilitative Services</b>  |                                       |           |
| 2001  | Do I.T! - CTAP .....                  | \$29,915  | 2001                                   | Specialized Housing .....             | \$40,000  |
| 2002  | Do I.T!.....                          | \$42,000  | 2002                                   | 4 New Units.....                      | \$40,000  |
| 2002  | Do I.T!.....                          | \$5,000   | <b>Northern Tier High Tech. Cor.</b>   |                                       |           |
| <b>Northland Foundation</b>                       |                                       |           |  |                                       |           |
| 2001  | Endowment Fund .....                  | \$10,000  | 2002                                   | Do I.T!.....                          | \$50,000  |
| 2002  | General Endowment .....               | \$17,000  | <b>Northland Foundation</b>            |                                       |           |
| 2001  | Endowment Fund .....                  | \$10,000  |  |                                       |           |
| 2002  | General Endowment .....               | \$17,000  |  |                                       |           |

## APPENDIX

## Grants

|   |  |             |  |  |             |
|---|--|-------------|--|--|-------------|
| 2002  | 11th Annual Kids Plus .....                | \$5,000     | St. Louis County Fair Board                        |  |             |
| 2002  | Kids Plus Conference .....                 | \$5,000     | 2001   | Equipment .....                              | \$10,000    |
|   |  |             | 2002   | Fair Tent Rental .....                       | \$10,000    |
|   |  |             | 2002   | New Bldg. Construction .....                 | \$250,000   |
| <b>Northland Rigging</b>                            |  |             | <b>Sunrise of Superior-GEAC</b>                    |  |             |
| 2001  | Environmental Study .....                  | \$1,500     | 2001   | 61 Units of Sr. Housing in Two Harbors ..... | \$200,000   |
|   |  |             | 2002   | 41 Units of Sr. Housing .....                | \$210,000   |
| <b>Northshore Mining Company</b>                    |  |             | <b>Superior Timber Wolves</b>                      |  |             |
| 2001  | Producer Grant .....                       | \$198,947   | 2002   | Grooming Equipment & Costs .....             | \$21,376    |
| 2001  | TEDF .....                                 | \$634,198   |  |  |             |
| 2001  | Producer Grant .....                       | \$173,371   |  |  |             |
| 2001  | TEDF .....                                 | \$1,142,070 |  |  |             |
| <b>Northspan</b>                                    |  |             | <b>Tower, City of</b>                              |  |             |
| 2001  | Expenses .....                             | \$3,000     | 2001   | Water & Sewer to East Two Rivers Dev. ....   | \$100,000   |
| 2001  | Paragon Services .....                     | \$55,000    | 2001   | Historic Train .....                         | \$25,000    |
| 2001  | Misc .....                                 | \$22,000    | 2001   | Summer Youth .....                           | \$2,500     |
| 2001  | Arrowhead Business Connection .....        | \$25,000    | 2002   | Water & Sewer to East Two Rivers Dev. ....   | \$50,000    |
| 2001  | Rural Dev & Econ Programs .....            | \$5,800     | 2002   | Water & Sewer To Hangar .....                | \$25,000    |
| 2002  | Jaako Poyry Consulting .....               | \$40,000    | 2002   | Summer Youth .....                           | \$2,500     |
| 2002  | ABC .....                                  | \$25,000    |  |  |             |
| 2002  | Paragon .....                              | \$17,000    | <b>Trail Hawks Snowmobile Club</b>                 |  |             |
| 2002  | Upper Minnesota Film Office .....          | \$12,000    | 2002   | Equipment .....                              | \$50,000    |
| 2002  | Golf Challenge .....                       | \$25,000    |  |  |             |
| 2002  | East Range Econ. Diversificaion .....      | \$45,000    | <b>Two Harbors Chamber of Commerce</b>             |  |             |
| <b>Northwest Airlines, Inc.</b>                     |  |             | 2001   | Tourism .....                                | \$13,000    |
| 2002  | 5 Yr Anniversary Celebration .....         | \$9,700     | 2002   | Tourism .....                                | \$10,000    |
| <b>Orr, City of</b>                                 |  |             | <b>Two Harbors, City of</b>                        |  |             |
| 2001  | Summer Youth .....                         | \$1,500     | 2001   | Water, Sewer, Roads for Housing .....        | \$150,000   |
| 2001  | Infrastructure to a New Business-DSR ..... | \$130,000   | 2001   | Summer Youth .....                           | \$3,000     |
| 2002  | Summer Youth .....                         | \$1,300     | 2002   | Summer Youth .....                           | \$2,500     |
| <b>Quad Cities Rec. Facility</b>                    |  |             | <b>U of M - Economic Development</b>               |  |             |
| 2001  | Summer Youth .....                         | \$1,000     | 2001   | Do I.T! - CTAP .....                         | \$86,638    |
|   |  |             | 2002   | Do I.T! .....                                | \$98,319    |
| <b>RAMS</b>   |  |             | <b>U of M - NRRI</b>                               |  |             |
| 2001  | Quadrangle Maps .....                      | \$2,000     | 2001   | Logger Ressc. & Ed. Cntr Study .....         | \$5,000     |
| 2002  | Do I.T! .....                              | \$50,000    | 2001   | Prof. Serv.-Wood Flooring Bus. ....          | \$18,000    |
| 2002  | Consultant for Tax Analysis .....          | \$7,500     | 2001   | Implementation of Perf. Code .....           | \$35,000    |
|   |  |             | 2002   | Performance Code .....                       | \$100,000   |
| <b>Range Center, Inc.</b>                           |  |             | <b>U of M Duluth Community &amp; Reg. Research</b> |  |             |
| 2001  | Specialized Housing .....                  | \$40,000    | 2002   | Study .....                                  | \$500       |
| <b>Range Mental Health Center</b>                   |  |             | <b>United States Hockey Hall of Fame</b>           |  |             |
| 2002  | Ren. of Cobb Cook School .....             | \$90,000    | 2001   | Operations .....                             | \$75,000    |
| <b>Range Rocks &amp; Minerals Inc.</b>              |  |             | 2002   | Operating Costs .....                        | \$75,000    |
| 2002  | Testing Program .....                      | \$17,459    |  |  |             |
| <b>Range Trail Committee</b>                        |  |             | <b>United Steelworkers</b>                         |  |             |
| 2002  | Grooming Equip. & Costs .....              | \$175,000   | 2001   | Bathrooms In Union Hall .....                | \$20,000    |
| <b>Ranger Snowmobile/ATV Club</b>                   |  |             | <b>University of Minnesota</b>                     |  |             |
| 2002  | Recreational Trail .....                   | \$12,000    | 2001   | Tax/Royalty Study & Permitting Guide .....   | \$50,000    |
| 2002  | Grooming Equipment/costs .....             | \$30,500    | 2001   | Coal Technology Study .....                  | \$25,000    |
|   |  |             | 2002   | 9th Intl. Platinum Symposium .....           | \$1,250     |
|   |  |             | 2002   | Minos Study .....                            | \$10,000    |
| <b>Residential Services of Neortheast Minnesota</b> |  |             | <b>US Steel-Minntac</b>                            |  |             |
| 2002  | Sprinkler System-Adult Foster Home .....   | \$10,000    | 2001   | Producer Grant Program .....                 | \$650,373   |
| 2002  | Cook Adult Foster Home .....               | \$37,250    | 2001   | TEDF .....                                   | \$2,003,149 |
| <b>Sam Solon Scholarship</b>                        |  |             | 2001   | Ported Kiln Project .....                    | \$1,250,000 |
| 2002  | Memorial Fund .....                        | \$10,000    | 2002   | Producer Grant Program .....                 | \$626,499   |
| <b>Sato Travel</b>                                  |  |             | 2002   | TEDF .....                                   | \$3,771,521 |
| 2001  | Employment Incentive .....                 | \$400,000   | 2002   | Smart Screen Project .....                   | \$1,000,000 |
| <b>Schroeder, Township of</b>                       |  |             | <b>Vermilion Community College</b>                 |  |             |
| 2001  | Infrastructure to 8 Housing Lots .....     | \$80,000    | 2001   | Master Logger Feasibility Study .....        | \$10,000    |
|   |  |             | 2002   | Valmet Simulator .....                       | \$20,000    |
|   |  |             | 2002   | Do I.T! .....                                | \$30,000    |
| <b>Silver Bay, City of</b>                          |  |             | <b>Vermilion Penguins Snowmobile Club</b>          |  |             |
| 2001  | Summer Youth .....                         | \$3,000     | 2002   | Grooming Equipment/Costs .....               | \$30,000    |
| 2001  | Airport Improvements .....                 | \$50,000    |  |  |             |
| 2002  | Summer Youth .....                         | \$3,000     |  |  |             |
| <b>Skate Jam Inc.</b>                               |  |             | <b>Virginia Public Schools</b>                     |  |             |
| 2001  | Park Improvements .....                    | \$15,000    | 2002   | Do I.T! .....                                | \$30,000    |
| <b>St. Louis County</b>                             |  |             | <b>Virginia Rifle &amp; Pistol Club</b>            |  |             |
| 2001  | Community Dev. Div.- Do I.T! .....         | \$5,000     | 2001   | Improvements To Rifle Range .....            | \$13,000    |
| <b>St. Louis County Promo. Bureau</b>               |  |             |  |  |             |
| 2002  | Tourism .....                              | \$2,500     |  |  |             |

# APPENDIX

## Grants

### Virginia, City of

|      |   |           |
|------|---|-----------|
| 2001 | Summer Youth .....                            | \$8,000   |
| 2001 | Larden Duplexes .....                         | \$50,000  |
| 2001 | Seppi Duplexes .....                          | \$50,000  |
| 2001 | Laurentian Vision Charrette .....             | \$17,500  |
| 2001 | Incubator Mfg Park .....                      | \$40,000  |
| 2001 | 16th Avenue Area .....                        | \$250,000 |
| 2002 | Site Preparation-BlueCross & BlueShield ..... | \$250,000 |
| 2002 | Summer Youth .....                            | \$8,000   |
| 2002 | New Business Park .....                       | \$300,000 |
| 2002 | Larden Duplexes .....                         | \$50,000  |
| 2002 | Seppi Housing .....                           | \$50,000  |
| 2002 | Southside Park .....                          | \$15,000  |
| 2002 | Infrastructure-Hoff Equipment .....           | \$250,000 |

### White, Township of

|      |                                     |           |
|------|-------------------------------------|-----------|
| 2001 | Water & Sewer to Giants Ridge ..... | \$100,000 |
| 2002 | Water & Sewer to Giants Ridge ..... | \$100,000 |
| 2002 | Twin Lakes Recreation Area .....    | \$15,000  |

### Wild North Golf Inc.

|      |                                |           |
|------|--------------------------------|-----------|
| 2001 | Golf Allianceec Start-up ..... | \$140,000 |
|------|--------------------------------|-----------|

### Woodline Mfg. Inc.

|      |                            |          |
|------|----------------------------|----------|
| 2002 | Relocating Equipment ..... | \$25,000 |
|------|----------------------------|----------|

### Virginia/Eveleth Econ. Dev. Authority

|      |                   |          |
|------|-------------------|----------|
| 2001 | Do I.T! .....     | \$4,450  |
| 2001 | HVAC System ..... | \$35,000 |

### Voyageur Snowmobile Club

|      |                                  |          |
|------|----------------------------------|----------|
| 2002 | Grooming Equipment & Costs ..... | \$24,900 |
|------|----------------------------------|----------|

## Taconite Industry Investments 1993 through 2002

| Company                       | Taconite<br>Assistance<br>Program | Taconite<br>Economic<br>Development<br>Fund | Producer<br>Grant<br>Program | Other<br>Assistance | Total                 |
|-------------------------------|-----------------------------------|---|------------------------------|---------------------|-----------------------|
| EVTAC Mining Company          | \$2,000,000                       | \$8,168,496                                 | \$2,263,294                  | \$1,500,000         | \$13,931,790          |
| Hibbing Taconite Company      | 2,000,000                         | 12,920,190                                  | 3,671,386                    | 1,000,000           | 19,591,576            |
| Ispat Inland Mining Company   | 2,000,000                         | 4,844,241                                   | 1,195,068                    |                     | 8,039,309             |
| LTV Steel Mining Company      | 2,000,000                         | 11,361,981                                  | 2,675,966                    |                     | 16,037,947            |
| National Steel Pellet Company | 2,000,000                         | 6,265,646                                   | 2,116,184                    | 6,248,375           | 16,630,205            |
| Northshore Mining Company     | 2,000,000                         | 6,112,423                                   | 1,855,426                    |                     | 9,967,849             |
| USS-Minnesota Ore Operations  | 2,000,000                         | 21,781,116                                  | 6,157,603                    | 2,250,000           | 32,188,719            |
| <b>Total Investment</b>       | <b>\$14,000,000</b>               | <b>\$71,454,093</b>                         | <b>\$19,934,927</b>          | <b>\$10,998,375</b> | <b>\$116,387,395*</b> |
| <b>Grand Total</b>            | <b>\$116,387,395*</b>             |   |                              |                     |                       |

## Taconite Industry Investments

\*Figure includes amounts pending

# APPENDIX

## Douglas J. Johnson Economic Protection Trust Fund ("2028" Fund)

## Douglas J. Johnson Economic Protection Trust Fund ("2028" Fund)

| Recipient                                  | Purpose                                  | Total Project Cost | Form                     | Agency Amount |
|--|--|--------------------|--------------------------|---------------|
| <b>Aitkin</b>                              |  |                    |                          |               |
| Peat Technologies Corp. (PEATEC)           | Expansion/Relocation                     | \$893,000          | Conv. Debenture          | \$50,000      |
| Aitkin County Growth/Sterns Rubber         | Expansion                                | \$486,000          | Direct Loan              | \$200,000     |
| Aitkin County Growth/Fiber Optics          | Install Fiber Optics                     | \$120,000          | Direct Loan              | \$120,000     |
| <b>Aurora</b>                              |  |                    |                          |               |
| GEC Engineering Corp.                      | Start-up                                 | \$450,000          | Conv. Debenture          | \$300,000     |
| <b>Babbitt</b>                             |  |                    |                          |               |
| Kasson Mfg., Inc.                          | Expansion                                | \$700,000          | Direct Loan              | \$100,000     |
| Kasson Mfg., Inc.                          | Expansion                                | \$4,300,000        | Equity Investment        | \$150,000     |
| Babbitt Commercial Prop. Purchase          | Purch. Land for Econ. Development        | \$497,000          | Direct Loan              | \$250,000     |
| <b>Biwabik</b>                             |  |                    |                          |               |
| Anderberg Answering Bureau, Inc.           | Expansion/Relocation                     | \$370,000          | Direct Loan              | \$150,000     |
|  |  |                    | Employee Incentive Grant | \$100,000     |
| Lammi Industrial Machine                   | Start-up                                 | \$70,000           | Part. Loan               | \$25,000      |
| <b>Bovey</b>                               |  |                    |                          |               |
| Colonial Castings, Inc.                    | Expansion                                | \$105,000          | Part. Loan               | \$35,000      |
| <b>Buhl</b>                                |  |                    |                          |               |
| Cast Corporation                           | Expansion                                | \$330,000          | Part. Loan               | \$165,000     |
| <b>Cohasset</b>                            |  |                    |                          |               |
| Larex, Inc.                                | Expansion                                | \$2,500,000        | Conv. Debenture          | \$250,000     |
| <b>Crane Lake</b>                          |  |                    |                          |               |
| DSR Sales, Inc. d/b/a Brute ATV            | Start-up                                 | \$490,000          | Conv. Debenture          | \$60,000      |
| <b>Eveleth</b>                             |  |                    |                          |               |
| FAST, Inc.                                 | Expansion                                | \$1,700,000        | Investment               | \$600,000     |
| Woodline Mfg.                              | Expansion                                | \$1,935,000        | Direct Loan              | \$600,000     |
|  |  |                    | Equip. Reloc. Grant      | \$25,000      |
| FAST, Inc.                                 | Expansion                                | \$200,000          | Investment (Bd. Acct.)   | \$50,000      |
| <b>Gilbert</b>                             |  |                    |                          |               |
| IRRRRA/Gilbert IGA (for Delta Dental)      | Purch. & Renovate Bldg. for Delta Dental | \$650,000          | Bldg. Purchase           | \$150,000     |
|  |  |                    | Renovate Building        | \$300,000     |
|  |  |                    | Telecomm. To Site        | \$200,000     |
| Delta Dental Plan of Minnesota             | Expansion/Relocation                     | \$560,000          | Emp. Incentive Grant     | \$240,000     |
|  |  |                    | Emp. Incentive Grant     | \$160,000     |
|  |  |                    | Training & Trans. Grant  | \$160,000     |
| Delta Dental Plan of Minnesota             | Expansion                                | \$1,740,000        | Capital Contribution     | \$750,000     |
| <b>Hibbing</b>                             |  |                    |                          |               |
| Hibbing Electronics                        | Expansion                                | \$150,000          | Emp. Incentive Grant     | \$150,000     |
| North Bay Trail, LLC (for Hib. Elec.)      | Expansion                                | \$764,000          | Direct Loan              | \$225,000     |
| Hibbing Fabricators                        | Expansion                                | \$600,000          | Part. Loan               | \$150,000     |
| DMR Electronics, Inc.                      | Expansion                                | \$1,600,000        | Part. Loan               | \$400,000     |
| Hibbing Taconite Company                   | Tailing Basin Project                    | \$3,370,000        | Forgivable Loan          | \$1,000,000   |
| <b>Hoyt Lakes</b>                          |  |                    |                          |               |
| BelCorp                                    | Exp./Relocation                          | \$2,450,000        | Part. Loan               | \$500,000     |
|  |  |                    | Emp. Inc. Grant          | \$200,000     |
|  |  |                    | Relocation Grant         | \$50,000      |
| Floe International, Inc.                   | Expansion                                | \$224,000          | Part. Loan               | \$63,000      |
| <b>Keewatin</b>                            |  |                    |                          |               |
| MIS Steel, Inc.                            | Taconite/DRI Minimill                    | \$600,000          | Conv. Debenture          | \$300,000     |
| <b>Orr</b>                                 |  |                    |                          |               |
| Northern Lights Houseboats (Ebel's)        | Expansion                                | \$450,000          | Part. Loan               | \$180,000     |
| <b>Progress Park</b>                       |  |                    |                          |               |
| VEEDA                                      | Install HVAC System                      | \$35,000           | Grant                    | \$35,000      |
| <b>Silver Bay</b>                          |  |                    |                          |               |
| Mesabi Nugget, LLC                         | Iron Nugget Pilot Plant                  | \$24,000,000       | Conv. Debenture          | \$8,000,000   |
| <b>Two Harbors</b>                         |  |                    |                          |               |
| Granite Gear, Inc.                         | Expansion                                | \$109,400          | Part. Loan               | \$45,000      |
| Accelerated Payments, Inc.                 | Expansion                                | \$1,584,110        | Conv. Debenture          | \$250,000     |
|  |  |                    | Emp. Incentive Grant     | \$150,000     |
| Sur-Fab, LLC                               | Start-up                                 | \$350,000          | Part. Loan               | \$150,000     |
| <b>Virginia</b>                            |  |                    |                          |               |
| Staver Foundry, Inc.                       | Expansion                                | \$400,000          | Direct Loan              | \$200,000     |
| BlueCross & BlueShield of MN (also Aurora) | Exp./Relocation                          | \$12,000,000       | Transition Grant         | \$100,000     |
|  |  |                    | Emp. Incentive Grant     | \$600,000     |

# APPENDIX

## IRRRA Operational Accounts

## Financial Summary

| Resources                        | Fiscal Year<br>2001 | Fiscal Year<br>2002 |
|----------------------------------|---------------------|---------------------|
| Carry Forward In                 | \$8,627,319         | \$8,678,726         |
| <b>Current Resources:</b>        |                     |                     |
| Taconite Production Taxes        | 16,467,796          | 12,554,605          |
| Investment Earnings              | 4,700,000           | 5,060,000           |
| Loan Revenues                    | 2,500,000           | 2,307,760           |
| Facilities Revenue               | 4,635,155           | 4,979,669           |
| Bond Proceeds                    | 1,200,000           | 0                   |
| Subtotal Current Resources       | 29,502,951          | 24,902,034          |
| <b>Total Resources Available</b> | <b>\$38,130,270</b> | <b>\$33,580,760</b> |

| Expenditures                   | Fiscal Year<br>2001 | Fiscal Year<br>2002 |
|--------------------------------|---------------------|---------------------|
| <b>Programs</b>                |                     |                     |
| Business Development           | 5,850,029           | 5,406,026           |
| Community Development          | 6,340,715           | 5,487,486           |
| Business Recruitment           | 1,707,917           | 1,266,917           |
| Communications                 | 317,218             | 289,074             |
| Tourism                        | 892,940             | 441,896             |
| Commissioner Projects          | 350,000             | 300,000             |
| Mining & Natural Resources     | 264,512             | 268,693             |
| Do I.T!                        | 824,585             | 749,585             |
| Trails                         | 604,766             | 614,836             |
| Building Demolition            | 253,973             | 253,948             |
| <b>Facilities</b>              |                     |                     |
| Giants Ridge Golf & Ski Resort | 4,271,951           | 4,579,900           |
| Ironworld Discovery Center     | 2,846,371           | 2,612,470           |
| Mineland Reclamation           | 1,038,116           | 708,987             |
| Maintenance/Shop               | 614,335             | 491,273             |
| Facility Improvements          | 1,250,000           | 0                   |
| <b>Administrative Services</b> |                     |                     |
| General Support                | 1,582,192           | 1,861,843           |
| Information Systems            | 458,878             | 423,583             |
| Human Resources                | 384,332             | 256,876             |
| <b>Total Expenditures</b>      | <b>\$29,852,830</b> | <b>\$26,013,393</b> |
| <b>Carry Forward Out</b>       | <b>\$8,277,440</b>  | <b>\$7,567,367</b>  |

## Douglas J. Johnson Economic Protection Trust Fund (the "2028 Fund")

|  | Fiscal Year<br>2001 | Fiscal Year<br>2002 |
|--|---------------------|---------------------|
| Beginning Balance                                      | \$79,597,313        | \$81,786,358        |
| Taconite Tax Receipts                                  | 2,036,149           | 2,869,077           |
| Interest on Tax Receipts Prior to County Distributions | 152,896             | 141,403             |
| Expenditures & Obligations                             | 0                   | (7,516,359)         |
| <b>Ending Balance</b>                                  | <b>\$81,786,358</b> | <b>\$77,280,479</b> |

## APPENDIX

### Contact Information

### Contact Information

**Agency Administrative Office**

1006 Highway 53 South  
P.O. Box 441  
Eveleth, MN 55734-0441  
Phone: (218) 744-7400  
Fax (218) 744-7401  
[www.irrrb.org](http://www.irrrb.org)

**Giants Ridge Golf & Ski Resort**

P.O. Box 190  
Biwabik, MN 55708  
Phone: (218) 865-3000  
Fax: (218) 865-3025  
[www.giantsridge.com](http://www.giantsridge.com)

**Ironworld Discovery Center**

P.O. Box 392  
Chisholm, MN 55719  
Phone: (218) 254-7959  
Fax: (218) 254-7972  
[www.ironworld.com](http://www.ironworld.com)

**Iron Range Research Center**

P.O. Box 392  
Chisholm, MN 55719  
Phone: (218) 254-7965  
Fax: (218) 254-7971  
[www.ironrangeresearchcenter.org](http://www.ironrangeresearchcenter.org)

**Mineland Reclamation**

P.O. Box 392  
Chisholm, MN 55719  
Phone: (218) 254-7967  
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The 2001-2002 Biennial Report to the Legislature recaps the Iron Range Resources and Rehabilitation Agency's activities from July 1, 2000-June 30, 2002. This report has been prepared in compliance with Minnesota Statutes 1992, Section 298.22, Subdivision 2. It is available to members of the State Legislature, public entities and citizens. The agency estimates the cost of this report to be \$8,350. (\$4,575 Printing and \$3,775 Production)

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