

BIENNIAL REPORT

**Fiscal Years
2015-2016**



**Iron Range Resources &
Rehabilitation Board**



To the Governor and Legislature of the State of Minnesota



With regard and a sense of renewed opportunity within northeastern Minnesota, it is a privilege to submit the thirty-seventh Iron Range Resources and Rehabilitation Board (IRRRB) biennial report to the Honorable Governor Mark Dayton and Minnesota Legislature.

In 2016, IRRRB marked its 75th anniversary of diversifying northeastern Minnesota's economy, strengthening communities and improving quality of life.

IRRRB economic development initiatives during the biennium focused on value-added job creation projects, expansion of local businesses, meeting the workforce needs of local industry and making our communities more attractive places to live and prosper.

As northeastern Minnesota's iron mining industry and its citizens during 2015-2016 endured a major domestic steel downturn rooted in unfairly traded steel imports, IRRRB engaged approximately 600 area business, community and cultural leaders in a series of strategic "Recharge the Range" forums.

Today, IRRRB, in partnership with Iron Range business, community and education leaders, is moving forward in a spirit of renewed collaboration to implement creative actions internally and externally that grow jobs and forge a stronger region.

A handwritten signature in blue ink, appearing to read "Mark Phillips".

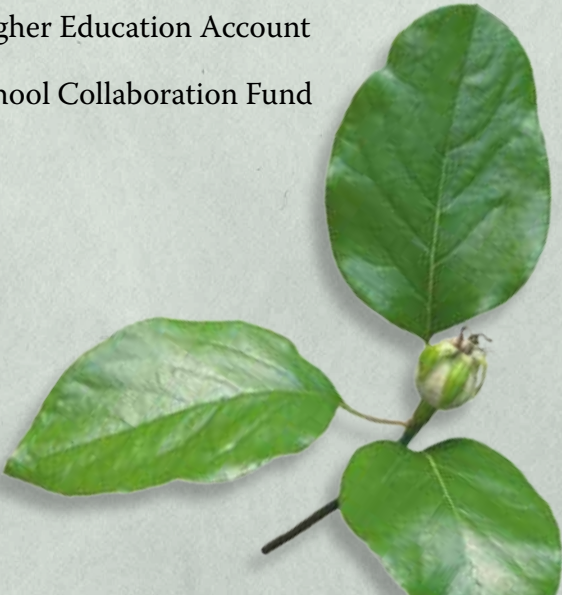
Sincerely,
Mark Phillips, Commissioner





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WHO WE ARE

Iron Range Resources and Rehabilitation Board (IRRRB) is a State of Minnesota economic development agency headquartered in Eveleth. IRRRB offers attractive business development financing to businesses that relocate or expand within the IRRRB service area. Grants are available to local units of government, educational institutions and nonprofits which support job growth, workforce development and sustainable communities. The IRRRB commissioner is appointed by the Governor of the State of Minnesota.

MISSION

Promote and invest in business, community and workforce development for the betterment of northeastern Minnesota.

VISION

Advance regional growth by stabilizing and enhancing the economy of northeastern Minnesota.

STRATEGIES

Invest in growing businesses that create jobs. Prepare communities for change and growth. Invest in an educated workforce.



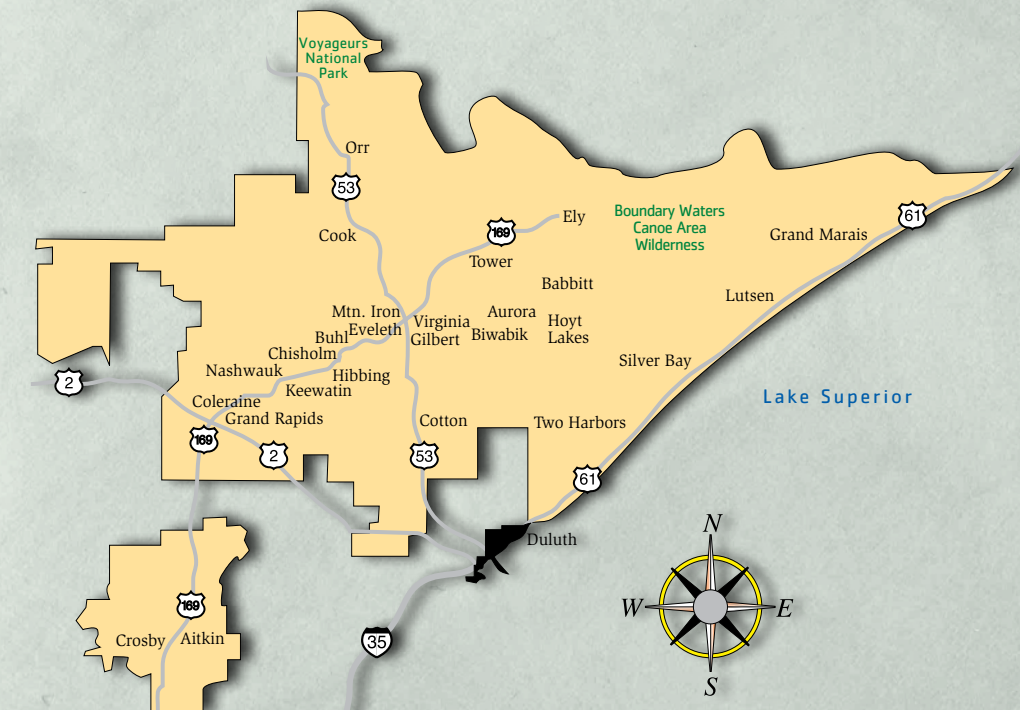


HOW WE ARE FUNDED

Following legislatively dedicated distributions to local governments, schools and counties, IRRRB is funded by a portion of a local taconite production tax paid by mining companies on each ton of iron ore pellets produced. The taconite production tax is paid by mining companies in lieu of property taxes. IRRRB has an annual budget that is presented by the commissioner to a nine-member board.

WHO WE SERVE

The IRRRB service area is a 13,000 square-mile portion of northeastern Minnesota, including 50 cities, 129 townships and 15 school districts. The service area is defined by school district borders. (Minnesota Statute 273.1341)





REPRESENTATIVE
Tom Anzelc



SENATOR
Tom Bakk



REPRESENTATIVE
Rob Ecklund



REPRESENTATIVE
Dale Lueck



REPRESENTATIVE
Carly Melin



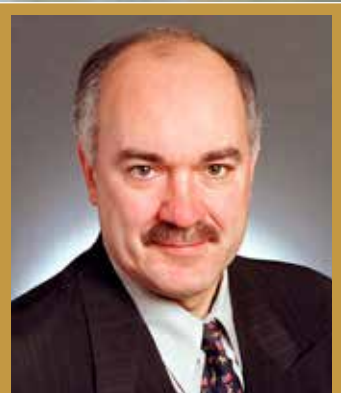
REPRESENTATIVE
Jason Metsa



SENATOR
Tom Saxhaug



SENATOR
Rod Skoe



SENATOR
David Tomassoni

BOARD

The Iron Range Resources and Rehabilitation Board consists of the state senators and representatives elected from state senatorial or legislative districts in which one-third or more of the residents reside within the IRRRB service area. One additional state senator is appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration. The members are appointed in January of every odd-numbered year and serve until January of the next odd-numbered year.





RECHARGE THE RANGE

In response to a prolonged downturn in the region's economy as a result of a major slowdown in the domestic steel and iron ore industries, IRRRB spearheaded "Recharge the Range," a series of four strategic economic forums.

Nearly 600 community, business, cultural leaders and members of the public participated in the forums. Hosted by IRRRB and its regional economic development partners, the forums generated new ideas for business growth, community improvement, culture, arts, tourism and recreation.

Following the forums, action groups led by area business, community and cultural leaders moved forward with implementing a strategic roadmap for economic development. Targeted areas are: small business strategies; large business expansion; natural resources; education and talent development; infrastructure; tourism and recreation; and livable communities.

New partnerships within the health care industry, recreational trail organizations, arts community and among IRRRB service area mayors, were formed as a result of the forums.

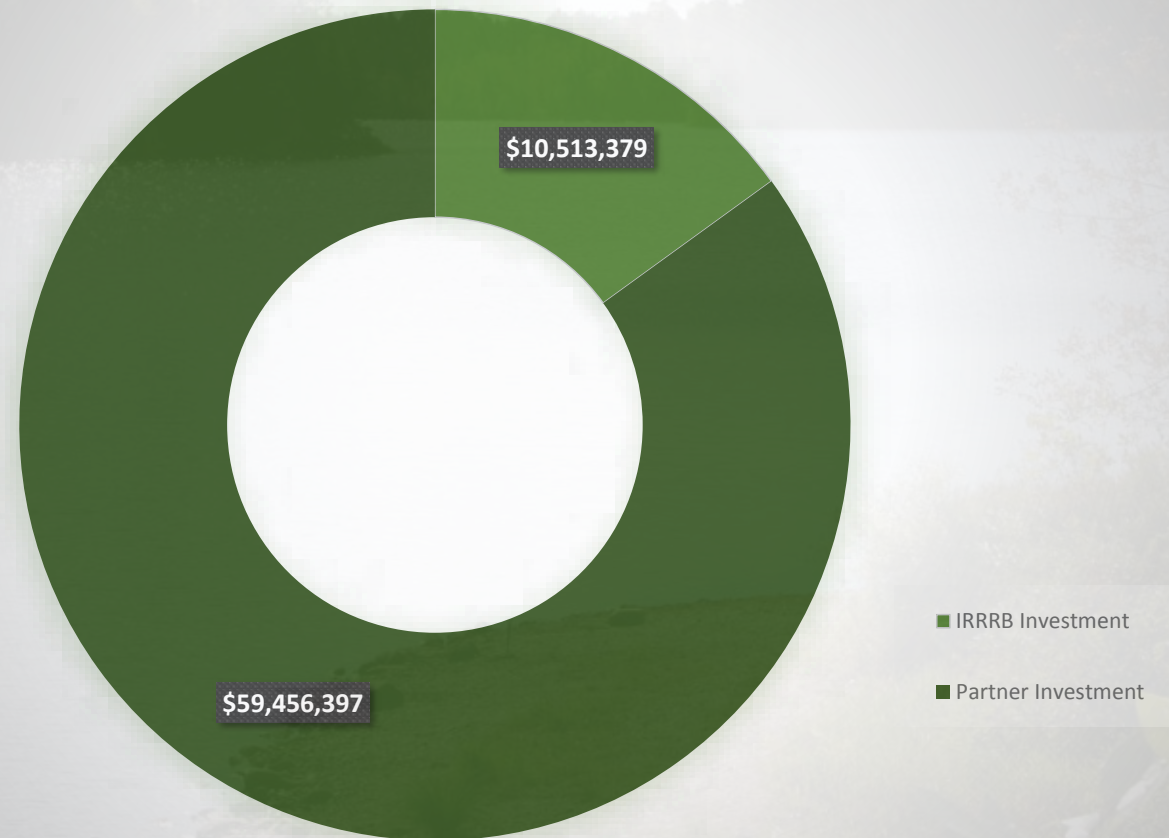
IRRRB is implementing initiatives in fiscal year 2017 that address consensus visions brought forth at the forums to revitalize downtowns and business corridors, and increase arts, culture, tourism, recreation and quality of life opportunities.

Recharge the Range

A strategic roadmap for
economic development

Business Development

Total Project Investment \$69,969,776



BUSINESS DEVELOPMENT

IRRRB's attractive business development financing programs are tailored to meet customer needs. The agency partners with businesses, financial institutions and additional funding sources to invest in businesses that create jobs in northeastern Minnesota.

Over the past two years, IRRRB completed \$10.5 million in business development loans, generating a total project investment in northeastern Minnesota of \$69.9 million.

IRRRB IS HERE
TO HELP GROW
BUSINESS.



WINTERGREEN NORTHERN WEAR

High-quality outdoor performance clothing is again being manufactured at Wintergreen Northern Wear in Ely.

Two years after the longtime business closed under different ownership, former owner Sue Schurke and her husband, explorer Paul Schurke, reacquired the business they started in 1983.

With assistance from IRRRB, the Schurkes reopened Wintergreen Northern Wear at its original location in downtown Ely.

“It’s been really neat since we reopened,” said Sue Schurke. “People are stopping in and sending cards to say ‘we’re so glad you’re back.’”

Wintergreen Northern Wear’s dedicated staff cuts patterns and sews its high-performance active wear for women, men and children within its manufacturing and retail sales facility on Sheridan Street. Wintergreen Northern Wear products are built to offer warmth, breathability and wind protection.

“Our mission is to produce quality clothing, give back to the community and be involved,” said Schurke.



HIBBING FABRICATORS

Precision metal components are manufactured and shipped throughout the world at Hibbing Fabricators.

Founded 31 years ago, Hibbing Fabricators produces about 400,000 parts annually to the aviation, medical, computer and industrial component industries.

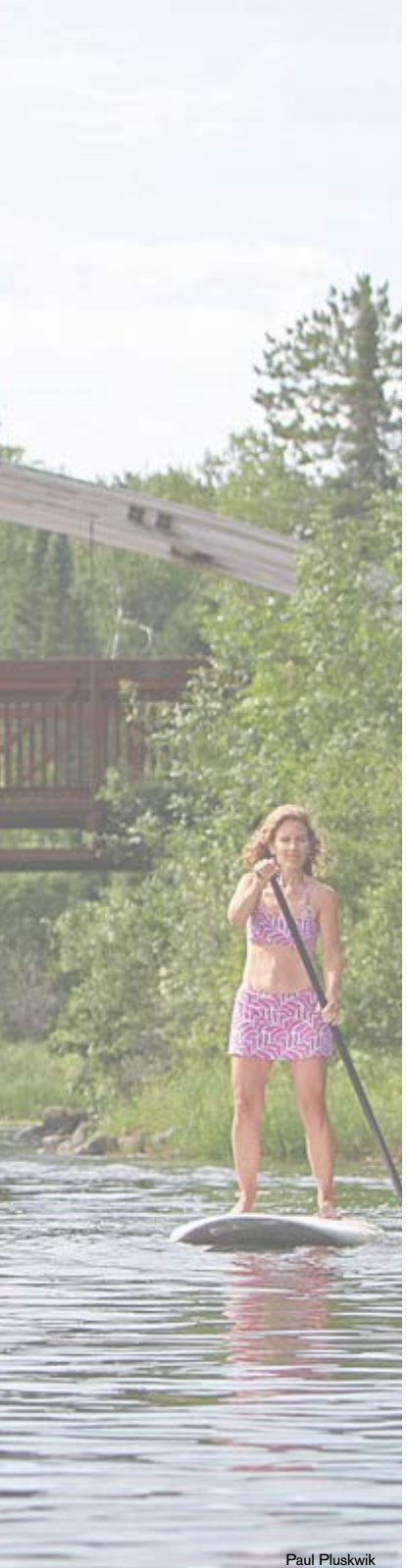
“When we started, the intent was to provide jobs here in Hibbing and that hasn’t changed,” said Sandy Bryant, Hibbing Fabricators president. “Our biggest focus today is still to provide jobs for the community.”

Forty percent of the company’s business is with the aviation industry; 30 percent for medical industry application; 25 percent for computers, electronics and industrial components; and five percent for the mining industry.

“We make some pretty high-end stuff,” said Bryant. “It’s kind of fun knowing where these parts go.”

With sales on a steady climb, IRRRB assistance during the biennium helped Hibbing Fabricators acquire additional state-of-the-art production equipment to help meet customer needs and expand business lines.

“IRRRB has been very helpful to us in helping out with low-cost loans,” said Bryant. “You need to keep up with technology and your competitors, or you get left behind.”



COMMUNITY DEVELOPMENT

IRRRB’s community development programs help support public infrastructure and job growth projects in IRRRB service area communities.

The agency’s community development team partners with communities, local units of government, regional, state and federal community development organizations to help fund projects critical to maintaining vibrant communities.

IRRRB’s community development programs also provide assistance to local units of government for the removal of dilapidated commercial and residential structures and for comprehensive community planning. Community development programs additionally assist local businesses with energy savings, downtown revitalization and broadband development.

During the biennium, IRRRB awarded \$25.9 million in grants, generating a total project investment of \$236.6 million.





MINNESOTA DIVERSIFIED INDUSTRIES

A major expansion of Minnesota Diversified Industries (MDI) in Cohasset is enhancing employment opportunities for people with and without disabilities.

MDI manufactures custom packaging solutions and provides production and fulfillment services and recycling processing for business-to-business customers.

In acquiring a 110,000 square-foot building, the non-profit is expanding its polyethylene plastics manufacturing businesses, entering new lines of business and improving working conditions for its employees.

IRRRB supported the project with a grant to the City of Cohasset for health, safety and facility modifications within the building.

“We are very excited about the possibilities this facility will provide for MDI’s current and future operations,” said Peter McDermott, MDI president and CEO. “We sincerely appreciate all of the individuals and organizations that have helped make this purchase a reality for MDI.”

MDI employs 508 people at facilities in Cohasset, Deer River, Hibbing, Grand Rapids and the Twin Cities.

“MDI is excited to be part of the workforce development effort on the Range,” said McDermott. “The more job opportunities we can all provide on the Range, the better we will all be.”



JOY GLOBAL

Joy Global Regional Headquarters in Virginia provides sales and service to customers in the Upper Midwest and beyond.

A 2.9-acre expansion of a lay-down area at the facility completed in June 2016, allows the facility for the first time to build new structures and equipment for distribution across North America.

“What it allows us to do is to get into bigger equipment builds,” said John Ward, general manager of the region. “It allows us the capability to build whole new units.”

IRRRB supported site preparation for the expanded lay-down area with a grant to the City of Virginia.

The lay-down area expansion also provides Joy Global increased space to tear down and assemble machine components and the capability to expand existing buildings.

The 20-acre, 82,000 square-foot center opened in 2012. The facility offers electrical technician, mechanical and welding field services, component programs and repair, return and rebuild services.

Headquartered in Milwaukee, Joy Global has been a major manufacturer of world-class surface and underground mining equipment for 130 years.



COMMERCIAL REDEVELOPMENT

The IRRRB Commercial Redevelopment Program provides grants to cities, townships, collaborative organizations and commissions within the IRRRB service area to assist with demolishing dilapidated commercial or industrial buildings and cleanup of brownfields.

The program promotes new development on the restored sites.

RESIDENTIAL REDEVELOPMENT

The IRRRB Residential Redevelopment Program provides grants to cities and townships within the IRRRB service area to assist in demolishing and removing dilapidated residential structures, including single-family homes, garages, accessory structures and duplexes.

The program helps create healthier, more attractive communities and generates opportunities for new construction.



WORKFORCE DEVELOPMENT

IRRRB through its Workforce Development Program works together with five Northeast Higher Education District colleges and Advanced Minnesota to offer educational programs that meet the workforce needs of regional employers.

In partnership with the colleges and Advanced Minnesota, IRRRB's workforce development program develops and supports educational programs that provide customized training to existing and emerging employers.

By partnering with colleges and industry, IRRRB's workforce development programs foster a comprehensive regional strategy to create, sustain and retain an educated, well-trained workforce.

Applied Learning Institute

During the biennium, the Applied Learning Institute (ALI) expanded its leading-edge hands-on training curriculum to three additional northeastern Minnesota school districts. With expansion to Aitkin, Crosby and Grand Marais, total ALI membership is 1,250 students at 25 high schools in 20 school districts.

ALI provides school districts with the technology and tools to help students learn the technical and problem-solving skills required by employers. ALI students during the biennium helped build Habitat for Humanity homes in several communities, high-mileage cars, solar boats and in-school industrial projects.

ALI programs "ladder" into courses at the Northeast Higher Education District colleges. ALI programs are: Construction Trades, Healthcare, Industrial Technology, Pre-Engineering and Technical Math.

IRRRB is a sponsoring partner of ALI.

"IRRRB is helping northeastern Minnesota train and retain the workers of tomorrow."



IRON RANGE ENGINEERING

Iron Range Engineering (IRE) has expanded from a two-year program, offering the last two years of an engineering degree, to a four-year program providing an entire engineering bachelor's degree education.

Based at Mesabi Range College in Virginia, IRE is a project-based learning model in which students work with local industries on projects.

During 2015-2016, IRE students completed more than 15 projects for Hibbing Taconite Co., DMR Electronics, Malicious Cycles, Marvin Windows, Minnesota Power, Arctic Cat, Polaris, the Orr Center and NewCon Valve Co. IRE students also completed five entrepreneurial projects of which two, Iron Range MakerSpace and a renewable pump storage hydropower project, won several awards

In 2015, IRE earned the Minnesota State Colleges and Universities award for Innovation in Academic programming.

IRE was invited to share its learning model in Africa and Australia in the fall of 2016. Publications on the IRE model have been accepted in the International Journal of Engineering Education. Two books on the IRE project-based learning model were published in 2016. In addition, the National Science Foundation in 2016 founded two external research studies on the IRE model.

In 2015, 98 students were enrolled in IRE. In 2016, enrollment was 101.



IRON RANGE NURSING

Health Care Simulation Center of Excellence

With support from an IRRRB Workforce Development grant, a Health Care Simulation Center of Excellence opened in the fall of 2016 to students at Hibbing Community College.

Featuring general medical/surgical patient critical care, obstetrics and isolation rooms, the facility expands the college's nursing curriculum by developing scenarios and training within a simulation center using the newest health care practices.

"This is the cutting edge of nursing education," said Sandy Gustafson, Hibbing Community College director of nursing. "When students come here, they know they're going to get a great experience."

In addition to training students, the center will be utilized to help train long-term care facilities staff, other health care personnel and strengthen connections with regional hospital partners.



GIANTS RIDGE CHALET & EVENT CENTER

Completed in the summer of 2016 at the base of the alpine mountain, the new Giants Ridge Chalet & Event Center provides visitors a first-class recreation experience.

The 34,000 square-foot energy efficient facility offers Giants Ridge guests year-round access and an attractive venue for weddings, banquets, conferences and special events.

Featured within the new Chalet & Event Center:

- Recreation services & admissions
- Gift shop
- Snow sports school
- Equipment rental shop
- Banquet and conference space
- Food service

Construction of a climbing wall in the fall of 2016 and the addition of a natural play area, purpose-built single track/gravity mountain bike trails, and the installation of two new quad chair lifts coming in 2017, augment Giants Ridge amenities.

A 2016 THK Associates study shows Giants Ridge to have a \$43 million economic impact on the local economy.



APPENDICES

AGENCY BUDGET

Resources
Carryforward In
Current Resources
Taconite Production Taxes
Investment Earnings
Loan Revenues
Facilities Revenues
Occupation Tax Region III
Taconite Homestead Credit Transfer
Subtotal Current Resources
Total Resources
Estimated Expenditures
Projects
Development Projects
Public Works
Total Projects
Programs
Program Grants
Occupation Tax Region III
Total Programs
Giants Ridge
Operations & Development Fixed Costs
Total Budget
Estimated Carryforward Out

FY 2015 BUDGET	FY 2016 BUDGET
\$6,085,554	\$6,788,566
\$21,251,632	\$21,273,530
550,116	587,155
2,772,094	2,157,268
4,231,768	4,177,513
594,116	591,554
2,574,505	0
\$31,974,231	\$28,787,020
\$38,059,785	\$35,575,586
9,050,000	5,000,000
8,249,010	6,000,000
\$17,299,010	\$11,000,000
4,595,000	5,245,000
594,116	591,554
\$5,189,116	\$5,836,554
\$7,862,536	\$9,518,830
\$6,099,179	\$6,799,523
\$36,449,841	\$33,154,907
\$1,609,944	\$2,420,679

GRANTS

FY15 GRANTS

ORGANIZATION - DESCRIPTION	IRRRB INVESTMENT	TOTAL PROJECT INVESTMENT
A plus B Productions - produce “Gems of Itasca Environmental Edition”	3,887	24,000
A plus B Productions - produce “Gems of Itasca the Mining Edition”	3,887	24,000
A plus B Productions - produce leadership documentary	14,856	76,000
Advocates for Family Peace - financial assistance for domestic violence programs	10,000	15,000
Aitkin - demolish old Brandl Motors building	64,876	64,876
Aitkin - infrastructure and site work for 35-unit assisted living facility	99,500	4,042,000
APEX - Northforce.org Phase II	35,000	100,000
APEX - recruit domestic outsourcing companies	5,765	12,000
APEX - FAM site selector tour	2,725	10,560
Arbo - infrastructure relocated for Itasca Gun Club	125,000	290,750
Arrowhead Economic Opportunity Agency (AEOA) - Business Energy Retrofit Program	500,000	500,000
Arrowhead Manufacturing & Fabricators - business recruitment and marketing	1,951	2,000
Aurora - upgrade infrastructure on three streets and alleys	250,000	552,700
Babbitt - upgrade infrastructure on Elm Boulevard	150,000	827,036
Balkan - comprehensive plan	6,000	12,000
Balkan - upgrade fiber to Balkan and French townships	230,211	690,932
Bigfork - demolish three houses	20,349	20,349
Bigfork Valley Community Foundation - Bigfork River Walk	15,650	175,400
Biwabik - comprehensive plan	4,500	9,000
Biwabik - upgrade infrastructure on Main Street	150,000	783,000
Blood Stripe Movie LLC - produce “The Blood Stripe”	14,549	555,979
Bovey - upgrade infrastructure on three alleys	120,000	249,000
Breitung - upgrade water tower and water main infrastructure	150,000	495,272
Buhl - restore library front steps and sidewalk	15,000	30,206
Buhl - demolish two houses and one garage	19,182	19,182
Buhl - upgrade infrastructure on three avenues	47,557	451,300
Calumet - infrastructure for 16-unit apartment building	40,000	60,000
Chisholm - upgrade infrastructure on 4th Street	245,000	612,875
Chisholm Veterans Memorial Association - install new lighting	2,500	4,995
Chisholm Veterans Memorial Association - install new lighting	13,895	13,895
Central Iron Range Sanitary Sewer District - demolish old wastewater treatment facilities	150,000	726,630
Clinton township - upgrade broadband to 25 communities	1,500,000	4,800,000
Club Mesabi - develop an interactive mapping application for Mesabi Trail	5,000	15,000

FY15 GRANTS - CONTINUED

ORGANIZATION - DESCRIPTION	IRRRB INVESTMENT	TOTAL PROJECT INVESTMENT
Cohasset - infrastructure and site work of industrial park Phase II	250,000	3,187,000
Coleraine - upgrade infrastructure on Hawkins Avenue	169,700	363,854
Cook - infrastructure for redevelopment of Vermilion Motel	130,000	1,500,000
Cook County Airport - expand airport runway	100,000	5,000,000
Cook County Community Radio WTIP- radio tower transmitter	35,000	70,000
Crane Lake - comprehensive plan	4,320	9,085
Crazy Iron Productions - produce reality show of motorcyle building shop	2,320	84,228
Crosby - infrastructure for lodging development	150,000	1,215,170
Crosby - upgrade to HVAC/Dehumidification at Hallett Center	50,000	50,000
Disabled Veterans Recreation - refurbish ADA dock, purchase kayaks and canoe seats	7,577	40,402
East Range Joint Powers Board - economic development services	47,468	120,000
East Range Joint Powers Board - comprehensive plan	40,000	80,000
Edge of the Wilderness - promote and produce the 10th Anniversary Season	10,000	41,486
Education Innovation Partners - provide regional equal access and opportunity	2,000,000	2,784,739
Ely - demolish Needful Things building	20,000	32,290
Ely Chamber of Commerce - Harvest Moon Festival	3,250	22,000
Ely - infrastructure for Vermilion Community College student housing	350,000	5,800,000
Ely - upgrade airport runway	150,000	4,112,739
Eveleth - demolish four structures	24,717	24,717
Eveleth - repair and renovate West Eveleth water tower	200,000	614,630
Eveleth - upgrade infrastructure on three streets	150,000	455,654
Fayal - comprehensive plan	5,355	20,000
Fayal - upgrade sanitary sewer/lift station	110,000	349,027
Friends of the Greenhouse - construct accessible public restroom	20,000	50,000
Gilbert - demolish Lopp Store	15,467	23,200
Gilbert - demolish two houses, one garage, two accessory structures	15,345	15,345
Gilbert - extend waterline from Gilbert to McKinley	223,000	1,961,000
Grand Rapids - demolish four houses	17,343	45,469
Grand Marais Arts - marketing & communications, website upgrades, capital improvements	10,000	42,642
Greenway Joint Recreation Association - upgrade Coleraine arena roof	19,700	28,991
Greenway - infrastructure for collaborative emergency services facility Phase II	100,000	898,000
Greenwood - comprehensive plan	6,663	13,325
Here There Be Monsters - produce “Here There Be Monsters”	5,500	45,050
Hibbing - demolish four houses and four garages	20,742	47,538

FY15 GRANTS - CONTINUED

ORGANIZATION - DESCRIPTION	IRRRB INVESTMENT	TOTAL PROJECT INVESTMENT
Hibbing - infrastructure for hotel development	150,000	10,580,000
Hibbing - infrastructure for Brooklyn Area Phase II	250,000	1,498,707
Hibbing - scam tailings study	60,000	76,200
Hibbing - demolish one house	2,856	2,856
Hoyt Lakes - demolish former police and fire station	65,200	159,000
Hoyt Lakes - upgrade storm water system Phase II	100,000	585,250
In an Instant LLC - produce “In An Instant”	5,200	20,800
Iron Range Tourism Bureau - produce “The Minnesota Traveler”	7,270	22,350
Iron Range Tourism Bureau- produce and promote the 2015 MSAA Indoor Archery Tournament	5,780	47,025
Ironworld Development Corporation - operating expenses and capital improvements	1,202,701	1,202,701
Itasca County - demolish two accessory structures	5,057	5,057
Keewatin - upgrade infrastructure on 3rd Street South and two alleys	200,000	256,000
Keewatin - infrastructure on 2nd and 3rd avenue water loop project Phase II	20,000	34,000
Keewatin - demolish three houses, two garages and two accessory buildings	21,807	21,807
Kinney - demolish four houses, two garages and three accessory structures	31,536	31,536
LaPrairie - infrastructure for two business expansions	150,000	9,448,506
LaPrairie - demolish one house and one accessory structure	26,657	26,657
Lutsen township - upgrade golf course irrigation and infrastruture Phase II	300,000	5,137,456
Marble - replace waterline at five locations	250,000	540,000
Marble and Calumet - update comprehensive plan	4,000	8,000
McKinley - comprehensive plan	3,393	6,785
Meadowlands - EDA Emergency Business - Schneidermans	10,000	69,000
Mountain Iron - demolish two houses	12,672	12,672
Mountain Iron - infrastructure from Main Street to Agate Street	60,000	170,000
Mountain Iron - replace force main for Mud Lake Road	90,000	200,000
Nashwauk - demolish Rantala Building and remove soil correction for Motter Equipment	120,000	1,920,000
Nashwauk - infrastructure on Platt Avenue	83,000	166,000
North Shore Scenic Drive Council - design improvements at waysides	5,000	20,000
North Star Foundation of the Mesaba - upgrade park accessibility	15,650	25,650
Northeast Higher Education District - LEAN Six Sigma Process	50,000	250,600
Northeast Higher Education District - IDEA Drilling strategic plan	30,298	62,600
Northeast Higher Education District - summer welding program	30,000	61,900
Northeast Higher Education District - purchase AdvancedMN CDL Driving Simulator	117,000	225,000
Northspan - Northlandconnection.com and industrial park research	35,000	144,560

FY15 GRANTS - CONTINUED

ORGANIZATION - DESCRIPTION	IRRRB INVESTMENT	TOTAL PROJECT INVESTMENT
Northspan - Northforce.com Phase II	33,333	100,000
Orr - infrastructure on Highway 23	53,099	581,418
Pike Sandy Britt Fire Department - replace roof on Boy Scout lodge at Lake Leander	8,000	8,000
Quad Cities - Small Business Development Center - UMD	60,000	120,000
Range Regional Airport - expand new airport terminal	250,000	19,138,365
St Louis County Historical Society - Erie Mining history book	25,000	193,360
Sdanka's War - film production	21,873	200,000
Silver Bay - comprehensive plan	20,000	57,614
Silver Bay - upgrade wastewater treatment facility	150,000	351,200
Silver Bay - develop Black Beach area	125,000	1,143,100
Strange Productions LLC - film production	8,061	118,395
Taconite - comprehensive plan update	3,275	6,550
Tofte - infrastructure for housing project Phase II	120,000	2,224,983
Tofte - comprehensive plan	4,720	9,440
Tower and Breitung - comprehensive plan	10,276	20,522
Tower Soudan Historical Society - assessment of historic fire hall	6,000	12,000
Two Harbors - comprehensive plan	3,730	7,460
Two Harbors - infrastructure for business development Phase II	150,000	2,079,413
United Way of Northeastern Minnesota - pilot program for childcare	50,000	200,000
Virginia - demolish East Range Clinic building	200,000	655,760
Virginia - demolish Northwynds Canine Center	34,200	974,200
Virginia - infrastructure for Ulland Brothers expansion	350,000	8,900,000
Virginia - demolish three houses and three garages	23,052	23,052
Virginia - demolish one house and one garage	7,896	7,896
Virginia - demolish Thrifty White Building	46,648	1,268,000
Virginia - demolish three houses , one garage and one accessory structure	27,660	27,660
Virginia - comprehensive plan	20,000	54,669
Visit Grand Rapids - Itasca County tourism study	20,000	61,000
Voyageur Snowmobile Club - re-route section of Yukon Snowmobile trail	2,111	5,000
White township - infrastructure fpr Poplar and Spruce Streets	150,000	717,200
Winterland Pictures - produce "I Am Not a Serial Killer"	22,802	1,441,797
Wild North Golf - advertise and promote the region's golf courses	28,493	43,490
Winton - comprehensive plan update	3,275	6,550
Total	14,038,887	119,210,287

FY16 GRANTS

ORGANIZATION - DESCRIPTION	IRRRB INVESTMENT	TOTAL PROJECT INVESTMENT
Aitkin - demolish building for development of new credit union	27,890	111,091
Aitkin - demolish four properties	33,393	67,175
Aitkin - infrastructure for Ryan Knoll's housing development	250,000	1197647
Aitkin County Growth - implement marketing campaign	6,000	12000
Alborn - site development and construction of new emergency services facility	200,000	480000
APEX - Northforce.org marketing	12,000	57,000
APEX - back office lead generation contract with Highstone	10,000	25,000
Arrowhead Economic Opportunity Agency (AEOA) - Business Energy Retrofit Program	750,000	750,000
Arrowhead Economic Opportunity Agency (AEOA) - Iron Range Makerspace	100,000	100,000
Aurora - demolish two houses	11,940	11,940
Babbitt - infrastructure and road improvement to new access on Birch Lake	200,000	626,726
Balsam - demolish old Balsam Fire Hall	12,400	21,500
Beaver Bay - comprehensive plan	4,500	9,000
Biwabik - upgrade infrastructure on Main Street (FY15 amendment)	100,000	100,000
Blandin Foundation - funding partner Blandin Broadband Communities	500,000	769,600
Bovey - infrastructure for emergency services facility	230,000	1,140,000
Bovey - demolish RV park restroom facility	3,500	813,500
Brookston - demolish old bank	19,500	32,700
Chicagami Childrens Center - assist with utility cost	22,080	22,080
Chisholm - demolish three houses	16,443	16,443
Chisholm - demolish two houses	15,486	15,486
Chisholm Chamber of Commerce - build permanent exhibit for Field of Screams	5,000	15,700
Cohasset - health and safety upgrades to MDI facility	300,000	3,300,000
Cohasset - demolish one house	2,798	2,798
Cold November LLC - produce "Cold November" film	6,098	54,821
Coleraine - demolish one house	10,659	10,659
Coleraine - demolish commercial building	70,000	142,750
Cook - infrastructure for new community center	50,000	587,696
Cook - infrastructure for renovation and expansion of Cook Hospital & Nursing Home	200,000	6,398,108
Cook - demolish four properties	17,874	17,874
Cook - demolish three buildings for expansion of nursing home	50,000	8,512,725
Cook County Airport - expand airport runway Phase II	100,000	2,901,926
Cook County Snowmobile Club - emergency trail assistance on damaged trails	5,000	19,880

FY16 GRANTS - CONTINUED

ORGANIZATION - DESCRIPTION	IRRRB INVESTMENT	TOTAL PROJECT INVESTMENT
Cook County Higher Education - higher education telepresence	50,000	61,700
Crystal Bay - demolish two buildings	2,409	2,409
East Range Joint Powers Board - economic development services	60,000	120,000
East Range Joint Powers Board - finance Strongtowns Curbside Chat throughout region	20,000	40,000
Ely -infrastructure for Ely business park	200,000	940,000
Ely - demolish JFK school	200,000	403,500
Ely Chamber - business training program	2,500	5,380
Enterprise Minnesota - manufacturing consulting services	50,000	102,699
Eveleth - assess Eveleth/Gilbert Junior High building	3,720	3,720
Eveleth - infrastructure for new Chicagami Day Care facility	300,000	2,234,077
Fairfield - comprehensive plan	20,000	50,000
Fairview Range - remodel and construction of new Behavioral Health Unit	250,000	664,485
Friends of the Finland Community - improve RV dump site	5,200	11,000
Gilbert - road construction and site development for Gilbert Industrial Park	249,000	638,658
Grand Rapids - infrastructure for Swan Machine expansion	166,000	1,495,193
Grand Rapids - infrastructure for Kiesler Health & Wellness Center	300,000	4,242,250
Grand Rapids - demolish a portion of the Reif Center	200,000	10,539,382
Grand Rapids - remove asbestos in old Civil Air Patrol building	3,351	9,578
Grand Rapids - demolish old public works garage for development of UPM building	61,149	100,500
Grand Rapids Chamber of Commerce - develop Grand Teen Works Program	20,000	407,250
Grand Rapids and Itasca Mountain Bicycling Association - create trail designs Tioga Park	7,192	39,666
Grand Marais - infrastructure for Cook County North Shore hospital	100,000	24,707,500
Grand Marais - comprehensive plan	20,000	47,740
Great Scott - comprehensive plan	5,265	10,530
Greenwood Community Recreation Board - construct pavilion	9,878	36,878
Harris - demolish one house	6,507	6,507
Hibbing - demolish two houses	3,084	3,084
Hibbing - infrastructure 32-unit housing development	300,000	6,976,936
Hibbing - demolish one house	4,920	4,920
Hibbing - demolish 11 properties	55,858	55,858
Hibbing - demolish one house	7,704	7,704
Iron Range Off-Road Cyclists - improve trails at Lookout Mountain and Maple Hill Park	5,500	11,250
Ironworld Development Corporation - operating expenses and capital improvements	1,350,000	1,985,500

FY16 GRANTS - CONTINUED

ORGANIZATION - DESCRIPTION	IRRRB INVESTMENT	TOTAL PROJECT INVESTMENT
Itasca County - develop bicycle and walking paths	50,000	1,000,000
Keewatin - road development and site work for Pro Blast expansion	250,000	2,275,162
Keewatin - demolish one house	7,260	7,260
Keewatin - demolish commercial building and cement slab	64,600	231,800
Kinney - comprehensive plan	5,380	10,760
Lake Vermilion Cultural Center - build a carriage house storage building	20,000	42,876
Lake Vermilion Fire Brigade - infrastructure for new emergency services facility	99,500	469,500
Laurentian Arts and Culture - build accessible entrance at the Lyric Center for the Arts	20,000	200,000
Lutsen township - upgrade golf course irrigation and infrastruture Phase III	300,000	5,137,456
Marble - infrastructure and utility upgrades for local market	40,494	92,125
Marble - demolish one house	6,273	6,273
McKinley - demolish one house	2,520	2,520
McKinley - connect McKinley water system to Gilbert	400,000	1,900,000
Morse - road and site development for emergency services facility	100,000	310,659
Mountain Iron - infrastructure for business development on Mountain Iron Drive	75,000	238,175
Mountain Iron - infrastructure for new 15-unit housing development	300,000	795,014
Nashwauk - infrastructure for new town hall	150,000	783,260
Nashwauk - infrastructure for 11-unit Bozich Addition housing development	200,000	828,013
Nashwauk - demolish one house	5,610	5,610
Nashwauk - demolish two buildings for development of Bozich housing addition	6,566	9,800
North House Folk School - produce and promote “Unplugged XIV” with NPR	20,000	122,250
North Shore Scenic Drive - install view finders at Taconite Harbor and study at Hovland Dock	14,768	30,536
Northeast Entrepreneur Fund - start or stabilize businesses	37,850	100,000
Northeast Higher Education District - healthcare pathway training for Spectrum employees	35,000	98,000
Northeast Higher Education District - develop training modules for regional healthcare providers	50,000	400,000
Northeast Higher Education District - develop Mini MBA program for Fairview Range of Hibbing	20,000	118,000
Northshore Business Enterprise Center - infrastructure for expansion	38,000	100,000
Northspan - Northlandconnection.com and industrial park research	15,000	130,518
Northspan - Northlandconnection.com Phase II	5,000	130,500
Northspan - Northforce.com management	38,000	90,000
Occupational Development Center Inc. - technology upgrades	20,000	20,000
Old School Lives - improve Cotton community park	15,000	35,000
Old School Productions LLC - Giants Ridge Iron N Dirt event	62,000	62,000

FY16 GRANTS - CONTINUED

ORGANIZATION - DESCRIPTION	IRRRB INVESTMENT	TOTAL PROJECT INVESTMENT
Orr - infrastructure and boilers for new heating system to former Orr school building	90,000	180,000
Orr - abatement and removal of lead based paint at school	31,500	76,500
Orr - internal demolition of Orr Recreation and Resources Center	36,000	83,900
Pike - clean up church site	4,000	5,499
Quad Cities - Small Business Development Center - UMD	60,000	120,000
Ranger Snowmobile ATV Club - purchase groomer	20,000	42,500
ReGen Northland - assist with organizational planning process	4,450	4,450
St. Louis County Fair - emergency repair to fairgrounds exit road	2,000	2,000
Tower - demolish foundation and remove church	38,000	1,873,550
Trail Prospectors Alliance - trail development	50,000	240,000
Two Harbors - demolish gas station and clean up soil contamination	93,000	1,900,000
University of Minnesota - NRRI - pilot-scale demo of ilmenite processing technology	300,000	600,000
Vermilion Gold Inc. - acquisition of additional/new mineral deposit info	56,700	141,750
Vermilion Gold Inc. - acquisition of additional/new mineral deposit info	67,554	188,908
Virginia - infrastructure for business development on 9th Street North	250,000	3,000,000
Virginia - Joy Global expansion Phase II	300,000	1,150,000
Virginia - infrastructure for new assisted living facility	350,000	6,304,956
Virginia - demolish three houses	21,036	21,036
Virginia - clean up soil contamination of former East Range Clinic site	99,000	879,563
Virginia - demolish four homes and two garages	27,323	27,323
Virginia - demolish three homes	18,798	18,798
Virginia - demolish and redevelop Plaza Bowl building	69,299	312,439
Virginia Area Historical Society - capital repairs to two museum buildings	3,840	7,680
Voyageur Country ATV - develop trails and signage	35,000	35,000
Voyageurs National Park Association/Heart of the Continent Partnership - marketing campaign	20,000	62,000
Wild North Golf - market region as golf destination	15,000	30,000
Winton - demolish two houses	16,124	16,124
Total	11,934,243	117,416,722

LOANS

FY15 LOANS

ORGANIZATION - DESCRIPTION	TYPE	IRRRB INVESTMENT	TOTAL PROJECT INVESTMENT
Airmark Inc, dba Nelson Wood Shims - business expansion	Participation	\$225,000	\$500,000
Aysta Water Inc. - working capital	Loan Guaranty	\$15,000	\$20,000
Biwabik Mary Ellen Stone LLC - renovate building	Direct Loan	\$500,000	\$1,370,000
Borealis Fermentery LLC - purchase equipment	Loan Guaranty	\$10,159	\$13,925
Cast Corporation - construction of foundry	Participation	\$500,000	\$1,000,000
Castle Danger Brewing Company LLC - working capital	Loan Guaranty	\$75,000	\$1,600,000
CC Sharrow Company - purchase and renovate industrial building	Participation	\$240,000	\$600,000
Cornerstone - refinance existing debt	Loan Guaranty	\$345,000	\$5,595,000
God's Country Outfitters - working capital	Loan Guaranty	\$33,750	\$45,000
Mary Foster, dba Jule Foster Logging - purchase equipment	Loan Guaranty	\$57,525	\$76,700
Negley Properties LLC - purchase land and building	Loan Guaranty	\$48,800	\$88,740
Red Top Construction - working capital	Loan Guaranty	\$30,000	\$40,000
Silicon Energy MN LLC - materials, inventory and manufacturing supplies	Direct Loan	\$1,950,000	\$4,652,357
Wintergreen Originals - purchase and renovate building for manufacturing	Participation	\$75,000	\$332,000
Total		\$4,105,234	\$15,933,722

FY16 LOANS

Airmark - business expansion	Participation	\$260,000	\$580,000
Aszendrops LLC - refinance debt and working capital	Loan Guaranty	\$75,000	\$149,327
Hibbing Fabricators - purchase equipment and real estate improvements to business	Participation	\$175,000	\$376,000
Hibbing Fabricators - purchase equipment	Participation	\$212,500	\$475,000
JVP Investments - expansion of jewelry manufacturing	Loan Guaranty	\$75,000	\$100,000
KMDA - Baker Tool purchase	Participation	\$375,000	\$1,560,000
KMDA - building construction	Participation	\$80,000	\$1,560,000
NKG Transportation - clear liens of former owner of company	Loan Guaranty	\$46,643	\$62,191
ProBlast Technology - purchase equipment	Participation Equipment	\$335,000	\$1,796,000
ProBlast Technology - construct addition to facility	Participation Real Estate	\$563,000	\$1,796,000
Radotich Inc. - business expansion	Participation	\$175,000	\$413,000
Range Environmental Drilling - purchase equipment	Loan Guaranty	\$75,000	\$142,850
Range Tool - renovation of manufacturing facility and addition of equipment	Participation	\$200,000	\$460,000
Steger Designs - construction of addition to manufacturing facility	Participation	\$250,000	\$1,512,000
Swan Lease LLC - construction of manufacturing facility	Participation	\$600,000	\$4,015,000
Swan Lease LLC - construction of manufacturing facility	Forgivable	\$150,000	\$4,015,000
Tim & Jess - building renovations and kitchen equipment	Loan Guaranty	\$30,000	\$40,000
Wilderness Products LLC - purchase assets	Participation	\$468,150	\$5,871,000
Total		\$3,810,293	\$24,923,368

Douglas J. Johnson Economic Protection Trust Fund

The Douglas J. Johnson Economic Protection Trust Fund is devoted to economic rehabilitation and diversification with priority for projects and programs designed to create and maintain productive, permanent, skilled employment including employment in technologically innovative businesses; to encourage diversification of the economy to promote the development of minerals, alternative energy sources utilizing indigenous fuels, forestry, small business, tourism; and projects and programs for which technological and economic feasibility have been demonstrated.

FY15

PROJECT	TYPE OF FUNDING	AMOUNT ENCUMBERED	AMOUNT EXPENDED
Magnetation	Direct Loan	6,500,000	6,500,000
Total		6,500,000	6,500,000

FY16

Sweetwater	Direct Loan	18,000,000	0
Broadband - Paul Bunyan/Century Link	Grant	1,250,000	1,250,000
*Public Works Stimulus Grants	Grant	2,388,188	2,388,188
Louisiana-Pacific	Infrastructure Grant	10,000,000	0
Louisiana-Pacific	Sales Tax Rebate	6,000,000	0
Giants Ridge - two high speed lifts	Capital Infrastructure	5,700,000	5,700,000
Total		43,338,188	9,338,188

*FY16 Public Works Stimulus Projects - DJJ Fund

ORGANIZATION - DESCRIPTION	IRRRB INVESTMENT	TOTAL PROJECT INVESTMENT
Aitkin - new dental clinic	99,000	738,842
Aurora - improve Maple Drive - Phase III	250,000	1,454,600
Chisholm - upgrade city hall	250,000	425,000
Cook - expand hospital	103,000	6,206,662
Crosby - improve water distribution system to ten city blocks	250,000	2,535,100
Ely - replace water main and improve sanitary sewer	250,000	1,064,000
Gilbert - extend electrical service to five lots	40,000	340,000
Grand Marais - new public works facility	100,000	3,850,000
Grand Rapids - improve 5th Street and 8th Avenue NE	100,000	3,520,861
Hoyt Lakes - improve wastewater treatment center and mercury reduction project	250,000	2,210,708
Marble - replace watermain and looping project	163,000	703,557
Taconite - utility upgrade to southside of Hwy 169	120,000	9,650,000
Two Harbors - campground building	100,000	758,000
Virginia - expand co-op	213,188	3,523,332
Winton - community center and city hall	100,000	400,000
Total	2,388,188	37,380,662

Taconite Economic Development Fund

The Taconite Economic Development Fund was established by the 1992 Minnesota Legislature. Currently, in years when total industry production exceeds 30 million tons, up to 25.1 cents-per-ton of the taconite production tax may be rebated to northeastern Minnesota iron ore mining operations. The rebate must be used for: workforce development and associated public facility improvement; acquisition of plant and stationary mining equipment and facilities; research and development in Minnesota on new mining or production technology.

FY15

COMPANY - DESCRIPTION	IRRRB INVESTMENT
ArcelorMittal Minorca - improve cobber magnetic separator and replace process gas scrubber stacks	\$818,240
Hibbing Taconite - install hazard guards, upgrade filtercake, rebuild plant infrastructure and replace Albany pumps and pipelines	\$2,274,624
Magnetation, LLC - install gear drive ball mill	\$709,404
Mesabi Nugget - upgrade scrubber mist eliminator	\$54,060
Mining Resources, LLC - develop Sherman fine tailings basin	\$88,460
Northshore Mining - upgrade to direct reduction grade pellets and upgrade fine crusher assemblies	\$1,600,862
United Taconite, LLC - replace furnace line cooler at Fairlane Plant	\$1,595,023
USS-Keetac - upgrade fine screening, develop tails basin reclamation and dust control, install new pump transfer station, replace tailings pipe and install potable water storage tank	\$1,512,049
USS-Minntac - install sulfate compliance sump, upgrade concentrator finisher, upgrade concentrate reclaim system and upgrade fine screening separator	\$3,969,214
Total	\$12,621,936

FY16

COMPANY - DESCRIPTION	IRRRB INVESTMENT
ArcelorMittal Minorca - improve enterprise electrical systems and repair line 1 ball mill	\$685,970
Hibbing Taconite - install continuous emissions monitors and upgrade control systems	\$1,874,526
Magnetation, LLC - install plant 4 flotation bank	\$736,349
Mesabi Nugget - initiate lime softening pilot project	\$52,137
Mining Resources, LLC - install wet high intensity magnetic separation units	\$51,159
Northshore Mining - upgrade to direct reduction grade pellets and install Low NOx burners	\$1,221,742
United Taconite, LLC - replace dust collectors, install pre-mix binder and update plant equipment guarding	\$1,304,747
USS-Keetac - install cobber magnetic separators, upgrade fine screening, reclaim tailings basin, improve dust control	\$1,307,128
USS-Minntac - install line 4 & 5 low NOx kiln burners, upgrade fine screening, install hydraulic rock breaker, limestone dust collector and central shops lathe	\$3,364,920
Total	\$10,598,678

Iron Range Higher Education Account

Created by the 2008 Minnesota Legislature, the Iron Range Higher Education Committee advises the IRRRB Commissioner on providing higher education programs in the IRRRB service area. Programs are funded with five cents of the Taconite Production Tax that is placed in the Iron Range Higher Education Account. Upon recommendation of the IRRRB Commissioner and the Iron Range Higher Education Committee, the IRRR Board approves expenditures from the account.

FY15

PROJECT	AMOUNT
Northeast Higher Education District - Iron Range Engineering	1,000,000
Northeast Higher Education District - Biochemical Systems	220,000
Northeast Higher Education District - Iron Range Nursing Healthcare Simulation Center	615,340
IRRRB - existing programs	40,000
Total	1,875,340

FY16

PROJECT	AMOUNT
Northeast Higher Education District - Iron Range Engineering	1,000,000
Northeast Higher Education District - Iron Range Nursing Healthcare Simulation Center at Hibbing Community College	346,469
Northeast Higher Education District - Process Automation Program at Itasca Community College	410,000
Total	1,756,469

Iron Range School Collaboration Grant Program

The Iron Range School Collaboration Grant Program supports regional multi-district collaborative initiatives that result in increased availability and access to high quality education and training for students, teachers and communities within the IRRRB service area. Guidelines for the program include two types of projects:

1. Bricks & Mortar Projects:

- Partnership with one additional school district
- The grant program funding for bricks & mortar is capped at \$2,000,000 annual contributions based upon approval of voter referendum
- Evidence of new and increased curriculum opportunities for students

2. Innovative Academic Programming:

- Partnership with one additional school district or NHED member college
- Programming examples include, but are not limited to: ALL, EIP, STEM initiatives and Early Childhood
- Evidence of new and increased curriculum opportunities for students

FY16

BRICKS AND MORTAR PROJECTS*	AMOUNT	PENDING TOTAL PROJECT COMMITMENT
Mesabi East School District	500,000	5,000,000
St. Louis County	2,000,000	26,000,000
Mountain Iron-Buhl School District	1,760,000	35,246,560
Total	4,260,000	66,246,560

*Bricks and Mortar Projects require a unanimous approval by the IRRR Board each fiscal year.

INNOVATIVE ACADEMIC PROGRAMMING	AMOUNT
Expansion of the Applied Learning Institute (ALI) for the school districts of Aitkin, Crosby-Ironton, and Cook County	500,000
Three phased investment in a collaborative STEM initiative that includes the TAA school districts of Nashwauk-Keewatin, Greenway, and Grand Rapids and post-secondary partner, Itasca Community College	2,505,000
Total	3,005,000

The 2015-2016 Biennial Report recaps IRRRB
activities from July 1, 2014 through June 30, 2016.

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