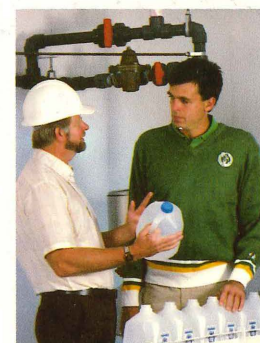
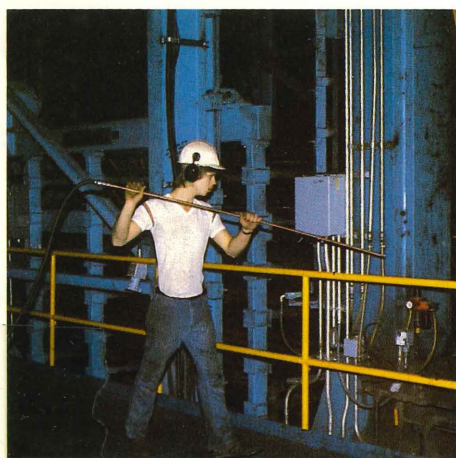


IRON RANGE RESOURCES & REHABILITATION BOARD

87-88

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BIENNIAL REPORT



RR iron range
resources and
rehabilitation board

It is my pleasure to submit to the Honorable Rudy Perpich, Governor of the State of Minnesota, and the Seventy-Sixth Legislature of the State, this twenty-third Biennial Report of the Iron Range Resources and Rehabilitation Board.

During this biennium, the IRRRB has continued to accelerate its efforts to diversify and strengthen the northeastern Minnesota economy. This mission will predominate agency activities as we move into the next decade.

Respectfully submitted,

A black and white portrait of a middle-aged man with receding hair, wearing thick-rimmed glasses, a dark suit jacket, a white shirt, and a patterned tie. He is smiling and looking slightly to the right of the camera. The background is a dark, mottled grey.

Area: 8,621,312 acres

Trails system—northeastern Minnesota



Iron Range Resources and Rehabilitation Board

The Iron Range Resources and Rehabilitation Board is a regionally based state agency dedicated to expanding the northeastern Minnesota economic base beyond iron ore extraction and developing projects and programs to meet the changing needs of the Taconite Tax Relief Area.

The Taconite Tax Relief Area is the region determined by the boundaries of school districts containing unmined iron ore deposits, taconite plants or electric generating plants supplying electricity to taconite operations. The area covers the greater portion of northeastern Minnesota (except Duluth), including all or portions of Cook, Lake, St. Louis, Itasca, Aitkin and Crow Wing Counties, and its three iron ranges: the Mesabi, Vermilion and Cuyuna.

Jack DeLuca was appointed by Governor Rudy Perpich to succeed Gary Lamppa as IRRRB Commissioner in February, 1987. An eleven-member Board of five state senators, five state representatives, and the Commissioner of the Department of Natural Resources reviews projects and programs developed by the IRRRB Commissioner and staff.

Past Commissioners

Herbert J. Miller	July 1, 1941-June 30, 1942
Robert E. Wilson	July 1, 1942-May 1, 1949
Ben P. Constantine	May 1, 1949-November 20, 1950
Edward G. Bayuk	November 20, 1950-April 30, 1955
Kaarlo Otava	May 1, 1955-January 4, 1961
Hyrom S. Sorenson	January 5, 1961-February 2, 1961
A.M. DeYoannes	February 3, 1961-May 1, 1971
Robert J. Scuffy	May 2, 1971-January 10, 1975
Frank Ongaro	January 11, 1975-December 31, 1978
Patrick J. McGauley	January 1, 1979-December 31, 1982
Gary Lamppa	January 1, 1983-February 27, 1987

Present Board Members

State Senator Ronald Dicklich	Hibbing—Vice Chairman
State Senator Robert Lessard	International Falls
State Senator Douglas Johnson	Cook
State Senator Sam Solon	Duluth
State Senator Florian Chmielewski	Sturgeon Lake
State Representative Joseph Begich	Eveleth—Chairman
State Representative David Battaglia	Two Harbors
State Representative Lona Minne	Hibbing
State Representative Thomas Rukavina	Virginia
State Representative Loren Solberg	Bovey
Commissioner Joseph Alexander	Dept. of Natural Resources

History of the I.R.R.R.B.

From its inception in 1941, the IRRRB has worked within the ebb and flow of the iron ore industry to develop rehabilitation projects and programs for the Taconite Tax Relief Area of northeastern Minnesota. Over the years, these projects and programs have been adjusted to meet the needs of changing times.

Until the mid-seventies, IRRRB operations were funded from occupation tax revenues. With the advent of taconite, the Minnesota Legislature established the IRRRB Board Account, the Taconite Area Environmental Protection Fund (TEPF) and the Northeast Minnesota Economic Protection Trust Fund (NEPF), special accounts derived from taconite production taxes levied in lieu of local property taxes.

Since 1977, the IRRRB has utilized the Board Account, TEPF and interest and earnings from the NEPF for a variety of innovative uses. It is important to note that these monies are both locally generated and locally spent. The IRRRB does not receive any basic operational monies from the State General Fund.

The agency has initiated new developmental strategies beyond the iron mining industry to encourage continued economic growth. Since 1982, the agency has focused its efforts in:

- Business development and new technologies
- Wood products
- Tourism
- Minerals
- Energy and alternative fuels
- Reclamation of minelands
- Local economic development projects

The IRRRB's regional development efforts are critical to the future viability of the region as taconite production has stabilized at diminished levels. While the IRRRB continues to focus on these basic sectors of economic opportunity, the agency has recently accelerated its efforts to strengthen and diversify the regional economy.

IRRRB Economic Development

In 1983, the IRRRB established an Economic Development division to administer monies derived from the Northeast Minnesota Economic Protection Fund (the 2002 Fund). Programs offered by this division provide assistance to businesses located within the Taconite Tax Relief Area. To date, the IRRRB has participated in nearly 100 projects, representing a total private and public investment exceeding \$40 million. Programs focus on industrial sectors considered to be the primary building blocks of an economically healthy region: manufacturing and assembly, minerals, wood products, tourism and technologically innovative businesses.

Prospective projects and programs are first reviewed by a technical advisory committee consisting of nine people with expertise in business and financial matters. Then the project must be approved by at least eight IRRR Board members and the Commissioner. It is then reviewed by the Legislative Advisory Commission before proceeding to the Governor for final approval.



The IRRRB provided Kasson Mfg. in Babbitt with a Bank Participation loan. Kasson employs 13 people and manufactures pool tables.



Minnesota Automation Services, Inc. of Crosby has generated 80 jobs with the assistance of the IRRRB. They design and manufacture automated packing equipment for industrial use.

Bank Participation Loans

The IRRRB works with eligible businesses and private lenders to combine private and public funding into custom-designed financial packages.

The IRRRB uses its Bank Participation Loan program to buy up to a 50% participation in eligible business loans. This IRRRB portion of the loan is offered at interest rates 3% less than treasury securities of comparable term on the date of project approval, thereby providing lower cost capital while simultaneously spreading the exposure among a greater number of lenders.

The IRRRB Bank Participation Loan program has been very well received within the financial community. IRRRB's primary role in the program is to facilitate the structuring of

financial packaging among the various involved parties. The application process for an IRRRB participation loan forces a business to formally analyze its business and marketing plans to obtain information which will facilitate decision-making for both the IRRRB and the bank. The IRRRB's assistance to the business reduces the time and cost of loan review to the financial institution, thereby expediting the process to the benefit of both the borrower and lenders.

During the past biennium, the IRRRB acted as lead facilitator for start-up or expansion of 31 businesses on the Iron Range, structuring a total of \$26.4 million in new business development investments that resulted in the creation and/or retention of over 1,200 jobs.

Assistance to Small Businesses and Entrepreneurs

While the IRRRB often acts as a participatory lender in development projects, the agency also provides information and referral services to businesses ineligible for IRRRB bank participation loans. IRRRB staff help entrepreneurs define their objectives and design individual marketing plans. Staff also refers such entrepreneurs to other providers offering various types of technical or financial assistance. Additional services may include information on employment availability, continuing education or a real estate search for a suitable location. The IRRRB cooperates closely with a number of groups to promote and facilitate new business start-ups in the area, including the Arrowhead Regional Development Commission (ARDC), the Greater Minnesota Corporation (GMC), UMD Center for Economic Development, Natural Resources Research Institute (NRRI), and the Northspan Group.



The Village Inn Hotel and Restaurant at Lutsen employs 20 people. The IRRRB structured an innovative financial package for this project including bank loans, private financing and an IRRRB participation loan.



Bluefin Bay Resort near Tofte is another product of the successful economic development programs offered by the IRRRB. The project was completed during the past biennium and employs 77.

Business Marketing

In 1987, the IRRRB initiated a new business development marketing program to provide basic advice to new or troubled businesses in areas such as marketing and business plans, product development and design, packaging, advertising, inventory control, warehousing and shipping. IRRRB staff work with a local consultant to carefully monitor each such business to ensure that the scope of the services provided remains within acceptable cost and time limits. To date, over 100 Iron Range businesses have been assisted by the program.

The IRRRB Economic Development division has also recognized the need to market itself, thereby raising awareness of the programs it delivers. This has resulted in a new economic development presentation folder to explain the services offered by the economic development division.

Future Direction

Moving towards the next decade, the IRRRB will continue to spearhead regional development in all sectors of economic opportunity. Agency contributions in tourism, wood products, minerals, and small business development will continue to accelerate. Based on the recent success of its economic development programs, IRRRB is confident that its diversification efforts will continue to stimulate and strengthen the Iron Range economy.

During the past biennium, the IRRRB has established an 800-number dedicated to business development and published numerous advertisements which highlight the advantages of doing business in northeastern Minnesota.

1-800-533-7338

Business Costs are Less on the Range than in the Twin Cities.

Consider:

- \$6,000 wage differential per employee per month
- Commercial properties cost 50% less
- Free employee training for the first year
- Property tax relief for the first year
- Technical assistance research available
- Lower electricity rates
- Lower telephone rates
- Lower insurance rates

Be a Big Fish in a Small Pond

Iron Range Resources & Rehabilitation Board
IRRB

Home on the Range. Rush Hour on the Range.

One Dollar Down. No Monthly Payments.

Call our Business Development Department today. 1-800-533-7338

"We have worked with the IRRRB's economic development division to structure financing packages for a number of northeastern Minnesota businesses during the past two years.

"Their bank participation loan program enabled us to collectively put together financial structuring that diffuses the financial risk among the participants. We could not have assumed sole responsibility for any one of these loans, but by sharing in the IRRRB's collective economic development program, we could help these businesses get on their feet.

"Historically, dealing with the IRRRB has involved less red tape than dealing with other government bodies. . . their economic development programs effectively span the gap between public and private financing. They help us serve the financial needs of entrepreneurs in the region."

Jim Seitz, Senior Vice President: Business Banking, Norwest Bank Minnesota North.



Community Development

The Taconite Tax Relief Area continues to be enhanced through the IRRRB Community Development Program which includes the following subdivisions:

- Community Development Grant Program
- Building Demolition
- Trails

Community Development Grant Program

Grants from the Taconite Area Environmental Protection Fund are made to local governmental units for a variety of public infrastructural uses. These funds are intended to be used in situations where a funding "gap" exists and alternate sources of public and private financing cannot adequately address the problem. Projects are evaluated and rated on the following criteria:

- Jobs—direct or indirect retention or creation of jobs.
- Leverage—comparison of funding sources to total project costs.
- Relative Need—degree of need or urgency comparatively judged against other projects.
- Impact—on the area most directly served by the applicant and on the region as a whole.
- Project Viability—financial, economic and technological feasibility of the project.



Alan Hodnick and Curt Anttila

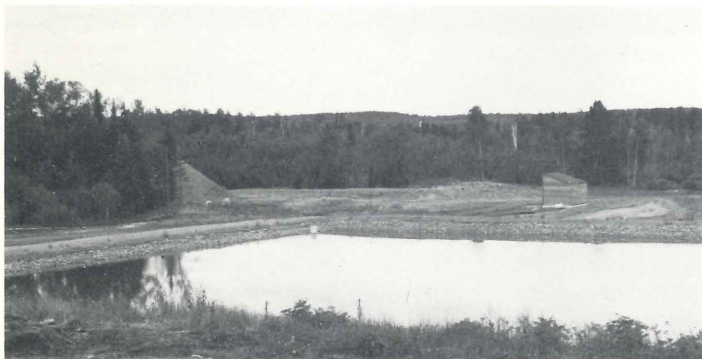
Community spirit, support and cooperation helped the city of Aurora and the Town of White rejuvenate Pine Grove Park, the communities' shared recreational facility. After securing community monetary participation, the project still lacked \$16,000. "In a move of desperation," said Curt Anttila, Town of White Board Supervisor, "we petitioned the Iron Range Resources and Rehabilitation Board for assistance. . . we walked in thinking the worst and we left feeling hopeful. The IRRRB was impressed with the level of in-house community support we had been able to muster. That local support, coupled with the IRRRB assistance, is what made this renovation project a reality."

The IRRRB really came to the rescue," said Alan Hodnick, Mayor of Aurora, "... the project looked like it was doomed, but they gave us the extra funds needed to complete the project. The 12-acre park is now enjoyed by between 75-100 people every day and over 300 children participate in the baseball and hockey programs. At times it's hard to believe, but it's something you come to expect from the IRRRB. I have nothing but praise for their cooperation. They've done the best they possibly can, given the economic circumstances around here."



The City of Biwabik received multi-agency government support and IRRRB funds to establish an innovative wastewater treatment facility to serve the citizens of Biwabik. "The IRRRB always seems to be there to help you," said Garrison Hale, Biwabik City Administrator, "I've been real impressed working with them because they're government with a heart . . . I know that sounds corny, but that's really the best way to put it. Its been a great cooperative venture, I mean we're right there for them because they've been right there for us. With IRRRB, it seems like we're a team of people working on something together."

New water and wastewater treatment facilities are under construction in Tower/Breitung Township, Cook, Winton, Hibbing and Nashwauk.



Additional Community Development Grant projects include:

Aitkin Co.—Sr. Citizens Nutrition Center
 Aurora—Pine Grove Park
 Babbitt—Small Business Center/Clinic Health supplies
 Balkan—Town hall roof
 Bearville—Septic system
 Biwabik—Sewage treatment facilities
 Boise Forte reservation—Recreational complex improvements
 Bovey—Water filter & line
 Chisholm—Iron Man statue
 Chisholm/Hibbing—Airport improvements
 Clinton—Town hall ceiling
 Cook—Hospital roof/Airport/Waste treatment
 Crane Lake—Fire department training facility
 Crosby-Ironton—Croft Park
 Deerwood—Well replacement
 Ellsburg—Community center
 Ely—International Wolf Center/Ski jump
 Eveleth—City garage
 Eveleth/Virginia—Airport improvements
 Fayal—Town garage/water main
 Gilbert—Storm & sanitary sewer/water line
 Grand Marais—New public library
 Grand Rapids—Water treatment system
 Greenway—Arena addition
 Hibbing—Community Center/Kelly Lake water loop
 Hoyt Lakes—Renovate O'Keefe School
 Irondale—Storage facility
 Ironton—Fire hall doors
 Keewatin—Replace roof of community center
 Kinney—Sanitary sewer/Energy improvement bldgs.
 Marble—Water treatment
 Meadowlands—Sr. Citizens Community Center
 Morcom—Town hall renovation
 Mt. Iron—Expressway district development
 Nashwauk—Water treatment system
 Pike—Town hall improvements
 Sandy—Town hall improvements
 Taconite—Fire hall roof
 Tower—Waste treatment facility
 Winton—Waste treatment facility



IRRRB awarded a grant to the City of Eveleth to construct a new city garage.



Building Demolition Program

Iron Range communities have maintained a well kept image largely because unmarketable or decaying structures have been razed through the Building Demolition Program. New commercial or residential development has often occurred on these properties which has helped to increase the tax base and create new jobs. Since the program's inception in 1972, more than 3,535 buildings have been demolished. According to Don Grubich, Director of Community Development, this program has been so effective and popular that it is difficult to keep up with the demand. Hence, IRRRB has provided additional equipment and crew members to demolish a greater number of buildings in a shorter period of time. It's projected that over 300 buildings will be demolished in 1988. Public demand may dictate that the budget for this program be increased again in the future.



For over 25 years, IRRRB has provided technical assistance to current and prospective developers who utilize peat in agriculture, horticulture and fuel. Harvesting studies and research of peat for fuel was recently transferred to the Natural Resources Research Institute; however, IRRRB continues to play an important role in assisting the NRRI in peat research.



The IRRRB Building Demolition program has been utilized to raze a variety of dilapidated structures across the Taconite Tax Relief Area.

Trails

Northeastern Minnesota offers snowmobilers, cross-country skiers, hikers, bikers and tourists an extensive trails system. IRRRB has financially assisted in the construction of over 400 miles of this 3,000 mile trail network. Five IRRRB grooming tractors also aid local clubs in the maintenance of these trails.

It's estimated that over 1,000 people use these trails on given weekends. Area motels report increased occupancies and certain local resorts have now expanded their operations into the winter season. The IRRRB also supports use of the trails for special events such as the Pepsi Challenge Cross-Country Ski Race, triathlons, mountain bike races and dog sledding. Several cities have developed accesses to the trail system and maps have been developed and distributed to trail enthusiasts.

These combined efforts have had a very beneficial impact on the regional tourism economy. Trail improvements have also benefitted DNR officials, loggers, rescue and firefighting personnel.



IRRRB operates five grooming tractors to assist in the maintenance of the scenic trail system throughout northeastern Minnesota.

Taconite Trail—170-mile groomed and signed system between Ely and Grand Rapids with feeder trail systems consisting of the Marcell, Herb Branstrom, Cameron Lake, Clearwater, Soumi, Lawron, Bear Lake, Day Brook, Circle L, Circle T, Tim Corey, Chisholm-Side Lake, Laurentian, Taconite Spur and Iron Ore Spur.

Arrowhead Trail—90-mile groomed and signed system connecting resort areas of Crane Lake and Lake Kabetogama to the Voyageur Trail.

Tomahawk Trail—75-mile groomed and signed system connecting the North Shore with the Iron Range.



Giants Ridge Ski Area

Giants Ridge has become a world class recreational facility since it first opened in November 1984. It has hosted national alpine and cross-country championships, the U.S. Olympic cross-country tryouts and World Cup nordic events. Skier visits have more than doubled since 1984 to a 1987-88 season total of 98,500.

Economic Impact

Economic impacts have increased as well. According to an impact study completed by Economic Research Associates of Chicago during March 1988, the total dollar impact of Giants Ridge on the surrounding region during the 1987 season grew to \$6.75 million, surpassing the 1985 impact by nearly one million dollars.



Skier visits increased by 58% from 62,000 in 1985-86 to 98,500 in 1987-88. This increase is partially due to the fact that Giants Ridge caters to the needs of recreational skiers while simultaneously providing unique training and competitive opportunities for world class athletes.

During 1987, a Minnesota Legislative Bonding Bill was passed, providing \$2.2 million to expand the current facilities at Giants Ridge. Two additional chairlifts, improved snowmaking equipment, three downhill runs and 10 kilometers of cross-country ski trails were added. Funds were also used to expand the chalet and add 400 new parking spaces.

While the primary mission of Giants Ridge is to provide quality recreational facilities to the general public, Giants Ridge has also served as the site for a variety of special initiatives. Giants Ridge recently made its facilities available to the National Rifle Association and the Minnesota Amateur Sports Commission as a training center for all Olympic shooting events. During the summer of 1988, Giants Ridge also hosted the nation's first Japanese language immersion program.



During the 1987-88 season, Giants Ridge hosted 23 special ski events, including two international, seven national, and twelve regional/state events.



Giants Ridge now offers skiers 15 downhill runs and 50 kilometers of superb cross-country trails with 3 kilometers lighted for night skiing.



Giants Ridge has pursued Governor Rudy Perpich's language village initiative. Nearly 200 English-speaking students participated in the first two-week Japanese Language Village sessions at Giants Ridge. Concordia Language Villages of Moorhead rented Giants Ridge facilities for sessions which immersed students in Japanese language, art, culture and food.

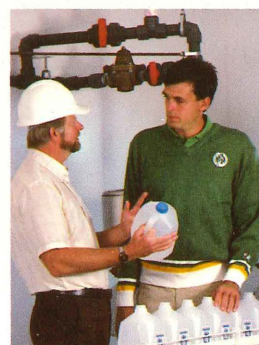
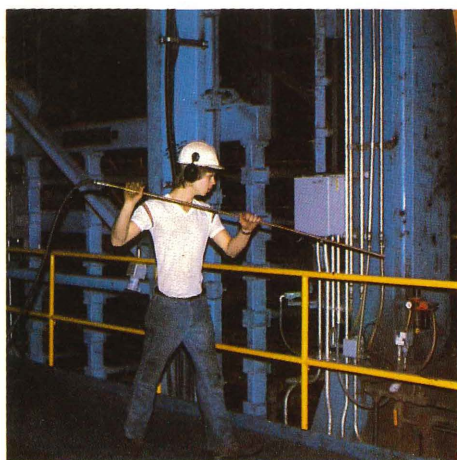


While its function as an official United States Ski Association training center has brought Giants Ridge national exposure and media attention, it also imposes high standards on the quality of facilities offered to athletes.

IRON RANGE RESOURCES & REHABILITATION BOARD

87-88

EXECUTIVE SUMMARY



RR iron range
resources and
rehabilitation board

Hwy 53 South • P.O. Box 441 • Eveleth, Minnesota 55734
(218) 744-2993

Executive Summary

Who is the Iron Range Resources and Rehabilitation Board?

The Iron Range Resources and Rehabilitation Board was established in 1941 and is directed by Commissioner Jack DeLuca, who is advised by an eleven-member board of five state senators, five state representatives and the Commissioner of the Department of Natural Resources.

What does the IRRRB do?

The agency was formed to address the economic problems of northeastern Minnesota, which was singularly dependent upon the natural iron ore industry at the time. It was originally charged with implementing a rehabilitation program for the Iron Range by encouraging development in mineral research, agriculture, forestry, mining and tourism. Recently, IRRRB has accelerated its efforts to diversify the economy of northeastern Minnesota, adapting its projects and programs to meet the changing needs of the area.

Where is the IRRRB located?

The main office is located on Highway 53, three miles south of Eveleth, Minnesota.

Who does the IRRRB serve?

The agency serves people living in the Taconite Tax Relief Area of northeastern Minnesota. The area encompasses over 8 million acres of land, including all or portions of Cook, Lake, St. Louis, Itasca, Crow Wing and Aitkin Counties.

How does it help?

IRRRB plans and implements its own programs; the agency also provides technical and financial assistance for eligible projects designed to improve the Taconite Tax Relief Area. The IRRRB is both a funder and a doer.

What are the IRRRB programs?

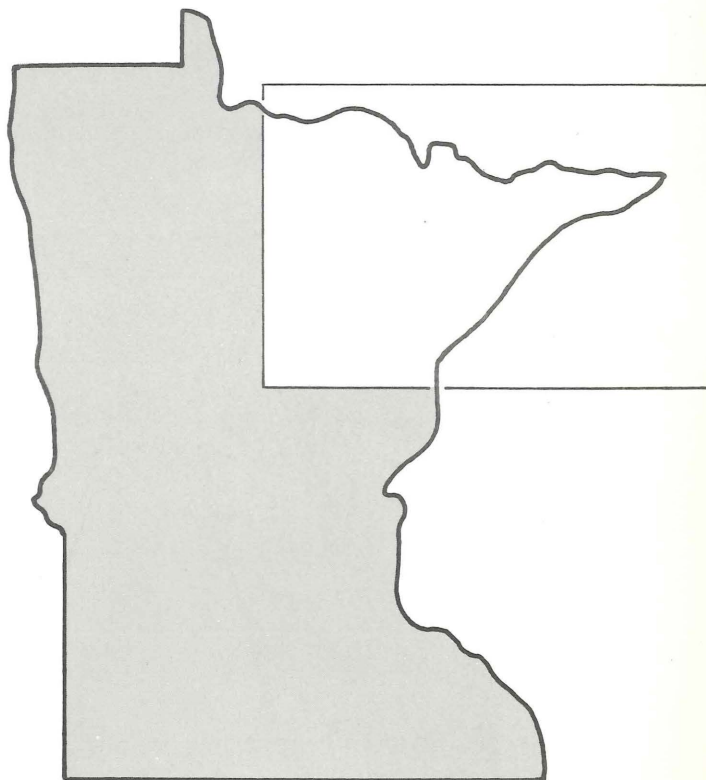
Internal programs include: Economic Development, Community Development, Mineland Reclamation and Tourism. Within these departments exist a variety of "sub-programs" designed to enhance the Taconite Tax Relief Area.

Who benefits from IRRRB's programs?

Citizens, communities and businesses within the Taconite Tax Relief Area derive the greatest benefits from IRRRB's programs.

Where does the IRRRB derive its funding?

The agency operates through the use of revenues derived from taconite production taxes levied in lieu of ad valorem or property taxes. These monies are both locally generated and locally spent. The agency does not receive basic operational monies from the state general fund.



Taconite Tax Relief Area



Ironworld U.S.A.



Kasson Mfg., Babbitt



Trails system—northeastern Minnesota



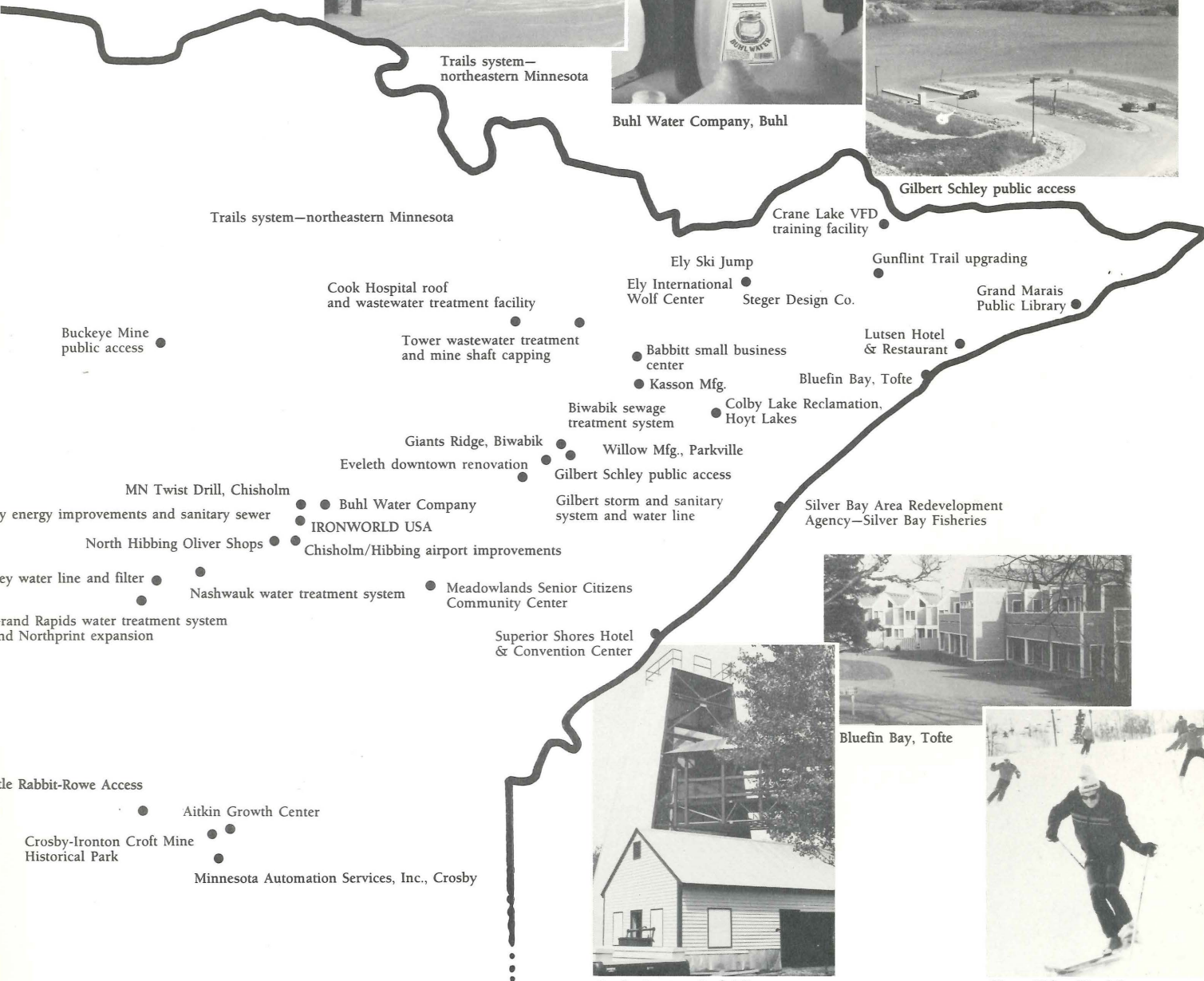
Buhl Water Company, Buhl



Lakewood Industries, Hibbing



Gilbert Schley public access



Crosby-Ironton Croft Mine Historical Park



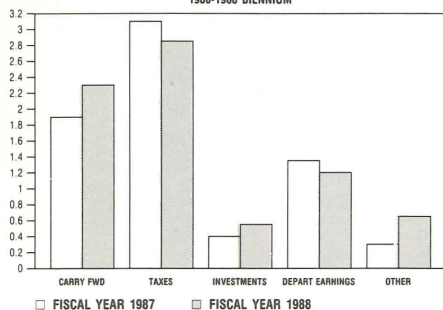
Bluefin Bay, Tofte



Giants Ridge, Biwabik

Iron Range Resources & Rehabilitation Board Account

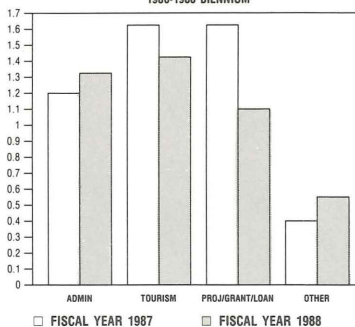
SOURCES OF FUNDS
1986-1988 BIENNIUM



This account provides funding for operation of the Eveleth administrative offices, the Giants Ridge recreational facility at Biwabik, the Iron Range Research Center at Chisholm, and for various tourism and economic development projects.

Sources of funding are taconite production taxes, fees from operation of the agency owned tourism facilities (Giants Ridge and IRONWORLD USA), income from rental of agency owned buildings, investment income, and miscellaneous other revenue sources.

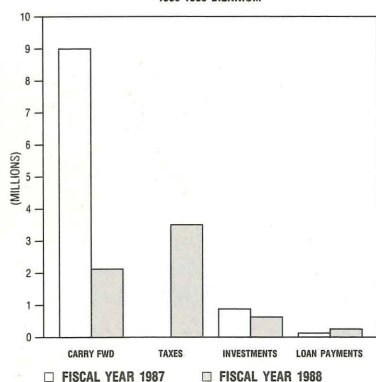
ALLOCATION OF FUNDS
1986-1988 BIENNIUM



Funds were allocated to the operation and staffing of the Eveleth administrative offices, Giants Ridge, the Iron Range Research Center; and various public economic development projects, including tourism projects.

Taconite Area Environmental Protection Fund

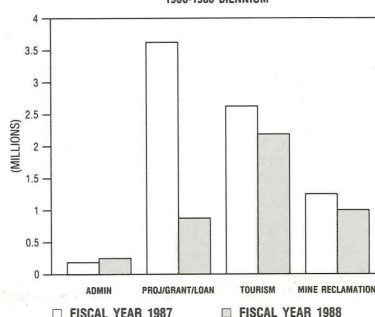
SOURCES OF FUNDS
1986-1988 BIENNIUM



This account provides funding for the operation of the IRONWORLD USA tourism facility, the Mineland Reclamation program and for various economic development projects; including community development grants to political subdivisions.

Sources of funding are taconite production taxes, investment income and loan repayments. A major portion of this fund's revenue sources is from the taconite taxes which are received late in each fiscal year. In 1987, agency accounting practices were changed so that tax monies (for budget purposes) were reserved until the following fiscal year. Therefore \$0 were reported as taxes in fiscal year 1987. Fiscal year 1987 operated from the carry forward from fiscal year 1986, which included tax receipts credited late in fiscal year 1986.

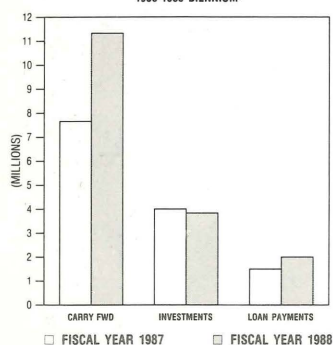
ALLOCATION OF FUNDS
1986-1988 BIENNIUM



Funds are allocated to the operation and staffing of IRONWORLD USA, the Mineland Reclamation program and various economic development projects, including water & sewer and other types of public infrastructure.

Northeast Minnesota Economic Protection Fund

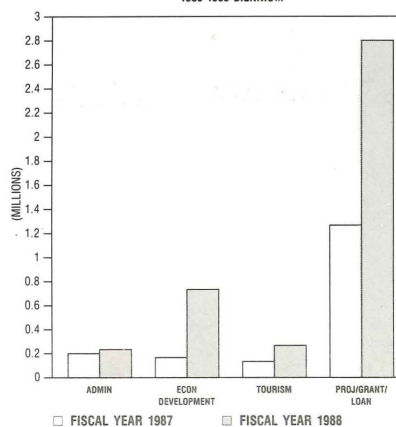
SOURCES OF FUNDS
1986-1988 BIENNIUM



This account provides funding for the operation of the economic development program, and tourism projects.

Sources of funding are investment income (mainly from the corpus), and loan repayments. The taconite tax receipts are deposited in the corpus and are not available for expenditure until the year 2002 unless authorized by the legislature.

ALLOCATION OF FUNDS
1986-1988 BIENNIUM



Funds are allocated to operation and staffing of the Business Development division, the Building Demolition program and various economic development projects, including loans to businesses.

"I am a strong supporter of Giants Ridge because of what it has done for my business. Giants Ridge is one of the greatest things that has happened to this region since the discovery of taconite. I am excited to see the region recover because of the gold mine we have in tourism."

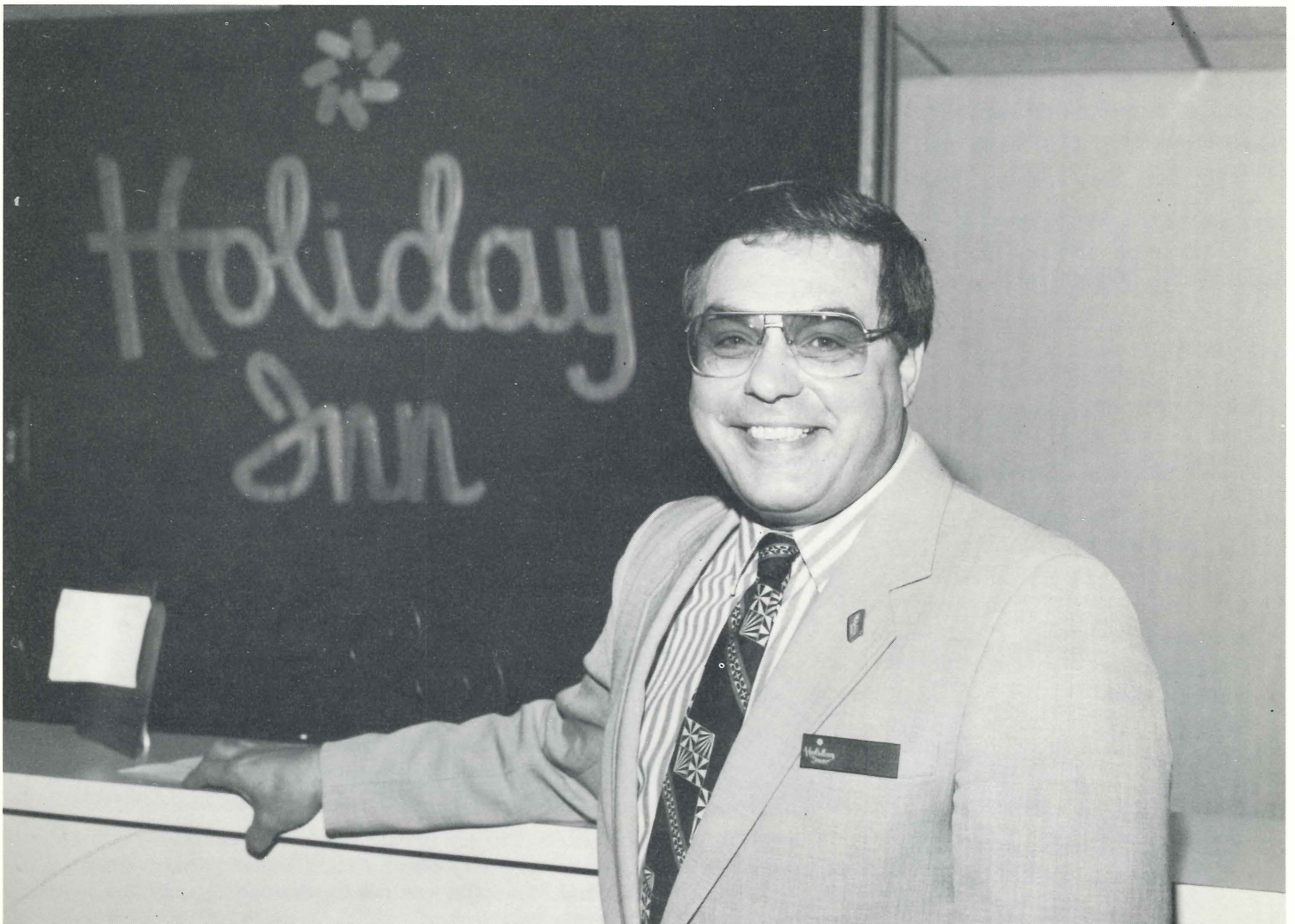
"Our hotel has seen a tremendous increase in business that can be directly related to the development and growth of Giants Ridge as a ski facility. Our bookings for winter fill up months in advance of any special event at Giants Ridge."

"Of all the tourist packages we offer, our ski packages are the most popular. A quick look at our reservation list tells me exactly what Giants Ridge's calendar looks like for the coming season!"

"A large percentage of our business consists of repeat visitors—people who are returning here because our region offers them a first-class ski

area and a first-class hotel. In the hospitality industry, repeat business is what we strive for, and I find a lot of mine through Giants Ridge. Many of our visitors claim that they have never been treated so well at a ski area or a hotel."

Louis Parlanti, Manager at Holiday Inn—Eveleth



During the last biennium, IRONWORLD USA was firmly established as one of the premier tourist attractions in the state of Minnesota. Its mission is to preserve, interpret and showcase the cultural heritage and history of the Iron Range.

Iron Range Interpretative Center

The Iron Range Interpretative Center is the cornerstone of the IRONWORLD USA complex. It portrays the story of iron mining in Minnesota and the role of the people who immigrated to the Iron Range in establishing the mining industry. Hands-on exhibits focus on the rich cultural heritage of this region and tape-recorded oral histories provide a first-hand account of early Iron Range settlements. Because ethnic craft demonstrations are an important part of the IRONWORLD USA interpretation program, skilled artisans are employed throughout the season to share their skills with visitors.

IRONWORLD USA Railway System

Another popular feature of the park is the excursion railway system. The journey begins aboard an electric trolley, reminiscent of those which traveled the Iron Range in the early 1900s. The trolley provides transportation between the admission building and Pillsbury Junction, where visitors board the IRONWORLD USA Special for a 2.5 mile scenic trip along the edge of the Glen Mine to Mesabi Junction. A second trolley and other railroad equipment will be added to the system in the near future. The exhibit program will be expanded at Mesabi Junction to include mine and mining location memorabilia, giving the visitors an added dimension of enjoyment.

Festival Park

The beautifully landscaped 15-acre Festival Park is another focal point of IRONWORLD USA. Concession stands specializing in ethnic foods and colorful flags representing the many nationalities of the Iron Range emphasize the excitement of the complex. In the center of Festival Park is a performing area where three in-house show groups entertain daily. Permanent demonstration areas depicting Finnish log cabin building, the Native American heritage and birchbark canoe construction were incorporated into Festival Park during the last biennium. A children's activity area has also been added.

IRONWORLD USA Amphitheatre

A 1600-seat amphitheatre provides an opportunity for IRONWORLD USA visitors to enjoy top-name entertainment. The Star Series concerts have included Marie Osmond, the Gatlin Brothers, Ricky Skaggs, the

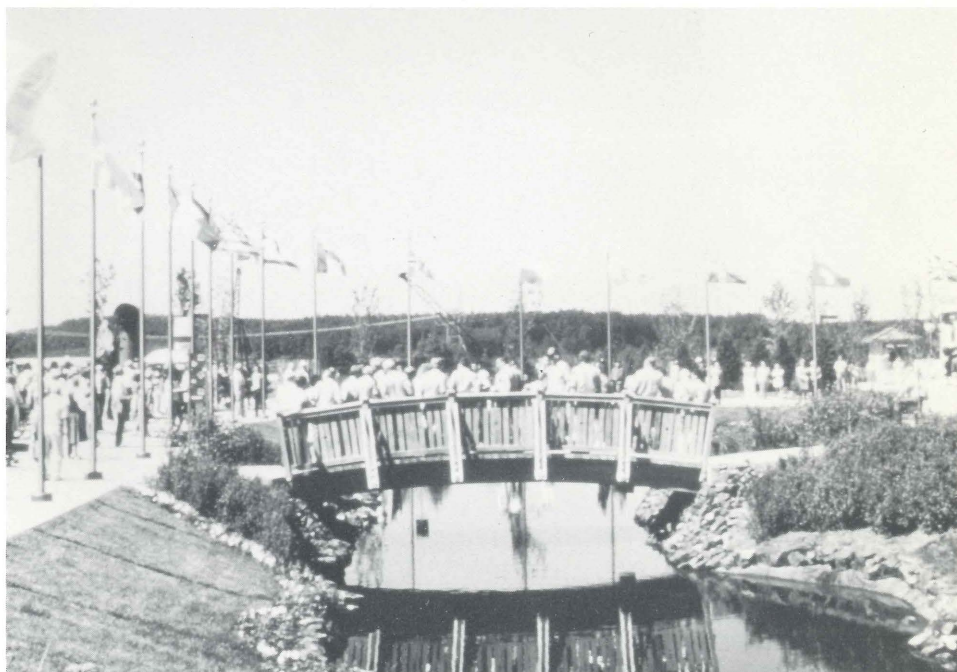
Minnesota Orchestra, the Duluth-Superior Symphony, Charlie Pride, and ShaNaNa, to name a few.

Events

IRONWORLD USA employs 85 seasonal and 10 permanent staff. Besides an outstanding interpretive program, the facility offers a season filled with daily and weekly entertainment and special events. Major events include the five-day Annual International Polkafest which draws thousands of polka enthusiasts to the complex from throughout the United States and Canada to hear the foremost polka musicians in the country perform.

Minnesota Ethnic Days is another popular event. The celebration honors the many nationalities who settled the Iron Range area. On each of twelve days the music, dance, crafts and foods of an individual ethnic group are highlighted.

Another multi-day event at IRONWORLD USA which attracts thousands is the Fabulous Fifties



During the past two seasons, 250,000 people visited IRONWORLD USA. They enjoyed ethnic activities and the Interpretative Center, which portrays the story of Iron Range immigration and Minnesota iron mining through dynamic hands-on exhibits.



"IRONWORLD USA is the best thing that's happened to my business. When Highway 169 first opened up, it took away about 15 or 20% of my business. People were just passing through and some moved away from the Range during the hard times we had here. Since IRONWORLD USA opened up, all that has changed.

"The visitors that come here for the special events at IRONWORLD USA have a tremendous impact on my business. Any time IRONWORLD USA has anything going on, my business just jumps up. I only have to take a head count of the people that eat here to know if there is something special going on at IRONWORLD USA!

"I have been in business long enough to realize that there is room for all of us to live together. IRONWORLD USA has six food pods on their premises, but people still come into Country Kitchen afterward. The visitors may come to IRONWORLD USA because of the special events, but they also come to town to shop and eat. That benefits our business community. IRONWORLD USA has a tremendous positive effect on the area up here. . . it sure has helped my business."

Rudy Theodore, manager of Country Kitchen,
Chisholm and Hibbing

celebration held annually in August. Top '50s entertainers, a sock hop, and a classic and antique car show are part of the festivities.

Country music fans are treated to three days of their favorite Nashville stars during the Iron Country Hoedown, held every year on Labor Day weekend. This past year, the Minnesota County Music Championships were instituted as part of the celebration. A contest for amateurs and semi-professionals, it has the potential to evolve into a major event in its own right.

Economic Impact

During the last two years, the number of paid admissions to IRONWORLD USA has totaled approximately 250,000. A study conducted by Economic Research Associates during the summer of 1986 found that each visitor to IRONWORLD USA results in \$60 of direct and indirect spending in the Iron Range communities. The 1987-1988 attendance figures indicate that IRONWORLD USA generated close to \$15 million in

regional economic impact during the last biennium. Thus, the facility provides a significant economic impact to the region.



Iron Range Research Center

The Iron Range Research Center, part of the IRONWORLD USA complex, is dedicated to the collection and preservation of the history and genealogy of the Iron Range. Research Center staff work closely with the Minnesota Historical Society, various county and local historical societies, governmental units, cultural organizations and school districts to provide research services and information.

Genealogical Studies

The Iron Range Genealogical Society is headquartered in the Research Center and provides 15 volunteer staff who collectively donate more than 3,000 hours each year to help library patrons with research and informational requests. During the past biennium, the Society co-sponsored genealogy workshops on Norwegian, Swedish, Finnish and Yugoslav genealogy.

Education

The Research Center provides a valuable educational service by teaching students how to use basic research tools in uncovering their own family history. It also researches and produces exhibits to educate the public on Iron Range history. During January 1988, staff completed "From Pick-axe to Computer," a travelling exhibit of the technological changes in mining during the past century.

Library

The Iron Range Research Center maintains a vast collection of printed and film materials, including Iron Range newspapers, city directories, immigration records, films and organizational records totalling more than 2,600 titled volumes and 3,355 rolls of microfilm.



During August 1988, the Iron Range Research Center hosted the 23rd Annual Great Plains History Conference in Eveleth. The conference was attended by 200 participants from 26 states and two Canadian provinces. Forty-one history sessions were held on topics of regional, national and international historical interest.

Archival Functions

The Iron Range Research Center contains both private and public collections of historical records. During the past biennium, several major collections were donated to the Center, including the private collection of Dr. Julius Wolff and several public collections including engineering papers of the Oliver Mining Company, United States Forest Service Records, the Hanna Mining/Butler Brothers' records, and complete census records for the states of Minnesota, Wisconsin, North Dakota and Michigan.

Collections now available at the Iron Range Research Center include more than 1,600 linear feet of public record sets, 800 linear feet of manuscript collections, 100 maps, 20,000 photographs, 700 pamphlet files and 850 hours of oral history tapes dealing with all facets of the Iron Range life and culture. The Research Center also subscribes to 119 journals and 18 newspapers dealing with history.

The Research Center pioneered efforts to produce an oral history of the experiences and opinions of northeastern Minnesota's Vietnam and World War II veterans. Staff also worked with the St. Louis County Historical Society on an oral history collection of the Arrowhead Civilian Conservation Corps.

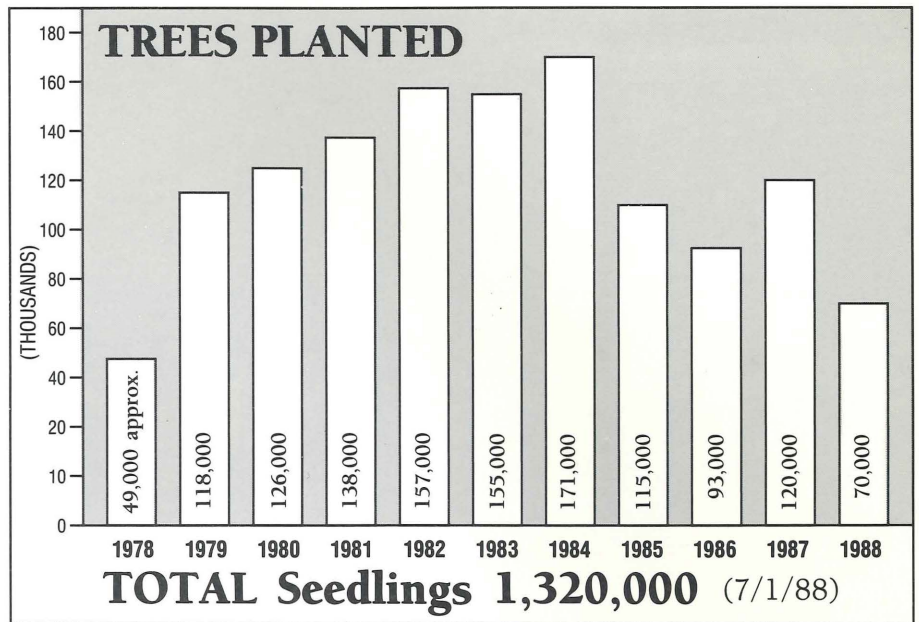
Automation and Expansion

Work started in 1987 to automate all files, collections and pictures housed at the Research Center. When completed, this automated system will provide a fully integrated inventory of all research materials available on Iron Range history.

Mineland Reclamation

The Mineland Reclamation division reclaims, restores and reforests abandoned minelands disturbed by iron ore mining operations on Minnesota's three iron ranges. Currently, Mineland Reclamation is concentrating on projects that will provide an incentive to increase economic growth, the restoration of areas that are not presently useable, the reforestation of otherwise unvegetated areas, the development of habitat for wildlife and an inventory of water resources in the mining area.

Mineland Reclamation works with the Minnesota Tree Improvement Cooperative in producing genetically superior trees for general forestry. Strains of mycorrhizae have also been utilized to improve survival and growth of trees planted on minelands. This reforestation of abandoned minelands also involves the development of plant materials to control erosion.



A white spruce grafting project to produce superior quality trees with greater growth rates has been developed in conjunction with the

Minnesota Tree Improvement Cooperative and the Blandin Paper Company.



The Growth Chamber is a light, temperature and humidity controlled environment designed to grow a variety of seedlings. Since its inception in 1982, over 750,000 containerized seedlings of 44 different species have been produced for mineland reclamation projects. In 1986, the IRRRB Mineland Reclamation division received the "Cooperator of the Year" award from the Minnesota Tree Improvement Cooperative for their contributions in improving the genetic quality of major Minnesota timber species.



In addition to 1.3 million seedlings, the IRRRB has used its Vermeer tree planting equipment to plant over 1,500 larger trees throughout the taconite tax relief area.

Tourism Activities



Hill Annex Mine

Since 1980, the IRRRB has developed a unique program and history museum at the Hill Annex Mine near Calumet. This major tourism facility has had an annual attendance increase of 20% during the past five years and is the only tour of an open pit natural iron ore mine in the country. On July 1, 1988, the Hill Annex Mine became the Minnesota Department of Natural Resources' newest state park. The IRRRB will appropriate \$200,000 annually until 1991 to support the DNR's operation and maintenance of the site. Following the transfer of the Hill Annex Mine, the Mineland Reclamation division was moved to IRONWORLD USA.



The Croft Mine Historical Park

The Mineland Reclamation division was also instrumental in developing the Croft Mine Historical Park which is now operated by the Crosby-Ironton Joint Powers Board. This facility will give tourists a simulated underground mining experience while presenting history and artifacts from the Cuyuna Iron Range.



North Hibbing Oliver Shop Area

This area is of historical significance to the Hull Rust Mine. The project included removal of rubble, clearing brush, developing walking paths, parking and signage of building locations in the shop area. Observation stands were constructed at various vantage points to allow views of the adjacent mine. Picnic tables, grills, a pavilion and hobby club air strip were also constructed.

The Iron Trail Radio Network

The Iron Trail Radio Network is a tourist information radio system located along the Iron Trail on Highways 53 and 169. It includes radio bases at the Anchor Lake tourist information area, IRONWORLD USA, Hull Rust Mine Overlook, Hill Annex Mine, Grand Rapids Visitor and Convention Center and the Rouchleau Mine Overlook near Virginia. Highway signs inform tourists to tune into 1610 AM on their radio dial to hear taped messages promoting area tourist facilities, special events and activities.

Recreational Areas

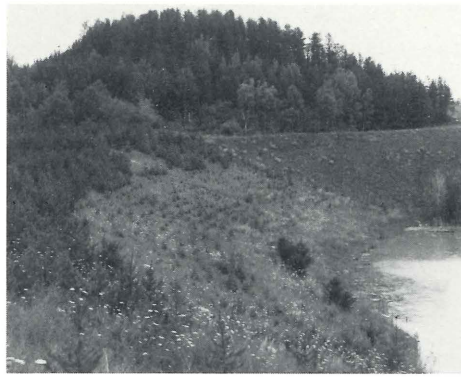
The IRRRB Mineland Reclamation program has developed numerous abandoned mine pits as recreational areas. These IRRRB efforts have been a boon to the area tourism economy as boat accesses, campgrounds and fish stocking in the mine pits are now attracting tourists from across the country.

For example, the City of Mountain Iron requested assistance in developing a campground at the **West Two Rivers Recreational Area** on land leased from U.S. Steel. Facilities include sewer, water, lighting, a washroom building, roads, a campground area, a swimming beach, change house, picnic area and water access.

The **Embarrass Pit Access** includes a boat access and parking lot constructed on state land. Trout have been stocked, and the Town of White is responsible for maintenance.

The Gilbert Schley Mine Access

The Gilbert Schley Mine Access includes a boat launch and docks on the water-filled pit lake. Facilities include a campground, tables, grills, a sanitary dump station, buildings for fish cleaning and storage, showers and restrooms.



Judson/Stubler Pits

Iron ore pits often present a dangerous situation with steep banks and inadequate barriers. At many such sites, the IRRRB has resloped, revegetated and reseeded to reduce safety hazards. Near Buhl, the Judson and Stubler pits have recently been resloped and revegetated, making the area safe and accessible to the public.

Little Rabbit Mine

The reclamation committee on the Cuyuna Range requested development of water accesses to Riverton's Snowshoe Mine and the Little Rabbit Mine. The Snowshoe Mine has a carry-in access while Little Rabbit has a concrete plank and drive-in access. These recreational areas are maintained by Crow Wing County. Across the road from Little Rabbit, an access was put into the Rowe Mine which is equipped with a parking lot and washroom facilities.

"The IRRRB's work has been excellent and we've had double the amount of people enjoying our park area as compared to last year. The contractors they've hired have taken care of everything, tree planting, seeding, building stairs, buildings, signs, access roads and boat ramps. . . the IRRRB even initiated the fish planting. Our campground has brought in people from all over the country and the IRRRB has been real, real cooperative."

Frank Omersa
Gilbert Public Works



“When the IRRRB reshaped the Stubler and now the Judson pit, it really opened the door for us to continue to renovate the park area adjacent to the pits. We enjoy working with the IRRRB . . . they always ask us if we’d like work done to improve our community, and many times we haven’t even had to solicit their help . . . it’s been offered and done.”

Donna Urdahl
Buhl City Treasurer

Water Resources

Abandoned mines are reservoirs for cold, high-quality water, and this resource is virtually untapped. Mineland Reclamation continues to determine quantities and quality of available water with the hopes of drawing industries needing pure, clean water to northeastern Minnesota.

Biomass Research

Mineland reclamation staff are currently studying the feasibility of using tailings basins for biomass production. Experimental research is also being conducted on using sewage sludge for pelletizing taconite or as a fertilizer for reclamation projects.



Fish Stocking/Aquaculture

Since 1984 the IRRRB has stocked abandoned pit-lakes in the Cuyuna, Mesabi and Vermilion Ranges with rainbow and lake trout averaging 1/2-3/4 pounds. This has enhanced area tourism. In addition, commercial ventures continue to investigate the possibility of raising fish for food in abandoned mine pits or tailings basins.

Other Initiatives

The Mesabi Map Project

The Mesabi Maps are currently being updated to include recent taconite operations. This project is a cooperative effort between the IRRRB, DNR Minerals Division, Department of Revenue, St. Louis County Assessor's Office, Itasca County Assessor's Office and the Range Association of Municipalities and Schools. When completed, this atlas of maps will detail mining activities, minerals, roads, and communities located on the Mesabi Range.

Sharptail Grouse—Wildlife Habitat

Abandoned tailings basins provide excellent sharptail grouse habitat. Working in cooperation with the Department of Natural Resources, the IRRRB has used hydro-ax equipment to prepare grasslands and young brush areas which will support the return of area grouse populations.



"It didn't take a lot of convincing for the IRRRB to be cognizant of the fact that taconite tailings basins were pretty easily managed for sharptail grouse. The IRRRB tried very hard to find the right sites and get permission from the steel companies to prepare the land. I wrote the prescription and they found the dollars, equipment, manpower and seed. They've been really receptive to the sharptail grouse problem and they want to work towards getting that bird back on the Iron Range."

Bill Berg
DNR-Wildlife



Throughout the years, the IRRRB has assisted in the improvement of abandoned minelands near many Iron Range communities.

Community Entrance Enhancement Program

The Community Entrance Enhancement Program was established in 1988 to beautify community entrances within the Taconite Tax Relief Area. The intent is to work with local governments and groups to design and deliver innovative projects in which the entire community will share a sense of ownership.

It's hoped that this program will not only improve the quality of life but also stimulate tourism and small business development.



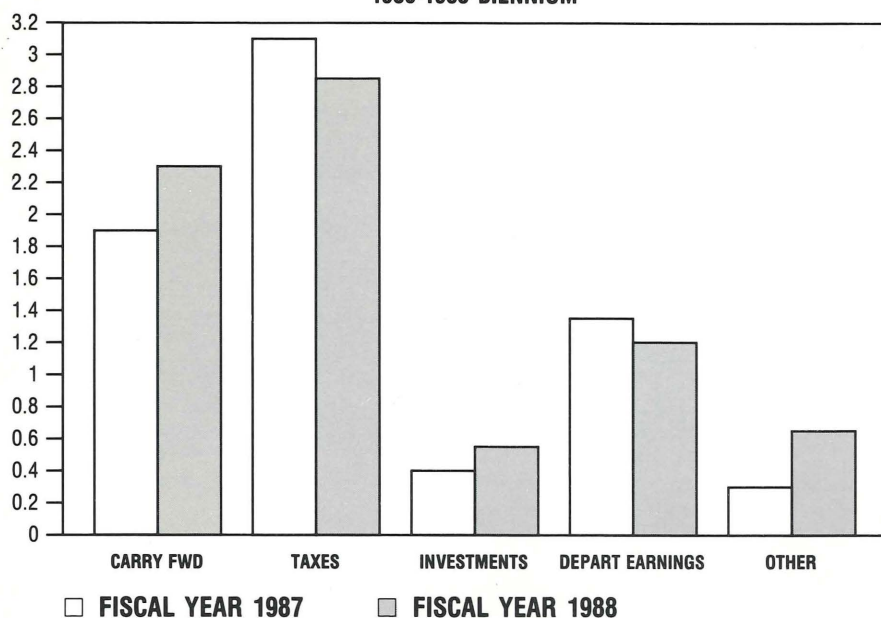
Additional Projects in the past biennium include:

- Buckeye Mine Access—Itasca County—public access and fish stocking at the abandoned Buckeye Mine.
- Miller Mohawk Guard Rail—Aurora—constructed a safety guard rail at the edge of the roadway along the crest of the mine pit.
- Colby Lake Shoreline Stabilization—Hoyt Lakes—repaired shoreline and stabilized erosion problems.
- North American Mine Shaft Capping—Tower—eliminated a safety hazard by capping the open mine shaft.

Iron Range Resources & Rehabilitation Board Account

SOURCES OF FUNDS

1986-1988 BIENNIUM

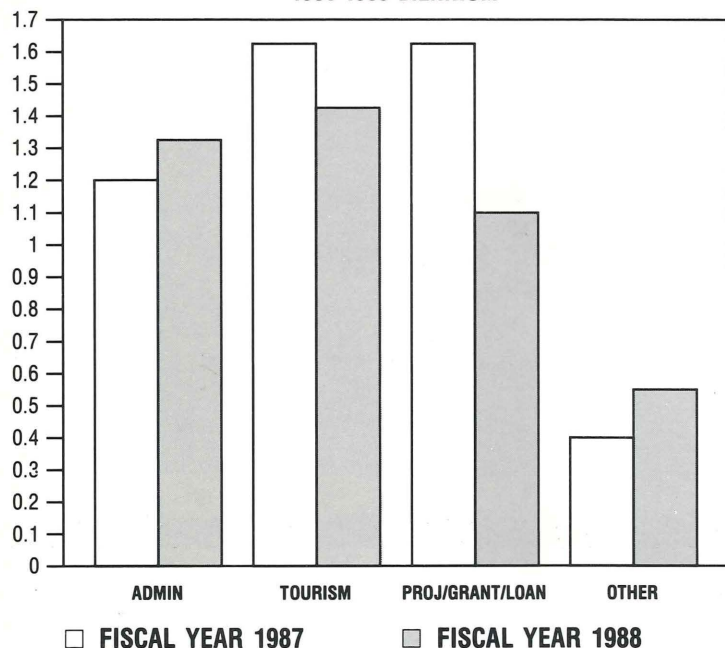


This account provides funding for operation of the Eveleth administrative offices, the Giants Ridge recreational facility at Biwabik, the Iron Range Research Center at Chisholm, and for various tourism and economic development projects.

Sources of funding are taconite production taxes, fees from operation of the agency owned tourism facilities (Giants Ridge and IRONWORLD USA), income from rental of agency owned buildings, investment income, and miscellaneous other revenue sources.

ALLOCATION OF FUNDS

1986-1988 BIENNIUM

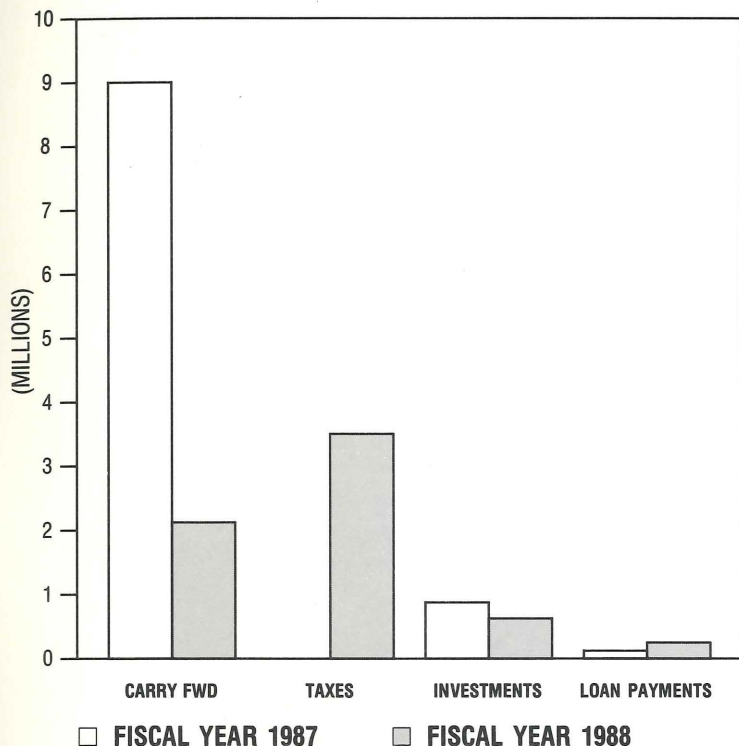


Funds were allocated to the operation and staffing of the Eveleth administrative offices, Giants Ridge, the Iron Range Research Center; and various public economic development projects, including tourism projects.

Taconite Area Environmental Protection Fund

SOURCES OF FUNDS

1986-1988 BIENNIUM

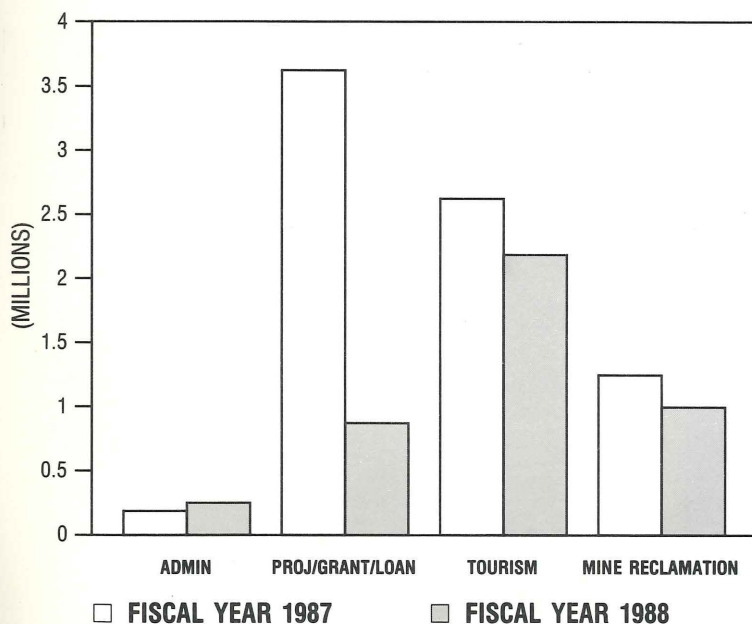


This account provides funding for the operation of the IRONWORLD USA tourism facility, the Mineland Reclamation program and for various economic development projects; including community development grants to political subdivisions.

Sources of funding are taconite production taxes, investment income and loan repayments. A major portion of this fund's revenue sources is from the taconite taxes which are received late in each fiscal year. In 1987, agency accounting practices were changed so that tax monies (for budget purposes) were reserved until the following fiscal year. Therefore \$0 were reported as taxes in fiscal year 1987. Fiscal year 1987 operated from the carry forward from fiscal year 1986, which included tax receipts credited late in fiscal year 1986.

ALLOCATION OF FUNDS

1986-1988 BIENNIUM



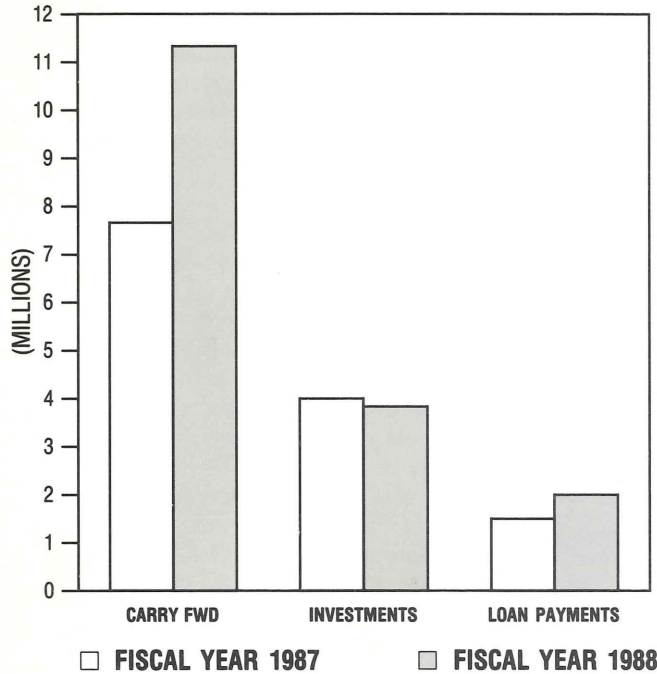
Funds are allocated to the operation and staffing of IRONWORLD USA, the Mineland Reclamation program and various economic development projects, including water & sewer and other types of public infrastructure.

*More detailed financial information available upon request.

Northeast Minnesota Economic Protection Fund

SOURCES OF FUNDS

1986-1988 BIENNIUM

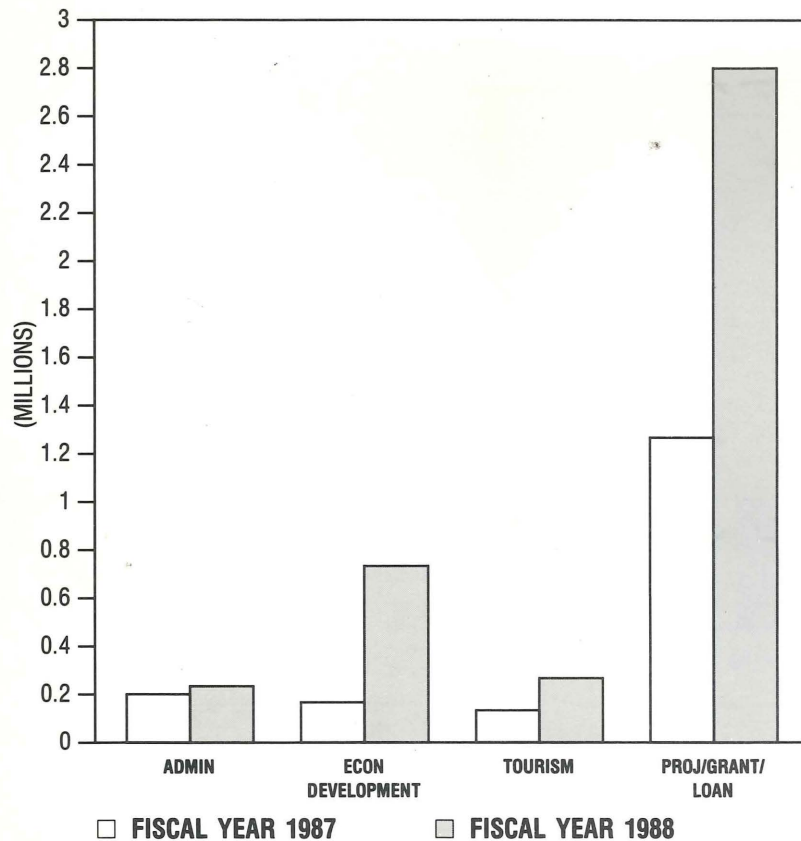


This account provides funding for the operation of the economic development program and tourism projects.

Sources of funding are investment income (mainly from the corpus), and loan repayments. The taconite tax receipts are deposited in the corpus and are not available for expenditure until the year 2002 unless authorized by the legislature.

ALLOCATION OF FUNDS

1986-1988 BIENNIUM



Funds are allocated to operation and staffing of the Business Development division, the Building Demolition program and various economic development projects, including loans to businesses.

*More detailed financial information available upon request.



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