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Range
Resources
and
Rehabilitation
Board

Biennial
Report
1995-1996



Partnerships
That Work.

IRON RANGE RESOURCES
& REHABILITATION BOARD



Pursuant to Minn. Stat. 298.22
Subd. 2

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1995/96

The **1995-96 Biennial Report to the Legislature** recaps the Iron Range Resources and Rehabilitation Board's activities from July 1, 1994 - June 30, 1996. This report has been prepared in compliance with Minnesota Statutes 1992, Section 298.22, Subdivision 2. It is available to members of the State Legislature, public entities and citizens. The IRRRB estimates the cost of this report to be \$9,000 (\$5,000 Printing & \$4,000 Staff Time)



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IRRR BOARD MEMBERS



IRRR Board members: Front (left-right): Senator Doug Johnson, District 6; Commissioner Jim Gustafson, Representative Irv Anderson, Chair, District 3A; Loren Solberg, District 3B; Back (left-right): Deputy Commissioner Shawn Hooper; Senator Sam Solon, District 7; Senator Jerry Janezich, Vice-Chair, District 5; Representative Tom Bakk, District 6A; Representative David Tomassoni, District 5B; Bill Brice, representing Commissioner Rod Sando, Department of Natural Resources (DNR); Representative Tom Rukavina, District 5A; Not Pictured: Senator Florian Chmielewski, District 8; Senator Robert Lessard, District 3; Commissioner Rod Sando, DNR

IRRR BOARD MEMBERS DURING FY95-96

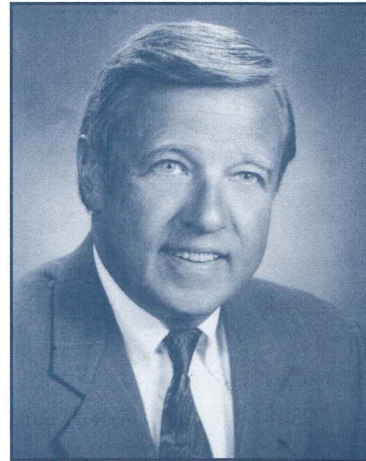
Representative Irv Anderson, Chair	International Falls
Senator Jerry Janezich, Vice-Chair	Chisholm
Representative Tom Bakk	Cook
Senator Florian Chmielewski	Sturgeon Lake
Senator Doug Johnson	Cook
Senator Robert Lessard	International Falls
Representative Thomas Rukavina	Virginia
Representative Loren Solberg	Bovey
Senator Sam Solon	Duluth
Representative David Tomassoni	Chisholm
Commissioner Rod Sando	Department of Natural Resources

Looking Back With Pride; Partnering For Our Future

To the Governor and Legislature of the State of Minnesota:

I am proud to submit to the Honorable Arne Carlson, Governor of the State of Minnesota, and the Eightieth Legislature of the State, this twenty-seventh Biennial Report of the Iron Range Resources and Rehabilitation Board (IRRRB).

While such a report entails a great deal of time and energy, it is undoubtedly worthwhile. It gives us an opportunity to look back with pride at our accomplishments over the past two years and to clarify our goals for the future. The secret to our past success and the key to our future success can be summed up in one word: *partnerships*.



Commissioner Jim Gustafson

Partnerships That Work

Partnerships have evolved naturally through our programs over the years. In the past biennium, we developed a “Partnerships That Work” program to make a conscious effort to recognize and expand our partnership efforts. Our new logo graphically indicates that partnership building is an agency priority. As part of the program, the Partners Advisory Committee, comprising 22 area citizens, was appointed to provide input on our programs and to improve two-way communication between the agency and the general public.

Partnerships: Secret To Past Success

Through partnerships with communities and development agencies, our community and economic development projects have created more than 2,500 jobs in the past two years. New businesses include: Northwest Airlines’ Iron Range Reservation Center in Chisholm, Larex International in Cohasset, and Foodland Industries in Aitkin.

In May, we received a 1996 *Partnership Minnesota Cooperative Public Service Award* in recognition of partnership efforts that best exemplify the benefits of inter-governmental cooperation. Also, *Governor’s Commendation Certificates* honored the partnerships of the following programs: Bank Participation Loan, Building Demolition, Community Development, Iron Range Economic Alliance, Mineland Reclamation, Northern Lights Tourism Alliance, and Trails.

Partnerships: Key to Future Success

Giants Ridge’s 18-hole premiere golf course is slated to open next summer. Partnerships with area communities have been vital in making this project a reality. Heritage tourism, one of our newest initiatives, involves identifying and promoting regional historic tourism sites and attractions. For this effort to flourish, partnerships with communities, organizations, foundations, agencies, units of government, heritage attractions and historical societies must be cultivated in the next biennium.

In closing, we are proud of all that we have accomplished over the past two years and will continue to form partnerships that work— for the future of northeastern Minnesota.

Yours very truly,

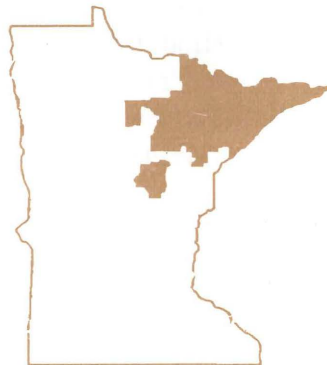
A handwritten signature in dark ink that reads "Jim Gustafson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jim Gustafson, Commissioner

MISSION STATEMENT

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

**Taconite Tax Relief Area
(TTRA)**



ECONOMIC DEVELOPMENT

Northeastern Minnesota is gaining popularity as a hot spot for economic development. Economic development staff members are assigned to serve as liaisons to the communities within designated areas of the TTRA. During this past biennium, more than 1,300 jobs were created through several new economic development projects. In addition, leadership and assistance is provided by the economic development division through the Iron Range Economic Alliance (IREA).

Iron Range Economic Alliance

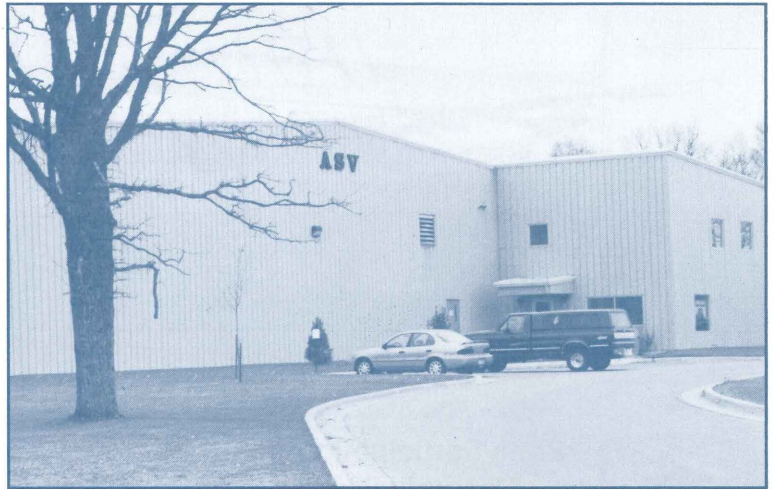
The IREA, created in 1994, comprises 36 area leaders who meet quarterly to share information and ideas and take actions to spur economic development in the area. With the IRRRB facilitating and providing administrative support, the IREA has addressed a wide range of regional development issues, including the need for housing, financing the development of infrastructure for industrial parks, cohesive regional marketing, and the development of a regional Internet Home Page presence.

For a list of IREA members refer to appendix page A.

Taconite Assistance Program

Designed to enhance the long-term viability of northeastern Minnesota's taconite industry, the Taconite Assistance Program (TAP) provides low interest loans and grants of up to two million dollars to each of seven operating taconite producers in the region. Monies must be used for plant expansions, process improvements or new technologies which help companies decrease production costs and stay competitive in the iron ore marketplace.

The TAP's goal is to protect the more than 6,000 quality jobs provided by the taconite industry. During this biennium, \$10 million provided by the IRRRB leveraged over \$18.5 million in capital investments by the companies.



ASV's manufacturing facility in Grand Rapids is a good example of a business that benefited through the IREA initiative.

For more information on the TAP please see the mining section on page 20 and the appendix page B.

Technical Assistance

Information and referral services are available to businesses ineligible for financial programs. IRRRB staff facilitates economic development projects through information networking and referral for entrepreneurs and existing businesses seeking to define their objectives. Staff also makes referrals to other providers who offer technical or financial assistance. This includes gathering information about employment availability and continuing education or searching for suitable locations.

Business Marketing

The marketing assistance program advises new or existing businesses in product development and design, packaging, inventory control, advertising, warehousing and shipping. IRRRB staff works with a consultant, JPG Communications of Virginia, Minnesota, to carefully monitor each business, ensuring that the scope of services provided remains within acceptable cost and time limits. In this biennium, 48 businesses received marketing assistance.



Northwest Airlines built a state-of-the-art reservation center in Chisholm with assistance of a IRRRB Bank Participation Loan.

Bank Participation Loan Program

Through its Bank Participation Loan program, the IRRRB helps fund business development with monies derived from the Northeast Minnesota Economic Protection Fund, also known as the "2002 Fund." The agency works with regulated lending institutions to combine private and public funding into custom-designed financial packages for eligible businesses.

The agency buys up to a 50 percent participation in eligible loans, providing significantly lower cost capital to the borrower. The IRRRB facilitates the structuring of financial packages with the involved parties. Application requirements ensure that the business assembles the type of information which facilitates analysis and decision-making for both the IRRRB and the bank.

Examples of projects from FY95-FY96:

- Northwest Airlines began construction and opened its doors during this biennium and will bring over 600 jobs to the TTRA.
- Foodland Industries, which established a sister company of their Brooklyn, NY company, manufactures rice cakes

and will bring up to 80 jobs to Aitkin at full capacity.

- Technimar Industries will bring over 200 full-time jobs in the next four years to Cohasset. The plant will be the first of its kind in the United States producing an innovative agglomerated stone called Stonite.

Future Direction

The IRRRB will continue to spur all sectors of economic development, including tourism, wood products, minerals and small business development.

For a complete listing of the 35 start-ups or expansions during this biennium, please see the appendix page G.

IRRRB Economic Development Partners

Arrowhead Regional Development Commission

Center for Economic Development at the University of Minnesota - Duluth

Minnesota Department of Trade and Economic Development

Minnesota Power

Natural Resources Research Institute

Northeast Entrepreneur Fund

Northeast Ventures

Northspan

Small Business Development Centers (SBA sponsored)

United Power Association

COMMUNITY DEVELOPMENT

GRANTS

Community development grant monies are awarded for a variety of projects throughout the area by the grants division of the IRRRB. Projects are reviewed as to how well they address the following basic criteria: job creation, leverage from other funding sources, economic impact, relative need, and viability. Consolidation of services and facilities is also encouraged.

The division works closely with the Iron Range Economic Alliance (IREA) on special projects. Examples include:

- A subcommittee appointed by the IREA determined a pressing need for communities to be fully prepared for new businesses and designed a grant program for industrial parks. In December 1995, the IRRRB grants division awarded a total of \$1 million to seven area communities for industrial park development.
- In response to a regional shortage of affordable and adequate housing, an IREA housing subcommittee, assisted by a consultant from the National Development Council, searched for solutions. As a result, \$3.58 million was allocated to provide a front-end subsidy of \$10,000 per unit for proposed construction of 292 market housing units in St. Louis County and 70 units in Itasca County.

Grants are also made available through the IRRR Board Account (Minnesota Statute 298.22). This account gives the commissioner statutory authority to fund projects which aid in the relief of distress and unemployment due to the reduction or limited use of natural resources. These funds are limited to eligible projects located within, or for the benefit of, the TTRA.

Project profiles are accepted each year between January 1 and April 15. After staff



The Ely area has seen a new Holiday Inn Sunspree become reality on this site overlooking Shagawa Lake.

review, those selected for further consideration are asked to submit formal applications prior to July 1. In September, the commissioner presents a list of projects to the IRRR Board for approval. They are then sent to the governor for final approval.

The grants division was established in 1977 with the creation of the Taconite Area Environmental Protection Fund. More than \$204 million has been awarded for projects such as water and sewer systems, airports, mineland reclamation, recreation, tourism, housing, industrial parks, business development and community development. Governmental units and nonprofit organizations have used grant funds to leverage more than \$1 billion in other federal, state, local and private money.

During the biennium, the division partnered with over 40 funding agencies and funded over \$126 million dollars in projects. For every dollar of IRRRB money spent, eight dollars were spent from other sources. Over 609 permanent jobs and 1,064 construction jobs were created.

For listings refer to appendix page C.

MINELAND RECLAMATION

To correct an oversight in the state's mining laws, the Mineland Reclamation Division has statutory responsibility for the "reclamation, restoration or reforestation of minelands not otherwise provided for by state law."

Over the past 20 years, the division's activities have progressed from an emphasis on making these sites safer to the development of abandoned lands for productive use, including



Workers cap an abandoned mine shaft using polyurethane foam.

private industry and public recreation. In an era of heightened environmental awareness and shrinking budgets, private industry, government and individuals have discovered common goals presenting excellent partnership opportunities. They have found that the sum of their shared resources is greater than the individual total.

Projects are solicited annually from county mine inspectors, reclamation committees and cities and townships within the TTRA. After staff review, projects are recommended to the director, who, in turn, prioritizes them and submits them to the commissioner for funding during the next fiscal year. The commissioner and the board make final selections as part of the budget approval process.

Reintroducing the White Pine

The majestic white pine once covered vast

areas of northeastern Minnesota. Following the logging boom of the early 20th century, portions of these forest lands were replanted with white pine seedlings from Europe. Unfortunately, they contained a fungus which thrived in Minnesota and preyed on white pine. The Minnesota Tree Improvement Cooperative, of which the IRRRB is a member, comprises state, federal and county agencies, foundations, universities and wood products growers and suppliers. The goal is to reintroduce white pine to northeastern Minnesota by developing a species resistant to the diseases decimating current stands.

Growth Chambers

Approximately 300,000 trees are grown annually in a totally controlled environment in the Mineland Reclamation Division's growth chambers. They are used principally to reforest abandoned mining lands. These lands require a

seedling adapted specifically for the harsh conditions of overburden dumps and lean-ore stockpiles. The division produces superior-quality containerized seedlings that thrive exceedingly well wherever planted. Planting is not limited to abandoned lands, however. The division partners with state, federal, county and local entities, including mining companies and civic groups to reclaim those areas of the TTRA adversely affected by mining.

Additional Long-range Projects

Other long-range projects include ground water surveys (University of Minnesota, U.S. Geological Survey), Mesabi map project (St. Louis and Itasca Counties, Minnesota Department of Natural Resources-Minerals and Revenue, private businesses, Range Association of Municipalities and Schools), Mesabi Trail



A worker stocks Rainbow Trout in one of the water-filled abandoned mine pits on the Mesabi Range.

(St. Louis and Itasca Counties, U.S. Department of Transportation [ISTEA], Minnesota Department of Transportation and local communities and interest groups) and other regional activities designed to improve the environment and quality of life for area residents and visitors.

Also, approximately 1,000 fourth grade students from Iron Range schools participate in an annual Arbor Day Environmental Fair sponsored by the Mineland Reclamation Division at Ironworld Discovery Center. They learn about the stewardship of our environment. Many contributors including food service suppliers, civic groups, government agencies, area business and industry and volunteers are involved in making the fair a success.

Projects for the Current Biennium

When evaluating projects for funding those which use agency resources as matching funds are given priority. A long-standing policy demands that projects funded and constructed by the division be maintained by the unit of government in which they are located. This fosters a closer working relationship between the IRRRB and the recipients.

For a list of grants refer to appendix page C.

FY95-96 Projects and Partners

This past biennium, Mineland Reclamation Division resources and funds were partnered with, among others:

Legislative Commission on Minnesota Resources - LaRue Pit public access in Nashwauk;

U.S. Bureau of Mines, Minnesota Department of Natural Resources, Minerals and Waters, and mining companies - Canisteo Pit assessment in Coleraine;

Minnesota Department of Natural Resources - Judson Pit handicap access in Buhl;

Crow Wing County - water monitoring in the Cuyuna Range;

Cuyuna Country State Recreation Area - Croft Mine in Crosby;

Minnesota Power, Aurora U.S. Forest Service and Minnesota Department of Transportation [ISTEA] - recreational trail construction in Ely;

Minnesota Department of Transportation and Town of Breitung - Wayside Rest in Soudan;

United Steel Workers of America, private entities - Miners Memorial in Crosby.



School children meet Smokey Bear and Woodsy Owl at the Annual Arbor Day Environmental Fair at Ironworld Discovery Center

BUILDING DEMOLITION

IRRRB's building demolition program assists local units of government and private citizens by removing dilapidated, unwanted and hazardous structures quickly and safely. This service is provided for free, but owners are responsible for any tipping fees incurred.



The Building Demolition crew loads building debris into one of their new roll-off trucks.

Assisting Other Agency Projects

The demolition crew also assisted the Mineland Reclamation program by reshaping the sliding hill at Marble, establishing fire breaks at Hibbing, Kinney, Mountain Iron, West Eveleth, Leonadis and completing roadwork at the Buckeye Pit public access in Coleraine.

Also, the crew was involved with the planning, developing and site closures of the Hibbing and Effie demolition tipping sites.

Cutting Costs

Two 30-cubic yard roll-off trucks were purchased to dump demolition debris, resulting in substantial savings. Recycling is now a priority because materials once acceptable as demolition debris, such as clothing, carpeting, furniture, and treated lumber, can no longer be deposited in demolition sites. This debris must be separated and brought to a site accepting municipal solid waste. Employees have been trained and licensed for disposal of debris by the Minnesota Pollution Control Agency.

Assisting with Emergency Projects

The demolition crew removed the remains of two restaurants and two grocery stores in Orr, the credit union building in Cook and a print shop and a grocery store in Chisholm, all of which had been destroyed by fire. The charred remains of these buildings presented a health and safety risk to local residents, making the building demolition crew's involvement vital.

Paving The Way For Expansion

The demolition crew's assistance paved the way for expansion in many communities throughout the TTRA. For example, the city of Hibbing expanded Hillcrest Terrace, approved a \$500,000 renovation and expansion of an apartment complex for the Housing and Redevelopment Authority, expanded the American Linen Company, and Hibbing citizens built 23 new garages, all replacing old structures razed by the demolition crew.

Receiving Recognition

Besides commendation letters from citizens during this biennium the building demolition program was honored with two awards. The program received the first annual *Rudy Perpich Innovative Service Award* presented by Range Association Municipalities and Schools (RAMS) in December 1995 and a *Certificate of Commendation* in recognition of its partnership efforts from Governor Arne Carlson in May 1996.

Out With The Old; In With The New

The program has removed 5,687 structures since it began in 1972. During the past biennium, 409 structures were removed, paving the way to a cleaner, healthier environment, new construction, and a broader tax base. In the next biennium, the program intends to maintain a high level of service.

For a listing of building demolition projects refer to appendix page J.

TOURISM

T

ourism is a major focus in the agency's efforts to further diversify the economy of northeastern Minnesota. The Tourism Planning & Development division, through its Northern Lights

Tourism Alliance, continues regional tourism marketing and development approaches, while Giants Ridge Golf and Ski Resort, Ironworld Discovery Center, and the Trails Division continue to draw tourists to the area.

TOURISM PLANNING & DEVELOPMENT

The Tourism Planning & Development Division assists tourism development and promotion programs. Most of its activities are coordinated through the Northern Lights Tourism Alliance, a citizens advisory group made up of tourism industry representatives. In addition to the alliance's activities, the division provides small grants for tourism projects and operates the Wild North Travel Center, a tourism information center in Duluth, Minn.

Grants

More than \$906,209.00 in grants were awarded during the past biennium to enhance tourism activity in northeastern Minnesota.

Northern Lights Tourism Alliance

The Northern Lights Tourism Alliance has gained momentum in its efforts to promote and develop tourism in northeastern Minnesota. Over the past two years, the alliance has expanded several of its original initiatives and undertaken new projects. Three subcommittees — marketing, infrastructure, and education — develop and implement these projects.

Marketing

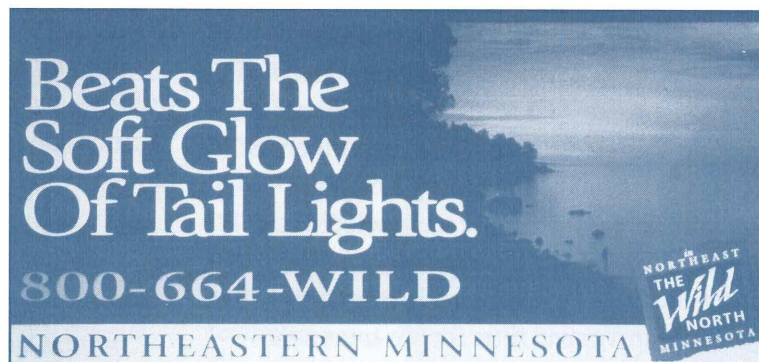
The Northern Lights Tourism Alliance continues its creative, targeted "Wild North" advertising campaign. This comprehensive program includes research, public relations, collateral materials such as the Wild North Discovery Guide & Map and

placemats, and print and outdoor advertising. A conversion study completed in August 1995 showed that 50 percent of those who had inquired about the Wild North from January through June 1995 had actually traveled to the region. The economic impact of these visits is conservatively estimated at \$4 million equaling a 12:1 return on investment.

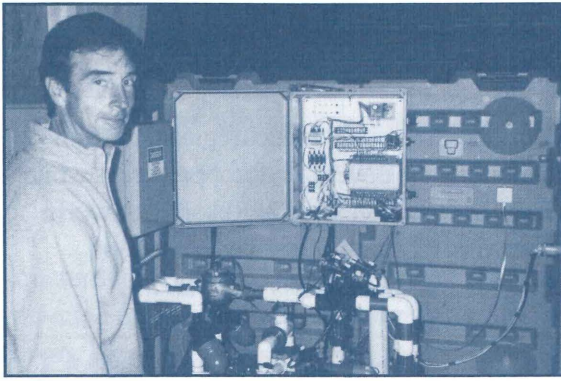
Infrastructure

A new heritage tourism program will help diversify local economies by broadening the tourism market to include historic and cultural travelers. This was in response to changing nationwide trends by the traveling public. John Keuster and Patrice Abbe of Abbe & Keuster Associates were hired to assess the resources and interest level in heritage tourism at the local level.

To gain further information, a group of 27 people from throughout the area toured the Historic Bluff Country in Southeastern Minnesota, the Wisconsin Ethnic Settlement Trail and Bishop Hill, Illinois in September 1995.



An example of one of the billboards produced for the successful "Wild North" advertising campaign by the Northern Lights Tourism Alliance.



Lou LaMontagne, owner of Burntside Lodge, Ely, inspects the control equipment for his drip irrigation system pilot project.

As a result of recommendations made by Abbe & Keuster, a full-time heritage tourism staff person was hired; an informational video was produced; two major conferences were held at Ironworld Discovery Center and two series of meetings were held in each of the six subregions.

In the next biennium, the program will continue to focus on developing area wide marketing themes, infrastructure enhancement, local organizing initiatives, education, upgrading of tourism skills, and local planning based on collaboration, partnerships and sustainable economics.

The NLTA and the IRRRB are helping northeastern Minnesota's tourism industry meet new legislative standards which mandate that all septic systems be in compliance within five years. Of the more than 400 resorts located within the IRRRB's service area, more than 200 are not in compliance with current guidelines.

Following a septic symposium in June 1994, the IRRRB contracted with the Natural Resources Research Institute (NRRI) and Dick Otis, manager of the R.E. Group of Owen Ayres Associates, Inc., of Madison, Wisconsin, for the design and construction of two septic pilot projects. Burntside Lodge in northern St. Louis County and Dodges Log Lodges in southern St. Louis County were selected as project sites. During the summer of 1996, Burntside Lodge installed a drip irrigation system with a gravel filter for pre-treatment. Dodge's Log Lodges is considering various alternatives.

As a direct result of the symposium, several other projects to test experimental technologies have been sponsored by St. Louis County. These new technologies hopefully will advance current thinking on the 70.80 state standard and most certainly will impact individual residential septic systems as well.

Education

The education committee implemented an on-site customer service program, *Minnesota At Your Service*. Working with the University of Minnesota and the Arrowhead Economic Opportunity Agency (AEOA), 12 people were trained as on-site customer service trainers. They are now available to conduct seminars about hospitality and customer service for local businesses throughout the TTRA.

Grants & Projects

The Northern Lights Tourism Alliance recommends grants for advertising and marketing and for special events promotions through joint venture marketing and special events funding programs. The two programs are now combined into the Tourism Partnership Program.

For additional details refer to appendix page C.

Wild North Travel Center

The Wild North Travel Center is located on the skywalk level of the Holiday Center in downtown Duluth. Year-round information, travel counseling and literature about northeastern Minnesota is dispensed at the center. Merchandise made in or representing this area of the state is also available.

Primary recipients of the services are Duluth residents and tourists visiting the Duluth area. The mission is to educate about and promote tourism within the TTRA.

For a list of NLTA members refer to appendix page A.

GIANTS RIDGE GOLF & SKI RESORT

Giants Ridge Golf and Ski Resort is on its way to becoming a year-round recreation destination. Besides its quality downhill and Cross Country skiing and snowboarding runs for which it is well-known, Giants Ridge has added a new 18-hole premiere golf course. The new course will not only attract tourists but also serve as a catalyst for future development of real estate.



The Giants Ridge Golf Course has received high marks from the golf community. Slated to open in the summer of 1997 this course will be the summer anchor of the Giants Ridge Resort.

Golf Spurs Economic Growth

Carved from 135 acres of the most spectacular scenery in northeastern Minnesota, the Giants Ridge Golf Course is predicted to be one of the nation's top 10 golf courses when it opens in 1997.

The golf course is 95 percent complete and will cost approximately \$6,000,000. It features 18 championship holes, multiple tee locations, tree-lined fairways, 62 white sand bunkers, water hazards—including Wynne Lake and Sabin Lake—and bent grass greens and fairways. To protect the waterways, wetlands and beauty of the surrounding Superior National Forest, an environmentally sensitive integrated management plan is being implemented.

More than 20,000 rounds are expected to be played in the first season and that number is predicted to increase to more than 30,000 rounds by the fourth season. A company with

extensive expertise in golf course management, Evergreen Alliance Golf Limited (EAGL), has been hired to oversee the course's construction, promotion, and management. Spurred by the expansion at Giants Ridge, economic activity on the eastern end of the Iron Range has grown substantially and is expected to flourish.

Skiing and Snowboarding

The golf course construction, has resulted in a 50 percent expansion of Giants Ridge's alpine ski terrain. Ten new runs will be completed for the 1996-97 ski season. Now boasting 34 runs, the *Ridge* accommodates beginners as well as expert skiers.

Cross Country ski enthusiasts also benefited from the golf course construction which provided additional beginner and intermediate trails.

For several years, the Minnesota State High School League Cross Country Skiing Championships have been held at Giants Ridge. Nearly 200 participants from schools throughout the state converge for the one-day event.

During the 1994-95 season, Giants Ridge hosted the five-day US Snowboarding National Championships. Approximately 400 racers came from 15 states to compete in slalom, giant slalom, slopestyle, and half-pipe events. This event resulted in a regional impact of more than \$300,000.

Snowboarding, one of the fastest growing segments in the ski industry, promises to deliver more skiers and revenue to Giants Ridge. To meet the



Giants Ridge has become a favorite destination for families.

demand, the services of the Pipe Dragon were enlisted to construct a new snowboard park, including a state-of-the-art halfpipe.

Summer Activity

Summer activity has increased steadily during the past biennium. The six-week Doug Woog Hockey Camp is held in July and August. Giants Ridge accommodates up to 110 hockey players plus coaching staff during each one-week session of the camp. Weddings, company picnics and summer sporting events such as mountain biking and roller blading competitions continue to fill out the summer calendar.

Real Estate Development

Since 1993, the IRRRB has actively encouraged real estate development in and around Giants Ridge. Partly because of the Giants Ridge expansion, economic development activity in surrounding communities has increased dramatically.

In FY 97, the agency will solicit proposals from those interested in developing a lodge or hotel at Giants Ridge. Discussions continue with prospective developers to establish single- and multi-family units around the golf course and at the base of the ski mountain, as well as in adjoining towns.

Development will occur in two phases. In the planning phase the agency will complete surveys and engineering to establish architectural guidelines; it will conduct further market research; provide advertising to promote the real estate development and establish legal and financial documents. The construction phase includes site preparations for single family housing, such as clearing, grading and providing new streets and utilities.



IRONWORLD DISCOVERY CENTER

Ironworld Discovery Center, formerly known as IRONWORLD USA, is a multi-faceted entertainment and history complex located in Chisholm,

Civilian Conservation Corps (CCC) Museum and a 1,600 seat amphitheatre.

The complex has brought top name performances and celebrity acts to northeastern

Minn. Besides the name-change, the complex has expanded its programming, installed new exhibits and constructed a 19-hole miniature golf course during the biennium.

Highlights of the complex include beautiful Festival Park with a central pavilion; the Iron Range Interpretative Center, the cornerstone of the park; the Iron Range Research Center, an archival storage and genealogical facility; Glen Location, a living history exhibit that portrays the lifestyle of the early Iron Range settlers; the



A beautiful day for a stroll around the manicured grounds at Ironworld Discovery Center.

Minnesota for many years. By building partnerships with other Minnesota venues, Ironworld has been able to offer quality entertainment in a more cost-effective manner. These new relationships are invaluable in assisting the park to realize its cost-containment goals.

Commissioner Gustafson has appointed an advisory committee for Ironworld consisting of area community and business representatives. Its purpose is to provide feedback and ideas to the Ironworld Discovery Center staff.

For a committee member list refer to appendix page B.

Volunteers also play a vital role in the overall success of the complex. Each year over 60 area citizens volunteer their time and energy to various events.

Iron Range Interpretive Center/Exhibits

The main exhibit area at Ironworld Discovery Center is the Iron Range Interpretive Center. It presents the history of the region in chronological sequence. Visitors learn about the region's geology, early human habitation, the discovery and mining of iron and immigration and ethnic settlement patterns. In addition to the permanent exhibits, special topical displays are created seasonally.

One such exhibit commemorates the 50th anniversary of the end of World War II. A current exhibit honors former governor Rudy Perpich, displaying personal items, political memorabilia, and gifts given to Perpich by citizens of Minnesota and foreign delegates.

The newest addition to the Ironworld Discovery Center park is the Sami Camp. Many Iron Range people of Finnish descent can trace their ancestors back to an area of Northern Europe, sometimes referred to as Lapland. During the summer of 1996, Sami native, Iilmari Mattus traveled from Finland to Chisholm to construct an authentic "goahti", a

Sami house built with wood and covered with sod. This is the only permanent Sami Camp in the U.S.

Other exhibits featured in FY95-96 include:

Children of the Finnish Homesteads which traces daily life of the Finnish homesteads through the seasons of the year. Over 80 photos, 50 artifacts, and a 20-minute video presentation bring the story to life.

Swedish Jubilee which pays tribute to the 150th Anniversary of Swedish Immigration to the U.S. (1846-1996). It includes historical photographs from northeastern Minnesota, folk costumes and traditional artifacts.



Folk music is a major attraction at Ironworld Discovery Center during the annual Ethnic Days Celebration.

Iron Range Research Center

The Iron Range Research Center, a library and archival facility, is considered one of the best genealogical resource libraries in the upper Midwest. The library contains thousands of reference and how-to books. Census records from all of Minnesota, Michigan, Wisconsin, and North Dakota are available back to 1840.

Researchers can discover important information about their immigrant ancestors in the naturalization records, including where they were born and upon which ship they arrived in America. The microfilmed newspaper collection reveals interesting facts about the times and the communities in which they lived.

The Family Search computer program allows access to over 250 million names stored

in the Mormon archives. Researchers have access to thousands of original records in the Research Center's climate controlled archives. The archives are designated a government records repository, sanctioned by the Minnesota Historical Society, so the records of cities, townships, and school districts within the Taconite Tax Relief Area are preserved there.

Education

The "Beyond School Walls" education program offered at Ironworld has evolved into a program that children and teachers can't stop

talking about. It has welcomed over 28,000 children from pre-school through grade 12 from all over Minnesota over the past five years, offering them opportunities to interact with teachers/interpreters in learning-station settings. The students see, feel, and experience the history and culture of the Iron Range through a variety of hands-on, participatory activities. This program has grown through efforts of Ironworld Discovery Center, the Iron Range Research Center and the Mineland Reclamation Division. Corporate sponsors include US West and the Iron Mining Association.

TRAILS DIVISION

The IRRRB Trails Division assists local organizations and clubs throughout the TTRA to promote, develop and maintain recreational trails. These trails provide tourism opportunities that help to diversify the regional economy.

To support winter and summer fun, recreational trails span innumerable miles throughout the service area. Annual trail usage includes:

- 700,000 snowmobilers,
- 500,000 Cross Country skiers,
- 1,000 mushers
- 2,000,000 walkers/hikers, ATV riders and bicyclists.

Local volunteer organizations maintain the majority of winter recreational trails but, during the summer, users rely on government and maintained types of recreational trails. This division provides technical and non-technical assistance and grants to aid in the development and maintenance of trails. It also develops a variety of promotional campaigns to attract local, state, national and international visitors.

An important function of the trails division is to promote snowmobile safety, helping to improve public perception of the sports utilizing recreational trails.

The division sponsors and assists with special events, including the Iron Range Grass

Drags held at the Eveleth-Virginia Airport and the Giants Ridge/Iron Range Snowmobile Hill Climb held at Giants Ridge. Both events generate tourism during the off-season and they demonstrate the area's ability to host large programs.

The division has received statewide recognition for providing winter recreational trails and partnering in trail grooming. Each week during the winter, approximately 400 miles of trails are groomed.



The IRRRB Trails division plays a major role in grooming snowmobile trails in northeastern Minnesota. In addition, many grants are awarded to local snowmobile clubs that groom and maintain other area trails.

ADMINISTRATIVE SERVICES

The Administrative Resources Division provides management, accounting, payroll, purchasing, human resources and information systems support to the other divisions of the IRRRB. By supplying human and technical resources to all other agency activities and programs, this division enables the IRRRB to better serve customers and clients. It also procures supplies, materials, equipment and services from vendors and contractors.

The past biennium was one of change and transition for the Administrative Services Division with the advent of the Statewide Systems Project, which converted to new accounting, procurement and payroll software. The agency developed and installed its own connection to the state mainframe.

The State of Minnesota increased the agency's local purchase and contract authority during the biennium. An area network providing enhanced data and communications links between IRRRB facilities in Chisholm, Biwabik and Eveleth was installed. A new automated, point-of-sale computer system was developed for the Giants Ridge ski and golf operations. Also, a new computer system helps Iron Range Research Center patrons dig faster and farther for their roots.

In November 1996, the IRRRB unveiled a page on the Internet, allowing global access to agency information and services. The changes are implemented to make the IRRRB the most efficient and effective agency in state government.

HUMAN RESOURCES

IRRRB's human resources division serves approximately 100 full-time and 50 temporary employees. Staff members advise and consult with management on human resources issues; handle payroll and employee benefits; administer labor agreements; maintain an affirmative action plan; ensure equal employment opportunity; facilitate employee recruitment, selection, placement and training; maintain personnel records. Employees are encouraged to be involved in committees, activities and programs.

Administrative Support Committee

This committee consists of all agency administrative support staff. It reviews and makes recommendations related to office functions, improved customer satisfaction, improved communication systems, purchase of office equipment and efficient and effective utilization of support staff. In-house computer peer groups were established to provide more efficient utilization of the agency's information

systems, while decreasing training costs. This committee developed an office procedures manual to eliminate inconsistencies and ensure proper instructions.

Employee Performance and Recognition

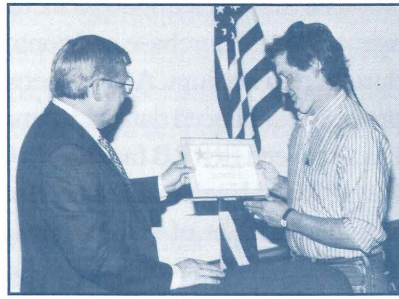
Several mechanisms, both formal and informal, monetary and non-monetary, are in place to recognize and reward employees for their contributions. Performance management components have been aligned to business plans within individual divisions. In the past year, guidelines for monetary achievement awards were established, based on employee goals and objectives. The Executive Committee reviews supervisor nominations and makes final selections.

Employee Recognition Committee

An employee recognition committee, appointed to develop a way to recognize fellow employees, established a quarterly Shining Star

Award. The award honors individual employees or teams nominated by their peers for excellence in performance, technical expertise, heroism, or community service.

The first Shining Star Award was recently presented to Mark Pommier, an audio-visual education specialist and 11-year IRRRB employee, by Commissioner Jim Gustafson. Pommier was selected for his participation in an heroic, life-saving rescue of an eight-year old girl and two women from an overturned and almost completely submerged vehicle.



Mark Pommier receives the inaugural IRRRB Shining Star Award from Commissioner Jim Gustafson.

Health Promotion Committee

An IRRRB health promotion committee has sponsored two health fairs in this biennium. It also sponsors an annual spring kick-off diet and exercise program to help employees get in shape for summer. It has organized employee teams to participate in walkathons for multiple sclerosis and Alzheimer's disease.

Heavy Equipment Committee

Those who directly supervise heavy equipment operators comprise this committee. Both supervisors and employees are benefitting from a new manual defining policies and procedures, posting procedures, training and certification requirements and license requirements.

Safety Committee

The safety committee has reorganized and redefined its function. Duties include developing policy and procedures, reviewing personal injury and motor vehicle accidents, improving safety practises, recommending required safety equipment and training and preventing injuries. As a result, workers compensation claims were decreased.

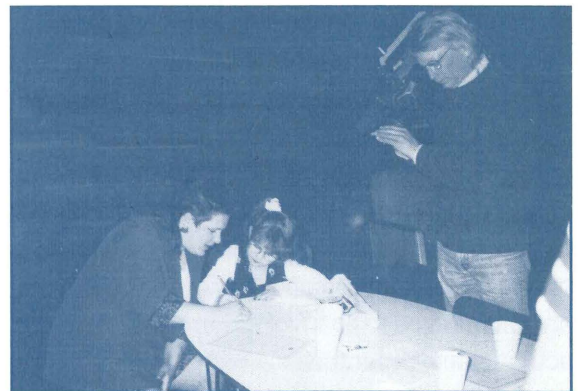
Employee Education & Training

Employee education and training is a division priority. This biennium, time, money, and other resources have been allocated to this effort. We systematically assessed employee training needs and how to design, develop, deliver, and evaluate training to meet those needs. Employees' training interests and needs were surveyed. As a result, courses were offered in WordPerfect, stress reduction, teamwork, managing change, performance management, CPR/First Aid, equipment, supervisory core, management core, and sexual harassment.

Travel costs are defrayed by recruiting on-site instructors whenever possible. Job related independent study is also encouraged. Employees are reimbursed with 75 percent of tuition costs for courses successfully completed. This is an opportunity that is being utilized by several employees.

Employee Involvement

Meetings are organized by the division to update employees on upcoming programs and projects. In the fall, insurance and benefit



IRRRB employee Lauri Waseleski helps daughter Susan fill out an honorary job application during the agency's first *Take A Child To Work Day*. Twenty-one area children participated.

representatives are invited to introduce new benefit packages and insurance changes. The meetings also feature guest speakers and training sessions.

PUBLIC INFORMATION

The IRRRB's new communications strategy, called "Partnerships that Work," was designed to increase awareness of agency programs and to strengthen internal communications efforts. The new strategy led to a new logo design, which graphically portrays the importance placed by the agency on partnering in its funding programs and citizen alliances. As part of this new program, a citizens' advisory committee was created to provide input on the agency's programs and improve two-way communication between the agency and the general public.

Because the IRRRB's mission is to diversify the economy of the Taconite Tax Relief Area, the first objective of the strategy is to increase the agency's visibility in the Twin Cities area, its primary business recruitment target. An awareness campaign in the metro area shows how, through regional partnership programs, the IRRRB works with private industry, foundations, development corporations and local economic development councils to expand its job-creation capabilities. The campaign utilizes print and radio advertising to further focus attention on advantages of doing business in the region.

The format of *RangeView* has been changed to meet the needs of the business recruitment program. It is now a four-page publication and includes a larger percentage of economic development and recruitment stories. In addition, the mailing list has been refined to focus on Twin Cities' businesses.

An Internet Web site is being developed to allow on-line visitors access to information about the IRRRB's services, facilities and divisions. It is expected to enhance the agency's business recruitment efforts by allowing instant access to details concerning the IRRRB bank

participation loan program and other financial and technical assistance programs available for business development or expansion. An E-mail address will be included as part of the Web page. Besides having individual Web pages, the Northern Lights Tourism Alliance, Giants Ridge and Ironworld Discovery Center will be linked to the agency Web page.

To increase IRRRB's visibility in the TTRA, the agency's managers are appearing on radio and television talk shows on a more regular basis, the flow of information in the

form of press releases has significantly increased, and a speaker's bureau has been formed to address area organizations and groups about the functions of the IRRRB.

A new daily news bulletin called the *Daily Resourcer* ensures better and more timely

communications internally. It informs employees about human resources information and communications from the commissioner and supervisors, as well as happenings, awards, special recognitions, family news, interesting work experiences, etc. The *Daily Resourcer* is sent each morning to all IRRRB employees via E-mail.

A more in-depth employee newsletter called the *Resourcer* is produced bimonthly. It features stories on agency projects, a commissioner's letter and additional information about employee activities. The mailing list for the *Resourcer* includes all current and retired employees, board members, volunteers and student workers.



MINING INITIATIVES

Taconite companies provide more than 6,000 high-paying jobs in northeastern Minnesota, forming the backbone of the regional economy. In addition, other spin-off industries that directly service the taconite companies supply a significant number of jobs. All told, the presence of the taconite companies translates to more than 17,000 jobs — about 11 percent of total area employment.

Besides the number of people employed by the mining industry, the taxes paid by the companies help support various levels of government, including the IRRRB. In 1996, the agency received approximately \$21.4 million, or 25 percent, of the \$86.6 million in taconite production taxes paid.

Part of the IRRRB's mission is to diversify the area's economy from its dependence on mining, but the agency also recognizes the importance of keeping the taconite industry strong, thereby retaining its great economic impact well into the future. The IRRRB supports several mining initiatives, including the Taconite Economic Development Fund, the Taconite Assistance Program and the Governor's Task Force on Mining and Minerals.

Taconite Economic Development Fund

In 1992, the Minnesota Legislature established the Taconite Economic Development Fund (TEDF) to encourage taconite companies to make capital investments in their plants. Under current law, 15.4 cents of the \$2.054 tax each company pays per ton of taconite pellets produced is set aside in a special account administered by the IRRRB to be rebated to each company for projects approved by a joint committee of labor and management. This rebate, commonly referred to as the investment tax credit, will increase to 20.4 cents for production years 1996-98. During years 1993-96, \$24.8 million has been made available to the taconite companies.

Taconite Assistance Program

In addition, the IRRRB developed its Taconite Assistance Program (TAP), through which \$2 million grants have been awarded to each of the seven taconite producers. Like the TEDF dollars, the \$14 million from the TAP has funded plant improvements, new technology and equipment that enhances the long-term viability of Minnesota's taconite operations. The last grants disbursed under the TAP were awarded in FY 95.

The IRRRB has made special assistance available to individual taconite plants. For instance, a \$6 million loan was put together by the State of Minnesota and other stakeholders as a part of a \$25 million incentive package that helped National Steel Pellet Company to reopen in 1994 after a one-year shutdown. The agency also awarded a \$500,000 grant to Eveleth Mines for plant energy-saving improvements in 1995.

Governor's Task Force on Mining and Minerals

This task force, created by Governor Arne Carlson in 1993, makes recommendations to the Governor and Legislature regarding state policy related to mining, including taxation, royalties, regulations, environmental issues and research. Chaired by IRRRB Commissioner Jim Gustafson, the Task Force issued reports in 1993, 94 and 95. Its recommendations helped shape legislation that supports the mining industry, including tax and other incentives designed to encourage value-added products such as direct reduced iron (DRI), or a new non-ferrous mine or processing plant.

Late in 1995, Deputy Commissioner Ann Glumac convened a Taconite Production Tax Committee. The Task Force had recommended that such a committee be formed *"to examine why and how taconite production taxes are needed and how they are used by local governments and the IRRRB, how these taxes impact the competitiveness of*

Minnesota taconite producers, and how these divergent factors should be weighed in devising mining tax policies that are acceptable to both taxpayers and tax recipients.”

The committee’s 1996 report recommended that the taconite production tax escalator be eliminated. The escalator can automatically increase the tax based upon an economic index adjusted by inflation, and that the investment tax credit be increased in accordance with increased production levels to a maximum of 31.4 cents per ton.

The 1996 Legislature rejected the committee’s recommendation and instead allowed the production tax to increase to a maximum of \$2.094 per ton of pellets produced in 1996 and thereafter. However, the

Legislature did increase the investment tax credit to 20.4 cents for production years 1996-98.

IRRRB Producer Grants Program

In addition, the 1996 Minnesota Legislature approved a special appropriation from the corpus of the Northeast Minnesota Economic Protection Fund, the 2002 Fund, to provide \$10 million for grants or loans for environmentally unique reclamation projects or pit or plant expansions or modernizations other than for a value-added iron products plant that extend the life of the region’s seven taconite plants. As this report goes to press, guidelines for this program are being formulated.

For additional details refer to appendix pages A & B.

FINANCIAL INFORMATION

The IRRRB is funded by a portion of the taconite production taxes paid by mining companies on each ton of taconite produced. These taxes are paid in lieu of property taxes. As a State of Minnesota agency, the IRRRB acts as a fiscal agent for this money. Unlike other state agencies, the IRRRB receives no basic operational funding from the State’s general fund.

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

Operational Accounts

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

facilities, loan repayments, and other miscellaneous refunds and revenues.

Interest earnings on invested cash and loan repayments are the primary sources of funding for the Northeast Minnesota Economic Protection Fund (NEPF) account. The agency also administers funds in the Supplemental Tax Account for Koochiching and Carlton Counties. It is funded by occupation taxes according to Minnesota Statute 298.17. Except for an administrative charge, all funds are disbursed for economic and environmental development projects at the discretion of each county.

Non-Operational Accounts

The IRRRB administers the corpus of the Northeast Minnesota Economic Trust Fund (the “2002 Fund”). Interest earned on the corpus is credited to the IRRRB Northeast Minnesota Economic Protection Fund for economic development projects. Only the state legislature can authorize appropriations from the corpus. The funds in the Taconite Economic Development Fund (TEDF) are administered by the IRRRB and are rebated to the taconite companies for capital investments.

For details refer to appendix pages B,H.

SPECIAL PROJECTS

IRRRB/Blandin Intercommunity Cooperation Leadership Program

In March 1995, the Blandin Foundation and IRRRB launched a collaborative program to foster intercommunity cooperation. Based on the existing Blandin Community Leadership Program, which successfully trained nearly 2,000 rural Minnesota leaders, the IRRRB/Blandin Intercommunity Cooperation Leadership Program was developed.

Featuring a six-day retreat and two follow-up workshops, the program began with a demonstration project involving 24 community leaders from the Quad Cities of Mountain Iron, Virginia, Eveleth and Gilbert. Due to its success, three subsequent iterations of the program were approved: Hibbing-Chisholm; Tower, Soudan, Ely, Babbitt and Embarrass; and Biwabik, Aurora, Hoyt Lakes and Town of White.

United States Hockey Hall of Fame



In late 1995, the past challenges and future potential of the United States Hockey Hall of Fame (USHHF) in Eveleth, Minnesota, were examined by USHHF board members, IRRRB staff and local citizens. A concept emerged to develop the National Hockey Information Center, an Internet-based registry for individual hockey players and an international hockey information retrieval system.

Membership sales will target nearly 500,000 hockey participants, allowing their personal hockey records to be featured in the USHHF database, which will contain records of all hockey teams in the nation. The homepage will link into more than 900 other hockey sites on the Internet and highlight areas of the exhibit and gift shop items. Most importantly, it will serve as an exciting sponsorship opportunity for hockey-related industry.

Currently, a business plan is being presented to potential investors. It is expected to be operational in late 1996 or early 1997.

The Rudy Perpich Memorial

Following the untimely death of former governor Rudy Perpich, a group of individuals



The RUDY PERPICH MEMORIAL

launched an effort to construct a permanent memorial to be located in the Iron Range Interpretative Center at the Ironworld Discovery in Chisholm, Minnesota. Aside from providing in-kind service to the committee, the IRRRB is working closely with them on design, development and

construction. The committee hopes to generate \$300,000-\$400,000 in private funds. A preliminary design indicates that the exhibit will be highly interactive utilizing state of the art techniques.

St. Louis County Fair and Race Track Relocation

In 1994, the agency began assisting in the relocation of the St. Louis County Fairgrounds and Race Track. This will enable the expansion of Hibbing Community College to co-locate the college with the Range Technical College. The college project received a \$1 million dollar appropriation from the 1994 legislature to begin planning and developing the \$20 million project. The agency conducted a market analysis and economic feasibility study; hired an architect and engineering firm to design working drawings; acquired a 600 acre site between Hibbing and Chisholm; secured conditional use permits; and completed an environmental assessment worksheet.

St. Louis County, the St. Louis County Agricultural Society and the Iron Range Racing Association also worked on the project until it was placed on hold in early 1996 when the legislature did not include the college co-location funding in the bonding bill. It will remain on hold until the legislature funds the college project.

APPENDIX

CITIZEN PARTNERS

GOVERNOR'S TASK FORCE ON MINING AND MINERALS

Wayne Brandt	President, Iron Mining Association of Minnesota
Bob Bratulich*	Staff Representative, United Steelworkers of America
Dr. Bill Brice	Director, Minerals Division, Department of Natural Resources
Carl D'Aquila (Vice Chair)	Hibbing Business Owner and Former State Legislator
Stan Daniels	President, USWA Local 6860
Dave Dingeman	Business Owner and Former Reserve Mining Company Manager
Dr. Dianne Dorland, PE	Department Head, Chemical Engineering, University of Minnesota - Duluth
David Foster	Director, United Steel Workers of America District 11
Wayne Golly**	Regional Specialist, Minnesota Pollution Control Agency
Jan Green	Environmentalist and Former Member of the MPCA Citizen's Board
Jim Gustafson (Chair)	Commissioner, Iron Range Resources and Rehabilitation Board
Jim Hoolihan	Former Grand Rapids Mayor, and Business Owner
Dr. Mike Lalich	Director, Natural Resources Research Institute
Peder Larson	Commissioner, Minnesota Pollution Control Agency
David Meineke	President, Meriden Engineering
Frank Ongaro	Executive Director, Range Association of Municipalities and Schools
Liz Prebich	Commissioner, St. Louis County
Bill Ulland	Director, Minnesota Exploration Association
Chuck Williams	Vice President of Internal and External Affairs, Eveleth Mines

* Alternate for Mr. David Foster

**Alternate for Commissioner Peder Larson

IRON RANGE ECONOMIC ALLIANCE

Peter Abbey	Mountain Iron	Tim Kotzian	Tower
Frank Allan	Itasca Development Corporation	Connie Mangan	Eveleth
Curt Anttila	Aurora, Hoyt Lakes, Town of White	Scott Martin*	United Power Association
Bill Betzler	Buhl	David Miller	Cuyuna Range Cities
Karen Blackburn	Cook Cty./Grand Marais Joint EDA	Jerry Mussak	Chisholm
Don Cole	Babbitt	Frank Ongaro*	RAMS
Bill Coleman*	DTED	Mark Phillips*	Minnesota Power
James Elioff	Bovey	Jim Postance	Meadowlands
Mark Flaherty*	St. Louis County	Richard Salmi	Northern Itasca Joint Powers Board
Robert Fragnito	Nashwauk	Walter Salo	Cook
Donovan Goblirsch	Gilbert	Joanne Sherek	Biwabik
Henry Hanka*	ARDC	Syvilla Shermer	Orr
Dave Hasskamp	Aitkin County	Barbara Sterett	Beaver Bay
Bill Henning	Ely	Mike Valentine	Two Harbors
John Hill	Hibbing	VEDA Director	Virginia
Allan Hovi	LaPrairie	Ross Wagner	Aitkin
Barbara Kallio	Town of Embarrass	Julie Warmbold	Keewatin
Robert Kind	Silver Bay	Jim Wroblewski*	Northspan/Arrowhead Business Con.

*Ex-officio Member

NORTHERN LIGHTS TOURISM ALLIANCE

Bill Aho	Eveleth	John McQuade	Two Harbors
Paula Davidson	Grand Rapids	Ted Melgeorge	Orr
Lorne Dooyma*	Deerwood	R. David Miller	Crosby
Adrienne Fowler*	Embarrass	Sherry Peterson*	Two Harbors
Linda Fryer	Ely	Wanda Peterson*	Orr
Nanci Hallam*	Grand Rapids	Glenda Scott*	Crane Lake
Margaret Kinnunen*	Embarrass	Madonna Shinkle	Orr
Dan Koenig	Marcell	Mary Somnis	Lutsen
Carroll Kukowski	Aitkin	Jim Spaeth*	Aitkin
Pam Loberg*	Eveleth	Ione Tomasetti	Chisholm
Mark Ludlow	Cook	Jim Vick*	Lutsen

* Alternate Representative



APPENDIX

Citizen Partners (continued)

IRON RANGE PARTNERS ADVISORY COMMITTEE

Steve Arbour	Grand Rapids	William Henning	Ely
Barbara Berglund	Ely	Daniel Johnson	Chisholm
Kimberly Breznik	Buhl	Anstice Jurkovich	Aurora
Paul Carlson	Virginia	Robert Krebsbach	Tower
David Clusiau	Hibbing	Paul Maki	Aurora
Paula Davidson	Grand Rapids	Diana Mandich	Marble
John Dosen	Grand Rapids	Mary Mathews	Hibbing
Ron Gornick	Chisholm	Charles Mistek	Gilbert
Lans Hamilton	Deerwood	Robert Munneke	Aitkin
Richard Harvey	Eveleth	John Swift	Tower
Cindy Hayden	Two Harbors	Bogdan Zjalic	Chisholm

GIANTS RIDGE GOLF COURSE ADVISORY COMMITTEE

Curt Anttila	Aurora	Alan Mugge	Hoyt Lakes
John Bachman	Virginia	Carver Richards	Virginia
Tim Drobnick	Eveleth		

TECHNICAL ADVISORY COMMITTEE

Mike Barle	Coleraine	Frank Holappa	Duluth
Tom DeLuca	Gilbert	Carol Ranta	Ely
Kathy Forslund	Duluth	William Spang	Eveleth
Patrick Gates	Hibbing		

IRONWORLD ADVISORY COMMITTEE

Steve Arbour	Grand Rapids	Kevin Pietrini	Virginia
Ron Gornick	Chisholm	Veda Ponikvar	Chisholm
Pat Ives	Hibbing	Carol Sundquist	Virginia
Debra Jensen	Chisholm	Michael Valentini	Chisholm
Mike Lang	Eveleth	Shawn Hooper	IRRRB Deputy Commissioner
Pam Loberg	Eveleth	Mike Gentile	IRRRB Facilities Manager
Jerry Pfremmer	Eveleth	Jerry Culliton	IRRRB Ironworld Director
Patty Phillips	Virginia		

TACONITE INDUSTRY INVESTMENTS

1993 - 1996 (Dollars in thousands)

Mining Company Name	Taconite Assistance Program	Taconite Economic Development Fund	Taconite Producers Grant Program	Other Assistance	Total per Company
Eveleth Mines	\$2,000	\$2,326	\$1,111	\$500	\$5,937
Hibbing Taconite Co.	\$2,000	\$4,430	\$1,813		\$8,243
Inland Steel Mining Co. \$2,000		\$1,606	\$554		\$4,160
LTV Steel Mining Co. \$2,000		\$5,221	\$1,615		\$8,836
National Steel Pellet Co. \$2,000		\$2,207	\$1,087	\$6,248	\$11,542
Northshore Mining Co. \$2,000		\$1,636	\$908		\$4,544
USX-MN Ore Operations \$2,000		\$7,330	\$2,912		\$12,242
Total Investment	\$14,000	\$24,755	\$10,000	\$6,748	\$55,503*

GRAND TOTAL \$55.5 MILLION*

*Figure Includes Amounts Pending



APPENDIX

GRANTS

Aitkin

Water and Sewer Extensions	\$100,000 C
Hospital Renovations	\$200,000 C
Hospital Renovations	\$200,000 C
Chamber of Commerce-Advertising	\$8,000 F
Historical Society-Develop Tour Booklet	\$5,000 G
Chamber of Commerce-Snow. Map/Advertising	\$10,000 G
Chamber of Commerce-Fish House Parade	\$1,000 H
Chamber of Commerce-Festival of Adventures	\$1,000 I

Alborn Township

Fire Hall/Community Center	\$60,000 C
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Aurora

Construction of a Walking/Bicycle Trail	\$30,000 A
Recreation Trail	\$51,210 B
Infrastructure Improvements	\$275,000 C
City Hall Renovations	\$77,500 C
City Hall Renovations	\$200,000 C
East Range Fire Coalition	\$75,000 C
Renovation of Cina Building	\$350,000 C
Iron Range Sports Board	\$75,040 D
Iron Range Sports Board	\$50,000 E

Babbitt

Wastewater Improvements	\$100,000 C
Peter Mitchell Fun Days	\$2,500 H
Peter Mitchell Fun Days	\$2,500 I

Balkan Township

Community Center Improvements	\$70,000 C
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Bass Brook

Sanitary Sewer Improvements	\$150,000 C
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Beaver Bay

Infrastructure For Motel Development	\$130,000 C
Water/Wastewater Improvements	\$40,000 C

Bigfork

North Itasca Health Care	\$150,000 C
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Biwabik

Recreational Trail	\$34,000 B
Reshape & Revegetate Borrow Areas	\$15,000 B
48-Unit Senior Housing Project	\$80,000 C
Biwabik Area Civic Association-Advertising	\$2,400 G
Cross Country Challenges Inc.-Pepsi Race	\$2,500 H
BACA-Country Music Festival	\$2,392 I
BACA-Weihnachtsfest	\$1,000 I

Biwabik Township

Maintenance Garage	\$50,000 C
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Bois Forte Reservation

Site Improvements at Fortune Bay	\$500,000 C
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Bovey

Recreational Vehicle Campground	\$80,000 A
City Hall Improvements	\$50,000 C
Water and Sewer Extension	\$40,000 C
City of Bovey	\$2,500 D

Breitung Township

Bike/Hiking Trail	\$10,000 A
Hiking/Biking Trails	\$50,000 C

Brimson

Fire Hall Addition	\$22,500 C
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Buhl

Clay Berm On Stubler Pit	\$ 5,000 A
Handicapped Accessibility To The Judson Pit	\$ 9,000 A
Boy Scout Camp Improvements	\$8,000 C
Cast Corporation-Heating & Remodeling	\$20,000 C
Library Improvements	\$100,000 C
Municipal Power Building	\$16,500 C
Street Reconstruction	\$40,000 C
Street Reconstruction	\$100,000 C

Calumet

Construct Maintenance Garage	\$45,000 C
Construct 500' Radio Tower	\$69,750 C

KEY

A	Mineland Reclamation FY95	Total FY 1995 Grants	\$462,000
B	Mineland Reclamation FY96	Total FY 1996 Grants	\$489,710
C	Community Development	Total Grants For Biennium	\$17,654,000
D	Tourism-General	Total FY 1995 Grants	\$389,146
E	Tourism-General	Total FY 1996 Grants	\$206,900
F	Tourism-Joint Venture	Total FY 1995 Grants	\$74,160
G	Tourism-Joint Venture	Total FY 1996 Grants	\$118,356
H	Tourism-Special Events	Total FY 1995 Grants	\$49,855
I	Tourism-Special Events	Total FY 1996 Grants	\$67,792

TOTAL GRANTS **\$19,511,919**

APPENDIX

Grants (continued)

Chisholm

Center for Independent Living Building	\$40,000	C
Center for Independent Living Renovation	\$15,000	C
Cheever Field	\$30,000	C
Industrial Park	\$50,000	C
Infrastructure For Housing	\$350,000	C
Memorial Park Improvements	\$35,000	C
Range Center, Inc. Building Restoration	\$25,000	C
Storm Drainage Improvements	\$150,000	C
Storm Sewer	\$150,000	C
Walking Trail	\$25,000	C
Angling Horizons of Minnesota	\$1,000	E
Chamber of Commerce-Advertising	\$2,500	G
Aviation Days-Soap Box Derby	\$1,000	H
Chamber of Commerce-Christmas Celebration	\$1,000	I

Clinton Township

Town Hall Improvements	\$20,000	C
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Cohasset

Sanitary Sewer	\$150,000	C
Watermain Extension	\$100,000	C

Coleraine-Bovey-Taconite

Wastewater Board-Lift Station	\$20,000	C
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Coleraine

Canisteo Pit Complex Assessment	\$16,000	B
Golf Course Construction	\$150,000	C
New Watermain	\$75,000	C

Cook County

Community Radio Repeater Station	\$15,000	C
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Cook

Completion of Clinic Second Level	\$100,000	C
Library Shortfall	\$17,000	C
Street Reconstruction and Infrastructure	\$150,000	C
Watermain, Street and Sanitary Sewer	\$125,000	C
Lake Vermilion Resort Assoc.-Advertising	\$3,000	F

Crane Lake

Commercial Club (CC)-Advertising	\$3,600	F
VCB-Snowmobile Campaign	\$5,000	F
CC-"Midwest Outdoors" Advertising	\$5,000	G
CC-Voyageur Days	\$2,500	H
CC-Voyageur Days	\$1,650	I

Crosby

Sanitary Sewer Construction	\$150,000	C
Chamber of Commerce-Ice Fishing Marathon	\$2,000	H
Chamber of Commerce-Serpent Lk. Boat Races ..	\$2,000	H
Chamber of Commerce-Ice Fishing Marathon	\$2,000	I
Chamber of Commerce-Serpent Lk. Boat Races ..	\$1,860	I

Crystal Bay

Park Hill School	\$20,000	C
Town of Crystal Bay	\$20,000	D

Cuyuna

Sanitary Sewer Construction	\$30,000	C
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Cuyuna Region

Croft Mine Operational Funding	\$40,000	A
Water Monitoring w/ Co. Match	\$ 5,000	A
Croft Mine Operational Funding	\$40,000	B
Miner's Memorial	\$20,000	B

Deerwood

New Maintenance Garage	\$45,000	C
Civic & Commerce-Summerfest	\$1,000	H
Civic & Commerce-Summerfest	\$1,000	I

Ely

Golf Course Modifications	\$10,000	A
Pioneer Mine	\$40,000	A
Recreational Trail Construction	\$50,000	B
Chapman Street Reconstruction	\$200,000	C
Motel Development	\$190,000	C
City of Ely	\$11,000	D
Chamber of Commerce	\$10,000	E
City of Ely	\$50,000	E
Igloo Snowmobile Club-Viking Snow Rally	\$7,000	E
Chamber of Commerce-Advertising/Promotion ..	\$10,000	F
Chamber of Commerce-Advertising/Promotion ..	\$20,000	G
Dorothy Molter Memorial Found.-Promotion	\$3,000	G
International Wolf Center-Advertising	\$5,100	G
Chamber of Commerce-Harvest Moon Festival ..	\$2,500	H
Ely Voyageur Winter Festival	\$2,500	H
Ely Wilderness Trek	\$2,100	H
Chamber of Commerce-Harvest Moon Fest.	\$2,500	I
Chamber of Commerce-Smallmouth Bass Fest.	\$2,500	I
Ely Nordic Association-Wilderness Trek	\$2,500	I
Ely Voyageur Winter Festival	\$2,500	I

Embarrass Township

Acquire and Renovate Farm	\$30,000	C
Trail Construction	\$40,000	C
Town of Embarrass-Regional Fair	\$2,230	H

Emily

Drainage Improvements	\$20,000	C
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Eveleth

Camp Chicagami Marketing Plan	\$25,000	C
Hattrick Avenue Improvements	\$150,000	C
Hospital Improvements	\$360,000	C
Industrial Park Improvements	\$75,000	C
Industrial Park Infrastructure	\$275,000	C
U.S. Hockey Hall of Fame	\$50,000	D
ITCVB-Advertising	\$12,900	F
ITCVB-Advertising	\$10,481	G
Chamber of Commerce-Advertising	\$2,650	G
ITCVB-Star of North Games	\$2,500	H
Chamber of Commerce-"Big Stick" Dedication ..	\$2,500	I
ITCVB-Noel Sites & Northern Lights	\$2,500	I

Fayal Township

St. Mary's Court Infrastructure	\$70,000	C
Road Reconstruction	\$50,000	C
Waterline Extension	\$50,000	C

See Key appendix page C



APPENDIX

Gilbert

Lake Ore-Be-Gone	\$30,000	A
Highway Intersection Reconstruction	\$100,000	C
Hockey Arena Improvements	17,500	C
Waterline Extension	150,000	C
City of Gilbert	\$2,400	E
City of Gilbert-Sherwood Forest Days	\$1,000	H

Grand Marais

City Hall Improvements	\$70,000	C
Emergency Lift Station	\$25,000	C
Homestead Housing	\$130,000	C
Shortfall on C.C.C. On Aging Building Addition	\$40,000	C
Shortfall-Hospital Renovation	\$50,000	C
UMIV	\$200,000	C
Water and Sewer	\$100,000	C
Boreal Access	\$11,000	E
Chamber of Comm./Gunflint Trail-Advertising	\$5,000	F
Gunflint Trail Association-Advertising	\$5,000	F
Tip of The Arrowhead Association-Advertising	\$5,000	F
Chamber of Comm./Gunflint Trail-Advertising	\$5,000	G
Chamber of Commerce-Advertising	\$5,000	G
Gunflint Trail Association-Advertising	\$5,000	G

Grand Portage Reservation

New Water System	\$200,000	C
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Grand Rapids

Airport Improvements	\$75,000	C
Airport Improvements	\$200,000	C
Camp Fire, Inc.-Construct New Lodge	\$75,000	C
Civic Center Expansion	\$240,000	C
Judy Garland Museum Renovation	\$50,000	C
Multi-use Facility	\$200,000	C
Speedway Track Improvements	\$50,000	C
Department of Natural Resources	\$49,750	D
ICHS-Central School Promotion	\$5,000	G
Visitor & Convention Bureau-Golf Campaign	\$5,000	G
Judy Garland Children's Museum-Festival	\$2,500	H
Summer Celebration Inc.-Tall Timber Days	\$2,240	I

Grattan Township

Town Hall Improvements	\$2,500	C
Town Hall Improvements	\$5,000	C
Town Hall Improvements	\$7,500	C

Hibbing

Airport Improvements	\$100,000	C
Airport Improvements	\$50,000	C
Ballfield Improvements	\$20,000	C
Downtown Revitalization	\$300,000	C
Downtown Turnback Project	\$200,000	C
Hibbing Flying Club	\$6,000	A
Hibbing Parks and Recreation	\$70,000	A
Industrial Park	\$200,000	C
Memorial Building	\$250,000	C
Mid-Range Amateur Radio Club	\$ 6,000	B
Noble Industries	\$15,000	C
North Hibbing Site	\$25,000	C
Sanitary Sewer Improvements	\$200,000	C
Curling Club	\$2,500	D
St. Louis County Agricultural Society	\$2,500	D
St. Louis County Historical Society	\$12,500	D

City of Hibbing-Produce Promotional Piece	\$3,160	F
Chamber of Commerce-Advertising	\$2,400	G
Chamber of Commerce-Mines & Pines Jubilee	\$2,500	H
Hibbing Memorial Building-Wild West Playday ...	\$1,100	H
Chamber of Commerce-Mines & Pines Jubilee	\$2,500	I
City of Hibbing-Northern Classic Challenge	\$1,270	I
City of Hibbing-Wild West Playday	\$1,095	I

Hoyt Lakes

Walking/bicycle trails	\$25,000	A
Arena Improvements	\$100,000	C
Community Center Improvements	\$150,000	C
Chamber of Commerce-Advertising	\$2,525	G
Hoyt Lakes Water Carnival Committee	\$2,500	H
Chamber of Commerce-Old Fashioned Christmas	\$1,000	I

Ironton

City Hall Remodeling	\$50,000	C
Miner Memorial Project	\$20,000	C

Itasca County

Mine Pit Planning-West Range	\$5,000	A
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Keewatin

Ditch Work-Carlz Mine	\$5,000	A
Maintenance Facility	\$75,000	C

Kinney

Water Treatment Plant Improvements	\$70,000	C
Well Pump	\$38,000	C
Old North Society-Secession Days	\$2,500	I

Knife River

North Shore Scenic Drive Association	\$1,000	E
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LaPrairie

Industrial Park Improvements	\$60,000	C
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Lawrence Township

Town Hall Improvements	\$5,250	C
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Lone Pine Township

Baseball Field Improvements	\$20,000	C
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Marble

Sliding Hill	\$10,000	B
Baseball Field Lighting System	\$65,000	C

McKinley

Wastewater Improvements	\$60,000	C
Water Treatment Plant Improvements	\$30,000	C

Meadowlands

Emergency Services Building	\$50,000	C
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Mesabi Range-East

Fish Stocking of Mine Pits	\$5,000	A
U.S.B. of Mines Compost Project	\$7,000	A
U.S.G.S. Maps Cooperative Project	\$2,000	A
Waters Cooperative Project	\$8,000	A
Fish Stocking	\$7,500	B

See Key appendix page C

APPENDIX

Grants (continued)

Mesabi Range-East (Continued)

Inventory of Abandoned/Inactive Minelands	\$40,000	B
White Pine Reestablishment	\$60,000	B

Mesabi Range-West

Mesabi Atlas Cooperative Project	\$ 2,000	B
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Mission Township

Fire Hall Addition	\$50,000	C
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Mountain Iron

West Two Rivers Campground	\$40,000	A
Industrial Park	\$100,000	C
Infrastructure Improvements To Motel	\$240,000	C
Road Reconstruction	\$190,000	C
Street Reconstruction	\$200,000	C
City of Mountain Iron-Advertising	\$2,400	G

Nashwauk

Public Access at LaRue Pit	\$75,000	A
Recreational Are Restroom Building	\$35,000	B
Industrial Park Improvements	\$300,000	C

Nashwauk Township

Forget-Me-Not Foundation New Facility	\$175,000	C
Forget-Me-Not Foundation Riding Arena	\$50,000	C
Recreation Improvements	\$20,000	C

Orr

Revitalization & Community Building	\$200,000	C
Economic Development Improvements	\$50,000	C
Water and Sewer Extensions	\$150,000	C
Housing Infrastructure	\$100,000	C
City of Orr	\$3,000	D
Ash River Trail Commercial Club(ARTCC)	\$5,000	F
City of Orr-Promotion of NE/5 Airports	\$2,000	F
ARTCC-Advertising	\$5,000	G
Orr/Pelican Lake Resort Assoc.-Advertising	\$5,000	G
ARTCC-Bass Fishing Contest	\$2,500	H
Esslinger Classic Inc.-Sled Dog Race	\$2,500	H
Esslinger Classic Inc.-Sled Dog Race	\$2,020	I

Palo

Laskiainen	\$2,500	I
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Pike Township

Road Drainage Improvements	\$17,000	C
Town Hall Heating System	\$7,000	C

Ray

Kabetogama Lake Assoc.-Brochure Development	\$2,000	F
Kabtogama Lake Assoc.-Kab Fun Fest	\$2,000	H
Kabetogama Tourism Bureau	\$1,600	H
Kabetogama Lake Assoc.-Kab Fun Fest	\$2,350	I

Range Wide

MN Center for Rural Health		
Physician Recruitment	\$100,000	C

Riverton

Drainage Field Improvements	\$50,000	C
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See Key appendix page C

Sandy Township

Laurentian Environmental Learning Center	\$125,000	C
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St. Louis County

5-Year Land Use Plan	\$75,000	C
4-H Camp Improvements	\$65,000	C
BWCAW/Voyageurs National Park Work Plan ...	\$18,000	D

Schroeder Township

Storefront Renovation	\$45,000	C
Town Hall Improvements	\$20,000	C

Silver Bay

Rescue Squad Building Construction	\$78,000	C
Senior Housing and Industrial Park	\$250,000	C
Waste Treatment	\$100,000	C
East Lake Clinic District Remodeling	\$50,000	C
City of Silver Bay-Brochure Development	\$3,000	F

Taconite

Park/Picnic Area	\$15,000	B
Industrial Park	\$100,000	C

Tofte

Historical Society Fishing Museum	\$75,000	C
Tofte Historical Society	\$25,000	D
Tourism Association-Advertising	\$5,000	F
Tourism Association-Golf Course Promotion	\$5,000	F
Recreation Management Corp.-Advertising	\$5,000	G
Tourism Association-Lutsen Winterfest	\$2,500	H
Tourism Assoc.-Moose Mountain Bike Classic	\$1,575	H
Tourism Association-Lutsen Winterfest	\$2,500	I
Tourism Assoc.-Moose Mountain Bike Classic	\$2,500	I

Toimi

School Community Center	\$15,000	E
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Tower

City Hall ADA Improvements	\$90,000	C
Housing Infrastructure	\$150,000	C
Industrial Park	\$150,000	C
Water and Sewer Improvements	\$125,000	C
City of Tower-NE/5 Promotion	\$2,500	G
Tower-Soudan Chamber-Long John Days	\$2,500	I
Wild Rice Committee-Wild Rice Festival '96	\$2,500	I
Wild Rice Committee-Wild Rice Festival '97	\$2,500	I

Two Harbors

Community Health Center Building	\$225,000	C
Lake County Historical Society Depot	\$25,000	C
North Shore Enterprise Center Building	\$500,000	C
Water Treatment Improvements	\$100,000	C
Waste Treatment Improvements	\$300,000	C
Waste Treatment Plant	\$50,000	C
Water Treatment Project	\$150,000	C
Lake County	\$5,000	D
Lake County Historical Society	\$5,000	E
Superior Hiking Trail Assoc.-Map Development	\$1,500	F
Two Harbors Folk Festival	\$1,250	H
City of Two Harbors-Heritage Celebration	\$2,500	I
Lake County Hist. Society-Steam Train Days	\$1,000	I
Two Harbors Folk Festival	\$1,250	I



APPENDIX

Virginia

Construct Progress Park	\$275,000	C
CWDC	\$40,000	C
Housing Infrastructure	\$250,000	C
Industrial Park	\$200,000	C
Iron Range Rehabilitation	\$50,000	C
Kaleva Foundation Lodge Improvements	\$25,000	C
Range Mental Health Center Remodeling	\$150,000	C
Senior Citizens Center	\$25,000	C
Storm Sewer Improvements	\$350,000	C
10th Street Improvements	\$150,000	C
AEOA	\$40,000	D
Kaleva Building Corporation	\$13,000	D
Public School District #706	\$15,000	D
AEOA	\$30,000	E
Evergreen School of Performing Arts	\$2,000	E
Iron Range Retriever Club, Inc.	\$7,500	E
Public School District #706	\$10,000	E
Chamber of Commerce-Advertising	\$2,400	G
Chamber of Commerce-Summer Celebration	\$1,000	I
Chamber of Commerce-Lighting Celebration	\$1,500	I

Virginia/Eveleth

Groundwater Project	\$ 8,000	B
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Walker

Mississippi Headwaters Board	\$1,500	D
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Warba

Completion of Community Center	\$40,000	C
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White Township

Maintenance Garage	\$100,000	C
Recreation Facility Improvements	\$70,000	C

See Key appendix page C

NORTHEAST MINNESOTA ECONOMIC PROTECTION FUND

Aitkin

40 Club Inn	\$80,000	A
Foodland Industries	\$522,000	A

Aurora

Mesabi Electronics	\$74,999	A
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Biwabik

Elison & Company	\$140,250	A
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Chisholm

Northwest Airlines **	\$9,700,000	A
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Cohasset

Larex	\$1,320,000	A
Technimar Industries Project	\$3,100,000	A

Cook

Vermilion Motel	\$185,000	A
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Crane Lake

BJM, Inc.	\$200,000	A
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Ely

Jackpine Lodge	\$15,000	A
Paddle Inn, Inc.	\$37,500	A

Eveleth

TUFCO, Inc.	\$100,000	A
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Finland

Wolf Ridge Envir. Learning Center	\$249,999	A
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Grand Rapids

Arrowhead Promotion & Fulfillment	\$250,000	A
ASV Project	\$63,248	A
Ribbon Recyclers	\$100,000	A
Roll In Docks, Inc.	\$87,500	A

Hibbing

Luigino's, Inc.	\$1,000,000	A
MN Diversified Industries	\$87,000	A

Hoyt Lakes

Partridge River	\$115,000	A
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Mt. Iron

Vidmar Iron Works	\$60,000	A
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Orr

Ash Trail Lodge	\$94,445	A
Bruns, Inc.	\$250,000	A
Orr Cafe	\$85,000	A
T. Pattenn Cafe	\$55,000	A

Silver Bay

Northshore Mining	\$300,000	A
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Tower

Everett Bay Lodge	\$80,000	A
Husky Manufacturing	\$37,500	A

Two Harbors

AMP Enterprises	\$75,000	A
ASCI Project	\$400,000	A
Midwest Timber	\$100,000	A

Virginia

Auburn Minerals	\$120,000	A
Northeast Entrepreneur Fund	\$100,000	A

Virginia/Eveleth

Valentine Magnetics	\$165,000	A
Virginia/Eveleth Economic Dev. Auth.	\$1,800,000	A

** Also reported in FY 93-94 Biennial Report

TOTAL LOANS..... \$21,149,441

APPENDIX

FINANCIAL

Sources of Funds (Dollars in thousands)	Year Ended 6/30/95	Year Ended 6/30/96
	<u>FY95</u>	<u>FY96</u>
Carry Forward from Prior Years:		
Carry Forward to Complete Prior Year Projects	9,369	21,676
Carry Forward, Other	50,732	38,478
Total Carry Forward	60,101	60,154
Taconite Production Tax Receipts	15,402	16,743
Occupation Taxes Reserved for Carlton & Koochiching Counties	401	422
Departmental Earnings:		
Giants Ridge Ski Area Receipts	1,019	1,127
Ironworld Entertainment Receipts	496	420
Trail Grooming Reimbursements	58	48
Loan Repayments	1,766	1,895
Interest on Invested Cash	7,087	7,503
Other Revenue-Sale of Coates Hotel	862	
Other Revenue-Miscellaneous	128	34
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Total Departmental Earnings	11,416	11,027
Total Carry Forward, Taxes, & Earnings	87,320	88,346

Uses of Funds (Dollars in thousands)	Year Ended 6/30/95	Year Ended 6/30/96
	<u>FY95</u>	<u>FY96</u>
Support Services		
General Support	1,031	1,141
Labor Pool	326	303
Public Information	291	299
Maintenance/Shop	376	422
Planning & Development	446	391
Total Support Services	2,470	2,556
Facilities		
Ironworld Discovery Center	2,052	1,684
Research Center	428	438
Giants Ridge Ski Area & Concessions	1,253	1,428
Golf Course Pre-operating Costs		401
Mineland Reclamation	506	530
Total Facilities	4,239	4,481
Programs		
Community Development	177	144
Business Development	605	625
Tourism	167	222
Trails	258	380
Building Demolition	331	287
Total Programs	1,538	1,658
Projects		
Agency Projects	192	673
Facility Improvements	2,059	4,210
Community Development	4,566	14,754
Trails	63	94
Tourism	601	1,193
Mineland Reclamation	252	872
Business Development	10,686	7,531
Taconite Assistance	500	3,601
Total Project Expenses	18,919	32,928
Total Uses of Funds	27,166	41,623
Carry Forward to Next Fiscal Year	60,154	46,723
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Total Uses of Funds and Carry Forward	87,320	88,346



APPENDIX

Notes to the financial statement:

1. The State of Minnesota accounting and procurement systems were converted to a new accounting system for FY96. The State of MN operates on a fiscal year basis, with the fiscal year ending June 30th. All accounts in the existing Statewide Accounting System (SWA) were transferred to a new accounting system, Minnesota Accounting and Procurement System (MAPS). As a result of this conversion, all outstanding prior year obligations were carried forward and entered in MAPS as FY96 obligations. Funding for these prior year obligations was also carried forward to FY96.
2. Taconite production taxes provide a primary source of funding for operation of the IRRRB. These tax monies are paid to the IRRRB late in February of each year. For budgeting purposes, the IRRRB reserves (carries forward) these tax receipts to fund a portion of the operational costs for the following fiscal year.
3. The FY96 statement of Uses of Funds provides preliminary numbers. Payments on outstanding grants and contracts will continue until all obligations have been paid or canceled.
4. Monies carried forward for FY95 and FY96 were significantly higher than in previous years because of the change in the State of Minnesota accounting system. All outstanding grants and contracts were closed and reentered in the new accounting system as FY96 obligations. Funding for outstanding obligations from FY93 and FY94 "moved through" FY95 as unobligated carry forward. The prior year obligations carried forward to FY96 for agency operations were as follows:

\$993,343	FY93 Contract Obligations
\$3,594,670	FY94 Contract Obligations
\$14,186,505	FY95 Contract Obligations
\$5,069,759	Other FY95 Project Balances
<u>\$23,844,277</u>	Total Carry Forward to Complete Prior Year Projects

Explanation of Carry Forward (CFWD) monies (Dollars in thousands)

	CFWD Into <u>FY95</u>	CFWD Into <u>FY96</u>	CFWD Into <u>FY97</u>
Carry Forward to complete prior year projects	9,369	23,844	13,708
Carry Forward-Other	50,732	36,310	33,016
Total Carry Forward	60,101	60,154	46,724

Carry Forward Obligated for Completion of Prior Year Projects (Dollars in thousands)

	CFWD Into <u>FY95</u>	CFWD Into <u>FY96</u>	CFWD Into <u>FY97</u>
Support Services	0	94	0
Facility Operations	69	60	330
Programs	0	118	10
Projects			
Planning & Development	115	451	128
Facility Improvements	4,270	4,704	2,683
Community Development Grants	1,027	7,437	0
Trail Projects	31	122	149
Tourism Projects	167	466	37
Mineland Reclamation Projects	277	550	168
Business Development Projects	1,002	4,233	7,203
Taconite Assistance	2,411	3,441	3,000
Total Carry Forward for Completion of Prior Year Projects Operating Accounts	9,369	21,676	13,708
Total Carry Forward Prior Year for TEDF Projects		2,168	
Total Obligated Carry Forward	9,369	23,844	13,708

APPENDIX

Northeast Minnesota Economic Protection Trust Fund Unexpendable Corpus (Dollars in thousands)

	Year Ended 6/30/95	Year Ended 6/30/96
	<u>FY95</u>	<u>FY96</u>
Beginning Balance	57,637	61,608
Taconite Tax Receipts	3,876	4,698
Interest on tax receipts prior to county distributions	95	167
Expenditures & Obligations	0	0
Ending Balance	61,608	66,473

BUILDING DEMOLITION

FY95-96

Number of Structures Removed

Aitkin County	4	Crosby	10	Nashwauk	21
Angora	4	Effie	8	*Orr	24
Aurora	23	Embarrass	3	Palo	1
Balkan	2	Eveleth	16	Parkville	1
Biwabik	12	Fairbanks	2	Pengilly	10
Bovey	10	Gilbert	6	Pineville	1
Britt	7	Goodland	5	Soudan	5
Buhl	4	Grand Rapids	21	Town of White	10
Chisholm	54	Hibbing	29	Tower	4
Cohasset	1	Iron	3	Two Harbors	25
Coleraine	1	Ironton	2	Vermilion	5
Cook	9	Keewatin	12	Virginia	44
Cotton	1	Kinney	1	Zim	1
		Melrude	7	TOTAL	409

*Includes Gheen, Greeney & Pelican Lake

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1995-96 Biennial Report to the Legislature

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