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Resources & Rehabilitation Board



Biennial
Report
1997-1998

Taconite Timber Tourism

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The **1997-98 Biennial Report to the Legislature** recaps the Iron Range Resources and Rehabilitation Board's activities from July 1, 1997 - June 30, 1998. 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 \$8,000. (\$4,000 Printing & \$4,000 Staff Time)

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IRRRB BOARD MEMBERS



IRRR Board members: Front (left-right): Senator Sam Solon, District 7; Commissioner Jim Gustafson; Senator Doug Johnson, Chair, District 6; Representative Irv Anderson, Vice-Chair, District 3A; Back (left-right): Commissioner Rod Sando, Department of Natural Resources; Senator Robert Lessard, District 3; Representative Loren Solberg, District 3B; Senator Don Samuelson, District 12; Representative Tom Bakk, District 6A; Representative Tom Rukavina, District 5A; Senator Jerry Janezich, District 5; Representative David Tomassoni, District 5B; Deputy Commissioner Shawn Hooper

IRRRB BOARD MEMBERS DURING FY97-98

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

To the Governor and Legislature of the State of Minnesota:

I am pleased to submit to the Honorable Jesse Ventura, Governor of the State of Minnesota, and the Eighty First Legislature of the State, this twenty-eighth Biennial Report of the Iron Range Resources and Rehabilitation Board (IRRRB).

This report details the major strides this agency has made in the last biennium. I am proud to say that the accomplishments are too numerous to include them all in this opening letter; however, I would at least like to provide a sampling:

Giants Ridge Golf Course

One of the biggest accomplishments was the opening of the Giants Ridge Golf Course in June 1997. Designed by internationally known golf course architect Jeffrey D. Brauer and PGA professional Lanny Wadkins, the course continues to receive praise from golfers and media alike. Giants Ridge was featured in *Minnesota Golfer*, Northwest Airlines *WorldTraveler*, AAA *Home & Away* magazines, and the *Sports Illustrated* 1999 Golf Calendar. In addition, Giants Ridge was recently selected as one of the Top 10 Best New Upscale Public Courses by *Golf Digest* magazine.



Commissioner Jim Gustafson

Ironworld Discovery Center

Ironworld Discovery Center has gone "back to the future" by refocusing on its original mission of preserving, protecting and promoting the history and heritage of the northeastern Minnesota. Both the programming and marketing have reflected this change. While it has taken great time and effort to get the facility back on track, I am certain that we're now moving in the right direction.

Business Development

In the past biennium, \$8 million in IRRRB business lending investments leveraged \$19 million in private lending for projects throughout the region. These investments resulted in the creation of 2,068 jobs. Examples of projects include: Minnesota Twist Drill in Chisholm, Hedstrom Lumber Company in Two Harbors, and ASV in Grand Rapids.

do I.T!-Information Technology Initiative

In response to requests and inquiries regarding information technology adaptation within northeastern Minnesota, we recently joined our partners to establish the **do I.T!** information technology initiative. This is the most exciting initiative the IRRRB has undertaken in over 50 years. The mission of the program is to create an umbrella organization to strengthen the region's economy by providing focus and assistance to communities, businesses, and institutions in awareness, understanding, and utilization of advanced technology. Three major components make up the program: Technology Centers, a Technology-based Economic Development Initiative, and a Community Technology Awareness Program. It is the result of a collaborative effort among business, education, government, and citizens of the regional community. The effort is enormous; an estimated \$50 million of capital will be invested over the next five years to bring the region's I.T. capabilities into the 21st century.

In closing, the IRRRB will continue its commitment to preserving the rich heritage of northeastern Minnesota and nurturing existing development programs, while moving full speed ahead into new programs that will fully prepare us for the next millennium. It's a big task, but I'm confident that we will do it!

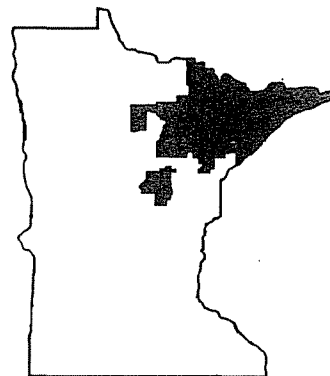
Sincerely,


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

Growth and development of the economy in any region hinges on several key components:

- a well-educated workforce
- available resources to assist with lower financing costs
- quality regional health care
- available and affordable labor force
- advanced telecommunications technology
- transportation; air, rail, highway, and shipping
- utilities; reliable and low cost energy
- quality of life, including housing, recreation, climate, etc.

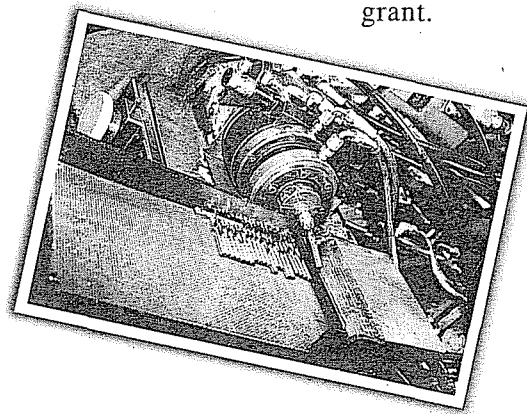
The IRRRB has taken a lead role in the advancement of the region in several of these areas. The task of the IRRRB Economic Development Division is to work with area partners to promote and market northeastern Minnesota, creating new employment opportunities as well as retaining and expanding the current employment levels. Business recruitment is accomplished through direct mailings, a Web page, leads from a network of experienced business development professionals, and aggressive media campaigns. Business retention and expansion is achieved through careful and diligent analysis of the needs of existing businesses, and being responsive to those needs. Marketing assistance also is available to businesses located in the TTRA through a program administered by the economic development division which offers professional guidance in the areas of market evaluation, product packaging and pricing, advertising strategy, and distribution. Fifty-eight businesses have received marketing assistance in the past biennium.

BANK PARTICIPATION LOAN PROGRAM

Business development is achieved through the Bank Participation Loan Program, employment incentive grants, training grants, and direct loans. A total of \$8 million in IRRRB business lending investments leveraged \$19 million in private lending for projects throughout the TTRA during the past biennium. The current loan portfolio consists of 102 loans serviced by three loan officers. There were 423 jobs created/retained as a result of these agency investments during the biennium.

The Bank Participation Loan Program, a low interest business financing program available to eligible borrowers, is a partnership with various lending institutions. The IRRRB facilitates the structuring of financial packages with the involved parties, with the agency buying up to a 50% participation in eligible loans and providing significantly lower financing costs to the borrower. The following types of businesses are eligible: manufacturing/assembly; tourism projects which attract tourism expenditures from outside the region; and technologically innovative industries.

Minnesota Twist Drill, Inc., a subsidiary of Ohio-based Cincinnati Milicron, Inc. added new machinery to their high speed drill bit manufacturing facility in Chisholm, doubling production capacity and creating 50 new jobs with the assistance of a bank participation loan. Employment levels at the facility have grown to approximately 140. The total project cost is \$5 million, and the IRRRB provided a \$1,250,000 participation loan as well as a \$150,000 incentive grant.



Drill bits come off a split pointer at the Minnesota Twist Drill, Inc. facility in Chisholm.

Hedstrom Lumber Company, Inc., a third generation sawmill headquartered in Grand Marais, expanded its operations into Two Harbors with the acquisition of the former Midwest Timber Company sawmill. The acquisition retained 50 full- and part-time jobs in the Two Harbors area.

Total project cost is \$500,000, with the IRRRB providing a \$133,333 bank participation loan.

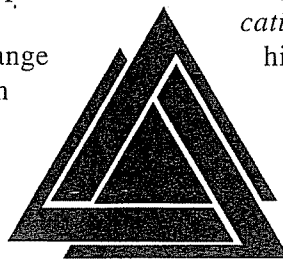
All Season Vehicles, Inc. (ASV), a Grand Rapids-based manufacturer of tracked utility vehicles and snow groomers, was in need of an additional 60,000 square feet of production space to meet the growing demand for its products. The expansion was completed in 1997, with the goal of adding an additional 100 jobs by the year 2000. IRRRB participation of \$650,000 helped to finance the project with a total cost of \$2.5 million.



IRON RANGE ECONOMIC ALLIANCE

Created in 1994, the Iron Range Economic Alliance (IREA) is an organization of economic development professionals and elected officials representing economic development organizations, communities, associations, and entities which are committed to fostering economic development within the region. The IREA, with administrative support from the IRRRB, has addressed a wide range of regional development issues and opportunities in the past biennium.

Through financial assistance and outside technical support, the IREA has assisted communities in addressing a variety of housing needs. The IREA implemented a cohesive regional marketing strategy which culminated in the development of a special feature magazine in cooperation with a Twin Cities-based publication. The alliance also provided a broad-based linkage between the IRRRB's information technology initiative and local communities. Finally, in cooperation with other regional stakeholders, the IREA made top quality economic development training available for local area development professionals and elected officials.



IRON RANGE ECONOMIC ALLIANCE

FUTURE DIRECTION

Infrastructure to develop potential or current businesses in the TTRA has traditionally consisted of sewer, water, and sources of energy. More and more, the emphasis is on *communications*. Advances in the area of high-speed, fiber-based communication circuits now allow business to be conducted from remote locations within seconds. A direct loan of \$700,000 has been approved for Minnesota Power to install a high-speed, fiber-based communication circuit from Forbes to Ely.

For a list of loans and grants, refer to Appendices C-H.

COMMUNITY DEVELOPMENT

Community development grant monies are awarded for a variety of projects throughout the area by the grants division. 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.

GRANTS

The grants division was established in 1977 with the creation of the Taconite Area Environmental Protection Fund.

More than \$221 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. The department was recognized for its outstanding work by receiving semi-finalist status for the Partnership Minnesota Cooperative Public Service Award in 1998.

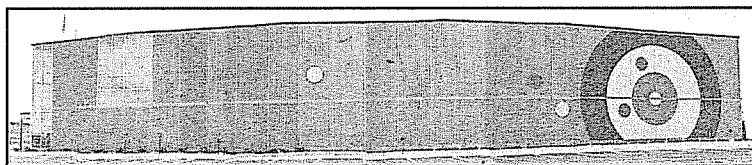
During the biennium, the division partnered with over 40 funding agencies and funded over \$133 million dollars in projects. For every dollar of IRRRB money spent, eight dollars were obtained from other sources.

Over 476 permanent jobs and 851 construction jobs were created.

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



The Range Recreation and Civic Center. (Eveleth, Gilbert, Mountain Iron, and Virginia) is a great example of an IRRRB partnership project. This facility provides eight sheets of ice for curling and room for a variety of dry floor activities.

year between January 1 and April 15. After staff review, applicants of selected projects are asked to submit formal applications prior to July 1. In September, the commissioner presents a list of projects to the IRRRB Board for approval. They are sent to the governor for final approval.

NEW PROGRAMS

- **Industrial Park** - Seven new industrial parks have been established, which house over ten new businesses. This has created jobs for 159 new employees and \$10 million of new tax value.
- **Housing** - Since the program's inception in 1995, the IRRRB has invested \$5.2 million in regional housing projects in 21 communities. During the past three years, the Housing Grants Program has jump-started 680 housing units, with a total market value of \$59 million.
- **Physicians Recruitment** - Twenty new doctors, physicians assistants, and nurse practitioners have moved into the TTRA.
- **Summer Youth** - More than 150 youths are hired during the summer months.
- **Application Fund** - Fifteen cities access the program, and over 50% of the projects received federal or state funding totaling over \$5 million.
- **Financial Resource Guide** - A one of a kind, resource book, including hundreds of agencies categorized in fifteen different areas, from business development to waste-treatment is available for grant applicants.
- **Seminars on Financing and Long Range Planning** - At least two seminars per year are held relating to financing and long range planning.
- **Technology Committee** - This

committee is responsible for the high-tech infrastructure in the TTRA.

- **Grants Database** - A tracking system dating back to 1977 logs every IRRRB grant given.

BUILDING DEMOLITION

The IRRRB's building demolition program was created in 1972 to assist local units of government and private citizens by removing dilapidated, unwanted, and hazardous structures in a safe and timely manner. This service is provided free; however, the owners are responsible for a building inspection and tipping fees. The removal of these eyesores and health hazards provides for a cleaner environment and makes room for new construction.

The demolition program received certificates of commendation in 1997 and 1998 from Governor Carlson in recognition of its partnership efforts, including:

- University of Minnesota Natural Resources Research Institute in the demolition of several structures on their Coleraine Minerals Research Laboratory property.
- St. Louis and Lake Counties Regional Rail Authority in supporting completion of the Mesabi Trail.
- IRRRB's Mineland Reclamation division in support of the Industrial Park expansion at Iron-ton as well as tree planting and fire-breaks.

365 structures were removed during the past biennium bringing the total to 6,045 structures since the program's inception.



The demolition crew filling in a basement after demolishing and removing a dilapidated building near Floodwood.

With environmental concerns associated with building demolition escalating at the federal, state, and county level, the IRRRB must continually remain informed of changing regulations.

The demolition industry is in

constant transition as Don Rachel, Veit & Company Inc., of Rogers, Minn. commented at a MPCA seminar in Minneapolis, "Demolition crews are no longer known as wreckers, but as sophisticated demolition contractors able to adapt to constant challenges involved in the removal of a structure."

For a list of projects, refer to Appendix J.

TOURISM

Tourism 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 (NLTA), 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 AND DEVELOPMENT

The Tourism Planning and Development Division assists tourism development and promotion for six subregions in the TTRA. Aided by NLTA, the division works to promote the area of northeastern Minnesota known as the "Wild North." This area includes all of Cook and Lake Counties, and parts of St. Louis, Koochiching, Itasca, Aitkin, and Crow Wing Counties.

Over the past two years, the NLTA has continued its highly successful "Wild North" advertising campaign. In addition to print advertising, this campaign includes market research, public relations, and production of collateral materials, including the *Wild North Discovery Guide*. The success of the direct advertising program is exemplified in the fact that every dollar invested in advertising by the NLTA produced a return of \$149 dollars of economic impact to the state.

A major thrust of the organization during the biennium has been the development and implementation of the Wild North Heritage Tourism Program. According to the Travel Industry Association of America, visiting historic sites traditionally ranks among the top five activities of travelers. Additionally, each heritage traveler spends approximately \$195 more per trip than other tourists. Since every community has a unique story to tell,

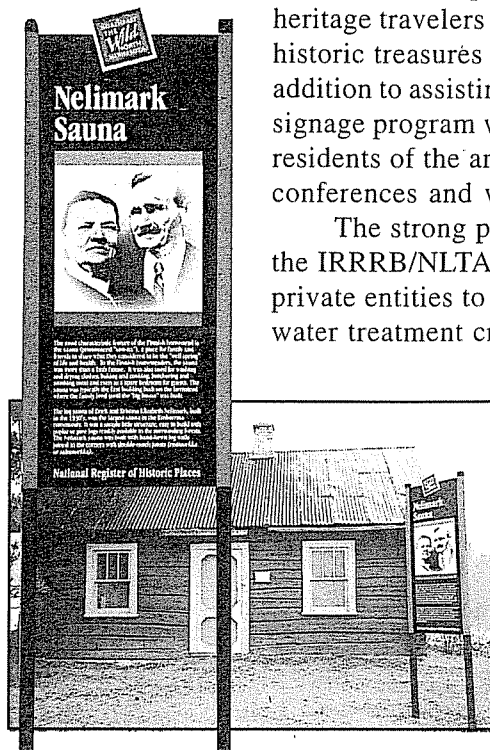
each one's history becomes the basis for attracting visitors and the dollars they bring.

After determining the heritage assets in the region with the highest potential to draw tourists, the NLTA initiated a signage program in an effort to establish heritage tour routes. By October 1998, a total of 51 sites were distinctively marked as Wild North Heritage Sites. A four-color brochure

has been developed to further assist heritage travelers in discovering the historic treasures of the Wild North. In addition to assisting travelers, this signage program will also help educate residents of the area through various conferences and workshops.

The strong partnership created by the IRRRB/NLTA as well as public and private entities to help solve the wastewater treatment crisis in northeastern

Minnesota has introduced numerous alternative technologies into our area. The IRRRB/NLTA septic system program was initiated in 1994 to help find innovative and affordable solutions for resort operators who



need to replace their systems to meet state standards. Burntside Lodge on Burntside Lake and Dodge's Log Lodges on the North Shore are now operating successfully under this program after two seasons. Other alternative sewage systems are being tested by the Natural Resources Research Institute (NRRI) at the Northeast Regional Correction Center in Duluth through LCMR, Minnesota Pollution Control Agency (MPCA), MTI, St. Louis County, and 48 other cooperators as a direct result of the septic system program.

Alternative technology was used in the replacement of the IRRRB's septic system which was completed in the fall of 1998. This system will test the rejuvenation of the seepage bed and the advantages of pre-treating wastewater before it is dispersed into the ground. These alternative technologies have also been applied to the residential sector.

Several workshops on alternative technologies have been held and a state-wide wastewater treatment conference is planned in conjunction with the Minnesota Onsite Sewage Treatment Contractors Association (MOSTCA). Further research, education, and funding for affordable and successful wastewater treatment solutions will help to

support a strong infrastructure for business retention and development in our area.

The IRRRB's Tourism Planning and Development Division will continue to focus on encouraging collaborative planning, developing area-wide marketing themes, organizing local initiatives, and providing educational opportunities.

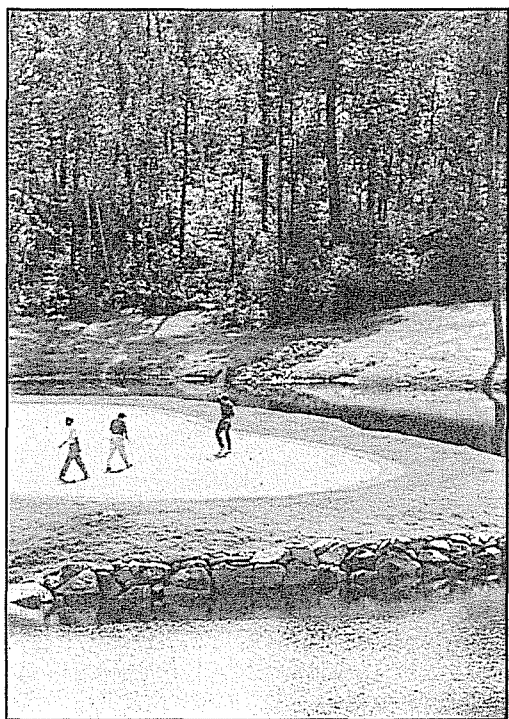
GIANTS RIDGE GOLF & SKI RESORT

With the completion of an 18-hole championship golf course in June 1997, Giants Ridge has become a year-round resort destination.

GOLF

The golf course, designed by internationally known golf

course architect Jeffrey Brauer and PGA pro Lanny Wadkins, has brought thousands of tourists to northeastern Minnesota from as far away as Texas. The \$6 million course features some of northeastern Minnesota's most breathtaking views. It is nestled in the Superior National Forest and many of the holes are surrounded by natural water hazards, Wynne Lake and Sabin



Golfers are surrounded by water and woods as they putt out on the 11th green

Lake. Twenty-one thousand rounds of golf were played at Giants Ridge in 1997.

The grand opening, held in 1997, featured a celebrity skins game played by Lanny Wadkins, National hockey League star Brett Hull, ESPN commentator and former PGA Pro Robert Wrenn and PGA Pro Craig Stadler. The skins game netted \$9,000 for charities.

Golfers in 1998 played 27,000 rounds on the Giants Ridge course which had a positive effect on the economy of northeastern Minnesota. Giants Ridge has been featured in publications such as Northwest Airline's *World Traveler* and *Minnesota Golfer* magazine and will appear in Sports Illustrated's 1999 and 2000 *Golf Courses of the World* desk calendar.

The course, which is managed by *Evergreen Alliance Golf Limited* (EAGL), has been rated among the Ten Best Upscale Public Courses in America by *Golf Digest* magazine.

SKIING & SNOWBOARDING

Giants Ridge has also expanded on the ski slopes. In 1996, 10 runs were created with the completion of the new North Face. A triple chairlift, costing \$375,000, was erected on the North Face to transport skiers more rapidly to the top.

Ten kilometers of cross country trails were added with the completion of the golf course. This provided both beginner and intermediate skiers with some of the best nordic terrain in the Midwest.

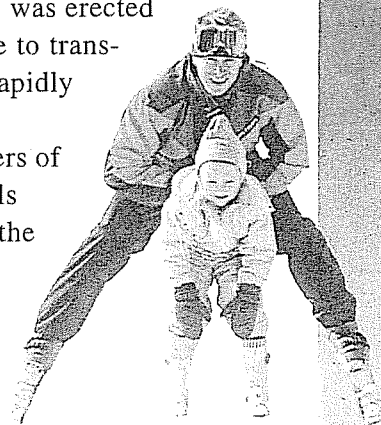
In March 1997, Giants Ridge played host to the USSA Junior Olympics. This week-long event drew 405 competitors from eight regions of the United States. Giants Ridge has submitted a bid to host this event again in the year 2000.

The Minnesota State High School League Cross Country Skiing Championships have been held at Giants Ridge for several years. More than 200 students from across the state compete in this event.

Giants Ridge has one of the finest half-pipes and snowboard parks in the Midwest attracting an increasing number of snowboarders, who have become a major force in the economics of the ski resort industry.

OTHER ACTIVITIES

The Special Olympic Winter Games returned to Giants Ridge in 1998 with more than 250 participants. In February 1999, Giants Ridge will host the games once again.



TOURISM



During summer months at Giants Ridge, guests not only enjoy golfing but many other activities. While staying at the Giants Ridge Training Center or at *The Villas at Giants Ridge*, outdoor enthusiasts can rent pontoon boats, kayaks, fishing boats, canoes, rollerblades, mountain bikes and more at the rental shop.

For the past five years, the Doug Woog Hockey Camp has been held at Giants Ridge. As the host of this camp, Giants Ridge has accommodated up to 110 campers plus the coaching staff during six week-long sessions.

CONFERCING AND LARGE EVENTS

Giants Ridge regularly hosts meetings, conferences and weddings. Complete conference facilities are available for meetings from five to 400 people. Giants Ridge has a reception capacity of 300 and also offers banquet seating for up to 350 people. Large events such as these have enhanced the year-round resort. Giants Ridge will focus on conferencing to fill the "shoulder" seasons.

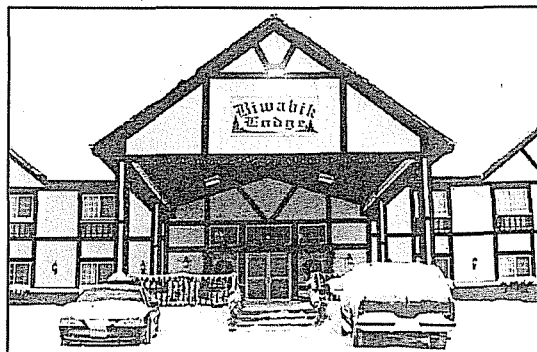
REAL ESTATE DEVELOPMENT

Giants Ridge has teamed up with Culbert Realty, a local real estate agency, to create single-family home lots on the golf course. *The Woodlands of Giants Ridge* feature lots ranging in size from two-thirds of an acre to more than one acre. As of December 1998, three homelots were sold. Homeowners will share a common dock on Wynne Lake and will have access to the trails within Giants Ridge and adjacent forests.

Construction recently began on a 90-room hotel representing one of the many construction projects of the full resort plan. A master plan is available at the Giants Ridge administrative offices.

ECONOMIC IMPACT

Giants Ridge activities account for 100-150 full and part-time jobs on site. The activity at Giants Ridge has also helped the surrounding communities through the development of projects like the *Biwabik Lodge*, *The Villas at Giants Ridge*, the *Country Inn and Suites* in Hoyt Lakes, as well as the renovation of downtown Biwabik.



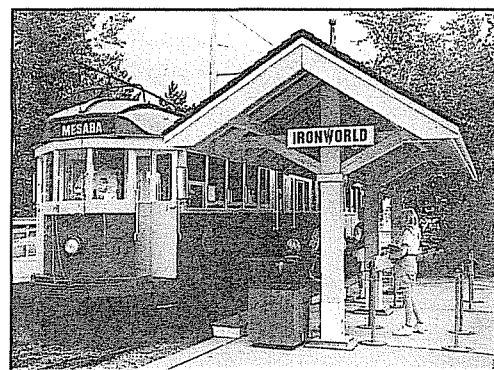
The Biwabik Lodge benefits greatly from the year-round traffic generated by Giants Ridge.

IRONWORLD

DISCOVERY CENTER



A premier tourism attraction in northeastern Minnesota, the Ironworld Discovery Center showcases the rich history and heritage of Minnesota's Iron Ranges. The past biennium saw enhancements to vibrant history and education programs already in place. The *Blues on the Range* special event, done as a collaborative effort between Ironworld Discovery Center and the Bayfront Blues, helped launch a successful 1998 season. Citizen's advisory committees added new energy and ideas to the long established



The Trolley transports passengers to relive the past at the Glen Location.

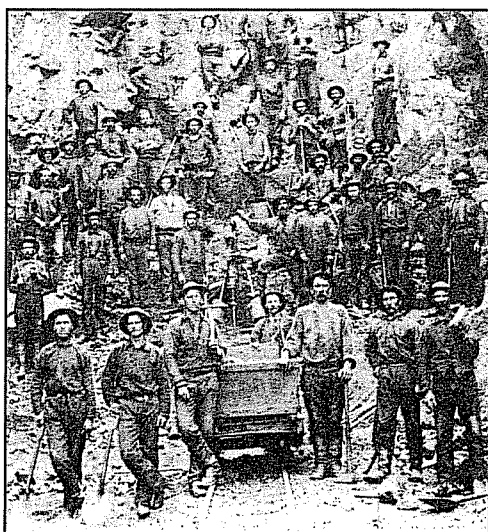
International PolkaFest and Minnesota Ethnic Days. All Slav Day, Festa Italiana, Festival Finlandia and the Scandinavian Holiday celebrated the culture and heritage of prominent ethnic groups whose customs and traditions are an integral part of our Iron Range history. Living history interpreters, story tellers, and a new in-house performing group, Heritage Company, added historical authenticity and excitement to the daily program. The comprehensive Ironworld Discovery Center marketing strategy emphasized the region's rich and unique

ethnic heritage, enticing potential visitors to “discover” their Iron Range roots.

People need to have a sense of home, a place where they can trace their roots. Ironworld’s Iron Range Research & Interpretive Center is a place that collects, preserves and showcases the history of Minnesota’s Iron Ranges for the people who call this region home. With a renewed focus on the original mission of Ironworld, the resources of the Iron Range Research & Interpretive Center are even more important than before. The Iron Range Research Center library and archival facilities house an extensive collection of genealogical and local history resources. People who trace their history to the Midwest use the census, naturalization and passenger arrival records to find ancestral connections. The Church of Latter Day Saints Family Search computer program, purchased for the center by the Range Genealogical Society, accesses hundreds of millions of names from around the world.

IRON RANGE RESEARCH CENTER

The Iron Range Research Center, open year-around, has a strong partnership with the Range Genealogical Society. The society, which is the oldest genealogical society in Minnesota (1968), purchases resource materials for the library and its members donate thousands of volunteer hours annually. In 1997, the society was particularly successful in securing grant funds from Broderbund Software, the Minnesota Historical Society and the Chisholm Foundation. Society dues and grant funds are used to augment and leverage the History Division’s collection budget. This partnership has built an especially strong collection of naturalization records and is beginning to acquire the Minnesota Public Safety Commission’s 1918 Alien Registration microfilm for the entire State of Minnesota.



This photo of an 1890 open pit iron ore mining operation in Soudan is one of the many historic photos archived at the Iron Range Research Center.

EDUCATION

The newest living history station, the Sami Camp, serves as a place for the historical interpretation of the

northern Lapland Sami culture. Many descendants of the original Iron Range Finnish immigrants trace their ancestry to these nomadic resourceful people. Ironworld’s authentically built Sami camp is the only known, recreated Sami camp in the United States. Visiting artisan, Ilimari Mattus, a craftsman from Lapland, constructed the “Goati”, a house made out of wood and sod, the “Njalla”, an elevated food storage bear-proof cache, and the “Inarisalmi Takka”, a fireplace used for cooking and heat in the long cold arctic winters.

The Range Fiber Arts Guild has been an effective partner in assembling one of the largest collections of working looms in the United States. Now located in the glass corridor between the Research Center and the Interpretive Center, the weavers continue to be a cornerstone of the Beyond School Walls education program.

The Beyond School Walls education program was recently awarded a grant from the Minnesota Department of Children, Families and Learning, to develop a comprehensive program to assist schools in providing unique learning opportunities under the new graduation rule requirements. By making connections between the student’s personal history and history in general, its goal is to make the study of history personal and fun. The students will learn valuable life skills, including research techniques, oral history interviewing, writing and communications.

HISTORY DIVISION

Partnerships with other agencies and organizations enabled the History Division to continue to take history out to the people. During the past year, the exhibit staff worked with United States Steel in researching, designing and fabricating a major interpretive exhibit for the lobby of the administrative building at the Minntac Mine in Mountain Iron. Drawing from the extensive photo and manuscript collection donated by U.S. Steel to the Research Center archives, the exhibit



TOURISM

highlighted the history of the largest mining company on Minnesota's Mesabi Iron Range. A long-standing partnership with the St. Louis County Historical Society resulted in a successful exhibit on Father Frederick Baraga, the "Snowshoe Priest" from Slovenia, who ministered to the Ojibwa people in the Great Lakes area long before the discovery of iron ore.

A new corporate sponsorship program, named The Heritage Corporate Club, enabled Iron Range businesses to participate in Ironworld Discovery Center's historical preservation program. Monetary and artifact donations, in-kind services and mutually beneficial marketing campaigns helped to promote Ironworld and the Iron Range to an even larger audience.

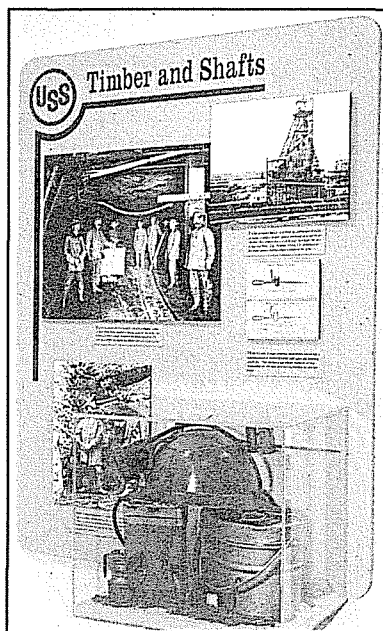
Responding to visitor requests for an enhanced children's play area, Ironworld added the Pellet Pete Mini Golf Course at the end of the 1996 season. In keeping with the unique historical context of the park, the course has a historical mining theme.

Buildings and grounds face-lifts and attention to the physical and mechanical needs of the 20-year-old facility consumed some staff and budget resources. By reinvesting in the facility and performing routine preventive maintenance, the Ironworld Discovery Center is assured of a long and successful future.

TRAILS

The IRRRB Trails Division is dedicated to serving local clubs and volunteer organizations in the promotion, development, and maintenance of recreational trails in an effort to help diversify the economy of the TTRA. A diverse trail network stretching hundreds of miles across the region offers trail users a variety of recreational opportunities.

Volunteer organizations provide the backbone of main-

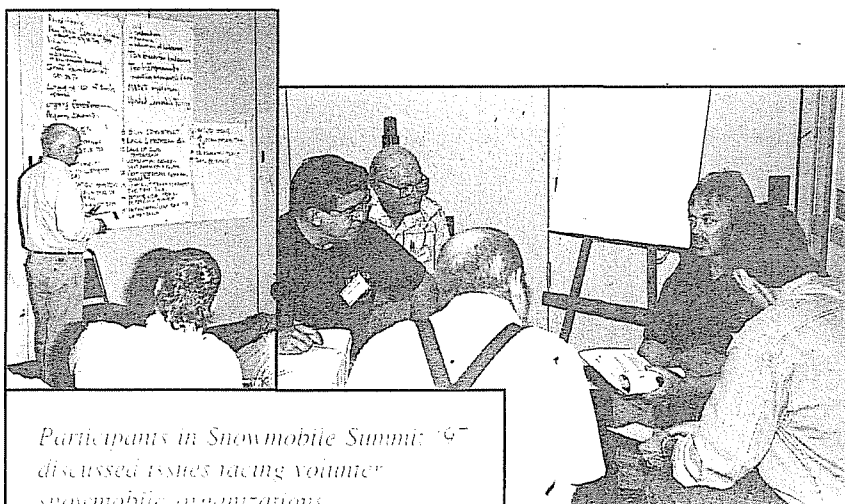


Pictured is one of the displays of an interpretive exhibit, created by the Iron Range Research Center staff for the United States Steel, Minntac Mine Administrative Building

tenance on winter recreational snowmobile trails. The balance of upkeep on the other trails in our service area are more dependent on government. The Trails Division develops partnerships unique to the varied needs of the recreational trail users. Technical and nontechnical assistance is provided, along with money for special projects. An important component is the promotion and marketing of recreational trails.

During the past biennium, the agency hosted *Snowmobile Summit '97*. This intense, one-day summit was designed to bring together more than 50 key leaders from the snowmobile and business communities to share ideas and opinions on issues facing volunteer organizations in the development and maintenance of recreational snowmobile trails. The group identified a large number of issues needing to be addressed. Upon reviewing the many issues, Commissioner Gustafson established a post-summit work group. The group is charged with the responsibility of categorizing and identifying those issues for which there could be a solution. This activity will help guide the division in the future.

The Trails Division also sponsors and assists with special events, includ-



Participants in Snowmobile Summit '97 discussed issues facing volunteer snowmobile organizations

ing Northeast Minnesota's most attended snowmobile event, the Iron Range Grass Drags held in Eveleth.

Winter activities include the sponsorship of the K-C Pro Nationals held in Chisholm as well as assistance with other events. The division also continues to provide grooming



services to the ten area snowmobile clubs. Winter trail grooming involves maintaining over 450 miles of snowmobile trails.

During the biennium, a grand total of \$472,130 in grants was awarded by the agency for trail related projects.

For a list of grants, refer to Appendix C.



ADMINISTRATIVE SERVICES

The Administrative Services Division provides agency management, accounting, purchasing, human resources, and information systems support to all divisions of the IRRRB. By internally supplying these human and technical resources to agency activities and programs, the IRRRB is able to better serve its customers and clients.

The current level of local purchases and contract authority allows the Agency to better manage its resources in the procurement of supplies, materials, equipment and services from vendors and contractors.

The agency continues to upgrade its information systems in an effort to keep pace with changing technology. A wide area network links facilities in Chisholm, Biwabik, and Eveleth. The agency has an internet presence at all three locations allowing global access to information and services. The agency address is www.rrrb.org.

HUMAN RESOURCES

The IRRRB's Human Resource Division serves roughly 100 full-time and 50 temporary employees. The majority of the temporary employees are student workers and interns. These temporary positions provide the employee an excellent learning experience while simultaneously benefiting the agency.

Human Resource staff members advise and consult with management on human resource issues, handle payroll and employee benefits, employee health and safety, administer labor agreements, maintain an affirmative action plan, ensure equal employ-

ment opportunity, facilitate employee recruitment, selection, placement, training, and maintain personnel records.

ADMINISTRATIVE SUPPORT FUNCTIONS

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

EMPLOYEE PERFORMANCE AND RECOGNITION

Several vehicles are in place to recognize and reward employees for their contributions both in and out of the workplace. Performance management components have been aligned to the continually updated business plans of the individual divisions. This typically includes an Executive Team that reviews the candidates and then makes recommendations to the Commissioner, who then makes a final decision. There is also an Employee Recognition Committee that has restructured the Shining Star Program in the past year. This semiannual award honors individual employees or teams nominated by their peers for excellence in performance, technical expertise, heroism, or community service.

Award recipients for the past two years are: Jack Biondich, Holly Haugen, Rob Olson, Don Ostern, Alison M. Perry, Tracy Peterson, Marie Rosati, Dave Sienicki, and Gary Walsh.



Commissioner Jim Gustafson presents the Shining Star Award to Dave Sienicki, Rob Olson, Jack Biondich and Don Ostern.

HEALTH PROMOTION COMMITTEE

The IRRRB Health Promotion Committee is very active in sponsoring health fairs, flu shot clinics, and various theme exercise and nutritional programs throughout the year. The committee has organized employee teams to participate in walkathons for multiple sclerosis, Alzheimers disease, and cancer, just to name a few.

HEAVY EQUIPMENT COMMITTEE

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

SAFETY COMMITTEE

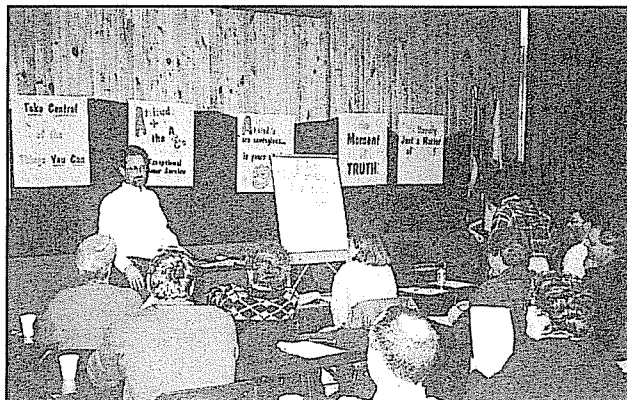
The Safety Committee has organized and redefined its function. This past year, the agency hired an intern majoring in industrial safety to assist with committee restructuring and developing and implementing safety policy, procedure, and practice. The student was assigned to update agency "Right to Know" information and assist in developing an Agency Site Inspection Checklist.

EMPLOYEE EDUCATION AND TRAINING

In the past two years, courses have been offered to employees in the areas of teamwork, handling difficult situations, performance management, sexual harassment, ADA, and supervision and management. These courses are additional to the tuition reimbursement offered to employees enrolled in job-related college courses.

A pilot project is currently taking place at the recently expanded Giants Ridge Golf & Ski Resort. After

expansion, it was obvious that employees needed to be retrained. To meet this end, a survey was conducted and a committee was formed to research and assess needs. A consultant was also hired to do a preliminary presentation to



Employee education is an ongoing process as shown in this photo of Customer Service training held in the Mineland Reclamation classroom.

assist Giants Ridge management and staff in creating a service culture at Giants Ridge. A proposal is currently being considered by the committee who will recommend to management that the

training continue over the next two fiscal years. We are hopeful that this training can also be offered to Ironworld Discovery Center.

EARLY RETIREMENT PROGRAM

During the later part of 1997, the agency again offered an Early Retirement Incentive Program. Two individuals took advantage of the offer. This opportunity was previously offered in 1995, at which time five employees exercised the option.

EMPLOYEE INVOLVEMENT

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

Agency employees are also very generous with various charitable contributions. This was exemplified by last year's Charitable Contribution Drive. IRRRB employees far exceeded expectations by donating a total of \$4,594.00. Agency employees also generously donate vacation hours through the Vacation Donation Program, participate in agency picnics, parties, and various recreational events.





COMMUNICATIONS

During the past biennium, the Public Information Division changed its name to the Communications Division, in order to more clearly describe its purpose—fostering *both* internal and external communications. The division has continued implementation of the “Partnerships That Work” communications plan and publication of *RangeView*, the *Resource*, the *Daily Resource*, and monthly calendars.

RangeView received three national Awards for Publication Excellence

(APEX) for both writing and design.

The division also assisted with a variety of special agency projects and efforts

including: a *Minnesota Mining Journal* supplement, the Governor’s

Task Force on Mining and Minerals Report, the Iron Range Economic Alliance’s industrial park map and magazine project, the Snowmobile Summit Working Group’s report, a new agency billboard, and a cross country marketing effort. In addition, the division coordinated and implemented numerous major media events.

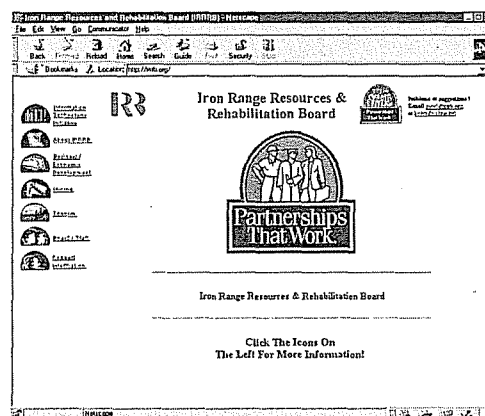
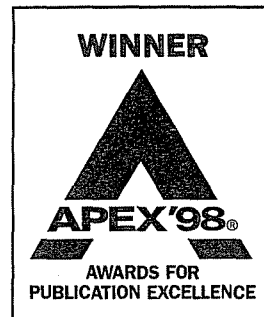


Future goals include providing more communications assistance and support to agency programs, divisions and facilities;

streamlining and producing additional writing and design projects in-house; and

constantly working to improve the agency’s publications, web pages, and media events. Finally, the division will

strive to better educate and inform employees and to improve the overall image and awareness of the agency throughout the Taconite Tax Relief Area and the State of Minnesota.



The IRRRB web page can be found at: <http://www.irrrb.org>

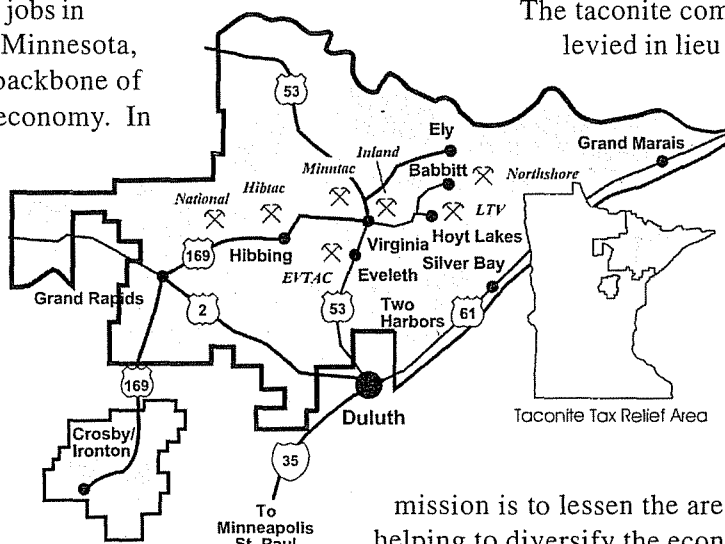
MINING INITIATIVES

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 do business with the taconite companies supply a significant number of

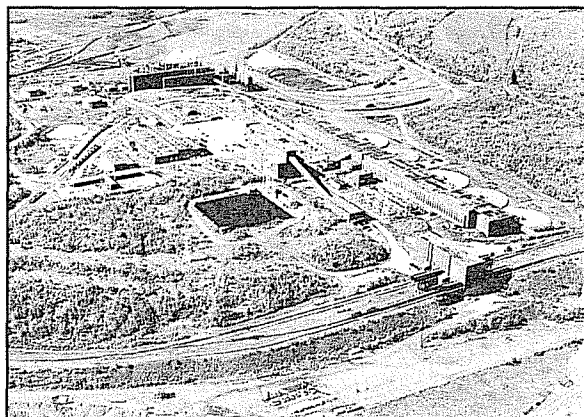
jobs. All told, more than 20,000 Minnesota jobs depend on the state’s iron mining industry.

The taconite companies also pay production taxes levied in lieu of property taxes which buy down property taxes paid by homeowners residing within the Taconite Tax Relief Area (TTRA) and support public services provided by various levels of government, including the IRRRB. In 1997, the agency received approximately \$22.3 million, or 25 percent, of the \$90.5 million in taconite production taxes paid.

Part of the IRRRB’s mission is to lessen the area’s dependence on mining by helping to diversify the economy, but the agency also recog-



nizes the importance of keeping the taconite industry strong, thereby retaining its great economic impact well into the future. In 1994-95 through its Taconite Assistance Program, the IRRRB made \$2 million in grants to each of the seven Minnesota taconite companies for new equipment and facility improvements that enhanced the long-term viability of the plants. Special assistance has also been provided, such as the \$6 million IRRRB loan to National Steel Pellet Company, part of a \$25 million incentive package provided by the state



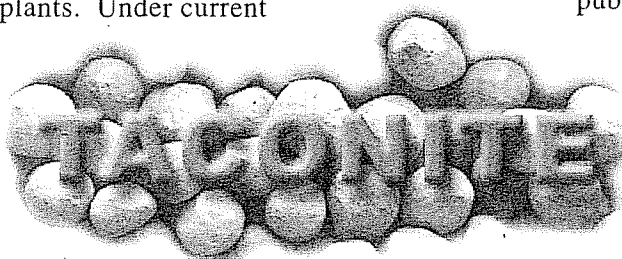
LTV Steel Mining Company located outside of Hoyt Lakes is one of seven taconite facilities in the Taconite Tax Relief Area.

of Minnesota and other stakeholders that helped National's taconite plant near Keewatin reopen in 1994 following a one-year closure. The agency also awarded a \$500,000 energy improve-

ments grant to EVTAC Mining in 1995. Ongoing agency mining initiatives include the Taconite Economic Development Fund, the IRRRB Producer Grant Program, the Governor's Task Force on Mining and Minerals and various nonferrous initiatives that came from and to the Task Force.

TACONITE ECONOMIC DEVELOPMENT FUND

In 1992, the Minnesota Legislature established the Taconite Economic Development Fund (TEDF) to encourage the taconite companies to make capital investments in their plants. Under current law, 15.4 cents of the \$2.14 tax paid 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 the salaried and hourly employees of each plant. This rebate, commonly referred to as the investment tax credit, is statutorily authorized through production year 1999. Since 1993, \$41.7 million has been made available for taconite equipment and plant improvements through the TEDF.



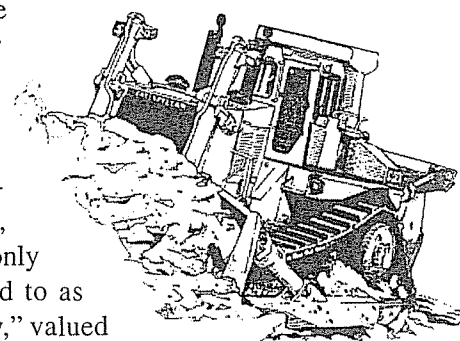
IRRRB PRODUCER GRANT PROGRAM

The 1996 Minnesota Legislature appropriated \$10 million from the Northeast Minnesota Economic Protection Fund, or 2002 Fund, for grants to the taconite producers for environmentally unique reclamation projects, pit or plant expansions, or modernizations other than for a value-added iron products plant that extend the life of the operation. Guidelines were established for the program that distributed the money to the companies in proportion to each company's respective share of total production and mandated that the projects funded must be approved by the same joint committee specified by the TEDF legislation.

In order to receive a grant, each company must

provide land or other items of consideration, commonly referred to as "equity," valued at 15% of the

amount of the grant. Over 2,750 acres of land were conveyed to TTRA communities and the IRRRB during the first round of the program—for economic and community development, new housing, recreation and other public purposes.



In 1997, the Legislature changed the funding base for the Producer Grants from a special appropriation to an annual distribution of 5 cents per ton from the production tax each company pays over the next three years, an industry-wide total of approximately \$2.2 million each year, 1997-99. The 15.4 cent TEDF distribution and the 5 cent Producer Grant together provide a 20.4 cent rebate to the taconite producers annually through production year 1999 for capital improvements.

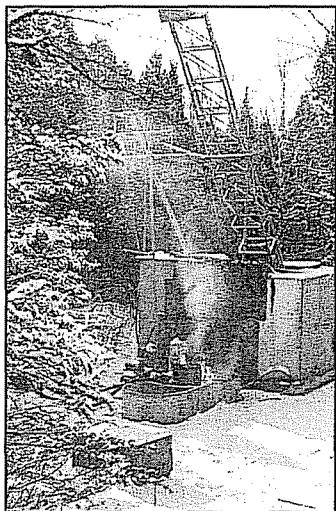
GOVERNOR'S TASK FORCE ON MINING AND MINERALS

This task force, created by Governor Arne Carlson in 1993, is comprised of representatives from the taconite and nonferrous industries, state agencies, educational institutions, local governments, environmental advocates, and the United Steelworkers of America.

Chaired by IRRRB's Commissioner Jim

Gustafson, the Task Force makes recommendations to the Governor and Legislature regarding state policy related to mining, including taxation, royalties, regulations, environmental issues

and research. It has issued reports in each of the past six years, and these recommendations have helped shape legislation that supports the mining industry, including tax and other incentives designed to support the existing industry, as well as to encourage the development of value-added products such as direct reduced iron (DRI) or a nonferrous mine or processing plant.



An exploration drill brings core samples to the surface.

NONFERROUS INITIATIVES

In 1996, the IRRRB, the Minnesota Exploration Association and the Minerals Coordinating Committee co-sponsored an Exploration Symposium which brought together representatives from exploration companies, state agencies, educational institutions and other stakeholders to discuss what should be done to promote the exploration and development of Minnesota's nonferrous resources. The recommendations which follow were submitted to the Governor's Task Force on Mining and Minerals, which ultimately included

them in their report to the Governor and Legislature:

- *Industry should be involved in the selection, development and peer review of publicly funded projects aimed at enhancing the opportunity for mineral development in the state*

In response to the above recommendation from the Task Force, the 1998 Legislature expanded the membership of the Minerals Coordinating Committee, which helps to direct state minerals research funding and projects, to include one representative from each of the taconite, nonferrous and industrial minerals industries, as well as the Commissioner of the IRRRB and the District 11 Director of the United Steelworkers of America.

- *The exploration data at the Hibbing Office of the Minnesota Department of Natural Resources Minerals Division should be put in user friendly form.*

The IRRRB, DNR Minerals Division and the Minnesota Exploration Association co-convened an exploration data advisory committee comprised of nine subject experts from the nonferrous exploration community, two geologic researchers from the University of Minnesota and three representatives from mineral-related state agencies. With assistance from a private consultant, this group has helped the DNR begin to reorganize the state's exploration data so that it is more accessible and easier to use. By the fall of 1998, the DNR hoped to have a comprehensive, digital index of the state's most significant exploration data. DNR and other agencies also will continue to work on making various elements of the data electronically available.

- *Incentive programs should be developed for nonferrous minerals exploration which would increase the probability of developing a new mineral industry in Minnesota.*

The IRRRB established a drilling incentive grant program which provides matching funds to exploration companies for exploratory drilling in the TTRA. IRRRB DIG grants provide up to 40% of direct drilling costs, not to exceed a maximum of \$20,000 per drill hole, to companies certified as eligible for the leasing of state mineral rights by DNR Minerals. To date, three DIG grants totaling approximately \$30,000 have been awarded.

- *Exploration in Minnesota should be promoted to a targeted audience of exploration companies.*

The IRRRB and DNR Minerals, working with the



University of Minnesota's Natural Resources Research Institute and the Minnesota Geological Survey, along with the Minnesota Exploration Association and the Iron Mining Association, co-sponsored a special edition of the *Mining Journal*, a world-wide minerals publication. In February 1998, a 16-page Minnesota supplement featuring Minnesota's geology and other attributes was mailed to more than 5,000 subscribers in 130 countries. Many of these subscribers own or work for minerals exploration companies, and it's hoped that this special mailing will encourage them to consider opportunities that may await them in Minnesota.

Following the *Mining Journal* mailing, IRRRB and DNR staff attended the March 1998 Prospectors and Developers Association of Canada International Convention & Trade Show in Toronto. This convention is one of the world's top mineral exploration, investment, financing and technology conferences and attracted over 7,000 delegates, exhibitors and guests in 1998. Minnesota representatives hosted a booth which featured the *Mining Journal* story of potential nonferrous mineral opportunities here.

As a follow-up to both of these efforts, the IRRRB worked with the same consortium of partners and stakeholders to sponsor Minnesota Exploration Conference 98. The conference provided presentations on Duluth Complex geology, with field trips to deposits with good economic potential, and provided an excellent opportunity to promote Minnesota minerals other than iron to exploration company representatives face-to-face.

MINELAND RECLAMATION

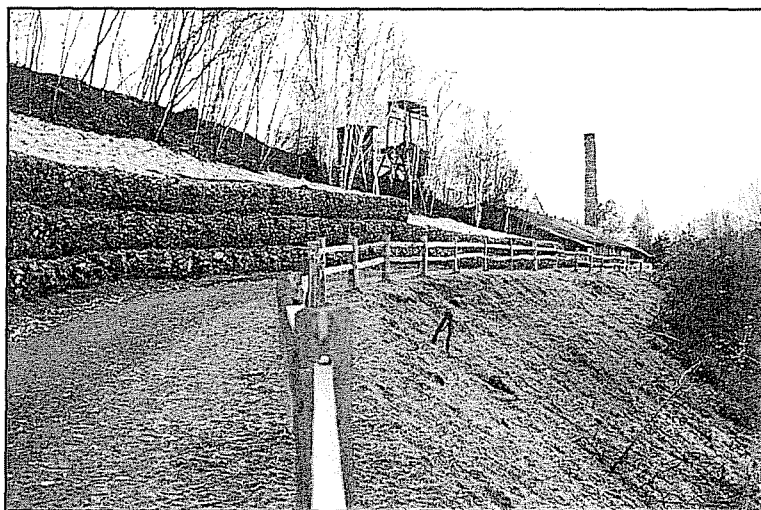
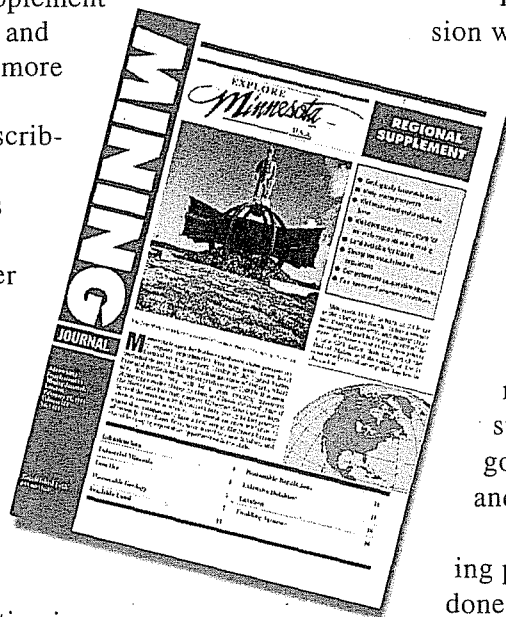
The Iron Range shipped its first tonnage of iron ore to eastern steel mills from the Soudan mine on the Vermilion Iron Range in 1884. A short time later, the Mesabi and the Cuyuna Ranges began shipments. Over the course of a century, more than three billion tons of ore have fueled America's desire for steel and its products. A like tonnage of waste rock and substandard iron ore have been left behind in "dumps." More earth has been moved from one place to another on the Iron Range than any place on

earth. The residue of this activity, deep, water-filled pits, underground mine shafts and man-made mountains of lean ore and overburden, form the landscape of the Iron Range today.

The Mineland Reclamation Division was formed in 1978 as part of a major revamping of the iron ore tax laws. The new statutes gave the division responsibility for the "reclamation, restoration or reforestation of minelands not otherwise provided for by state law." In a practical sense, this means lands influenced by mining, and now owned by the state, a county or other unit of government due to abandonment and tax forfeiture.

The division's first and continuing priority is safety. Unsafe abandoned mine sites have been fenced, protective berms of earth constructed, pit walls sloped and shaped, vegetation and trees planted to reduce erosion and open mine shafts filled or "capped" with gravel, concrete and recently with polyurethane foam.

Since its inception, the division has



Safety and erosion control on the Trezona Trail in Ely.

planted trees on publicly owned mine lands. Several million seedlings, grown in the division's growth chamber, are greening the once brownish-red mining areas from Ely to Crosby-Ironton.

Mineland Reclamation has also worked closely with civic groups, organizations, municipalities, townships, schools and private industry to assist with tree planting projects across the Iron Range.

Partnerships form an important part of Mineland Reclamation Division activities. In times of declining revenue joint projects accomplish objectives individual organizations can not. One ongoing public-private partnership seeks to develop a disease resistant species of white pine and return this majestic tree to north-eastern Minnesota. This biennium, the



A variety of crafts are taught through the Creative Learning Program such as this class in wreath making.

Minnesota Department of Natural Resources (DNR), contracted with the division to grow superior seedlings for DNR planting projects within the Taconite Tax Relief Area. Mineland Reclamation has worked jointly with cities, schools, mining companies, state agencies, several counties, and other organizations. Additionally, division funds have been used to match federal and state money as part of larger projects.

Over the past twenty years, the Mineland Reclamation Division has influenced and improved the quality of life for north-eastern Minnesota residents and visitors in a multitude of ways. The division has constructed numerous public accesses and recreation areas at "pit-lakes," stocked fish, reclaimed mine sites for industrial and residential development, provided historical signage, fostered wildlife habitat and nesting sites, monitored and improved water quality,

conducted an annual Arbor Day Fair for area schoolchildren and worked jointly with clients on cost effective projects and programs designed for the long-range benefit of the region.

SPECIAL PROJECTS

DO I.T! AN INFORMATION TECHNOLOGY INITIATIVE

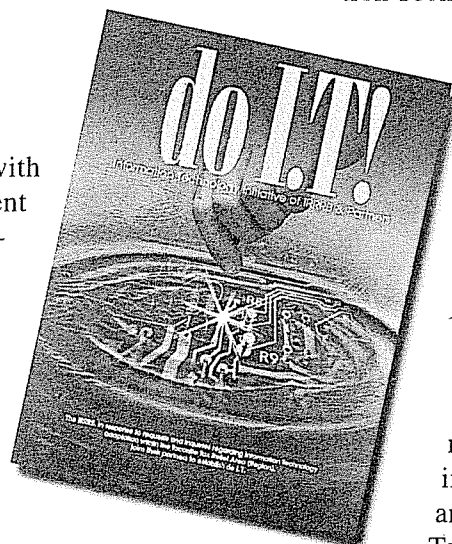
The IRRRB in collaboration with business, industry, government agencies, educational institutions and local communities has launched an extensive Information Technology initiative that will impact the region for decades to come.



Information Technology Initiative of IRRRB & Partners

information technology, and through the creation of Information Technology Centers, development of an innovative Technology-based Economic Development Initiative and establishment of a Community Awareness Program to attract new business to the region and promote equal telecommunications access, awareness and education for the citizens within our region.

The program will see the investment of both time and resources to develop the IT infrastructure necessary to add another "T" to the TTRA list: Taconite, Timber, Tourism, Transportation and now, Technology. Backed by the input of more than 70



Entitled **do I.T!**, this project will develop an information technology system that will assist business and community to conduct commerce in the 21st century, position the Taconite Tax Relief Area on the leading edge of

regional business, community and educational leaders, the program emerged from a three-month planning and development phase that culminated with a two-day workshop to clearly identify a strategic one-year information technology work plan for the agency and its partners. Implementation of that work plan is now underway.

RUDY PERPICH MEMORIAL COMMITTEE

More than \$700,000 has been raised for the Rudy Perpich Memorial which is planned to be housed in the Iron Range Interpretative Center at the Ironworld Discovery Center. The project is now in the final design development stage with construction of the memorial to begin during the Spring of 1999.

The design of the memorial has undergone a number of revisions from the original concept. Thomas Rajkovich and Associates, a noted architectural firm from Chicago, have been involved in the project since late 1997. A personal friend of the late governor, Rajkovich is donating his services to the project.

The personal papers of Governor Perpich and a significant portion of the memorabilia collected during his public life are housed in the Iron Range Research Center. This collection will be used in the memorial exhibit.



The RUDY PERPICH MEMORIAL

meeting that identifies opportunities and challenges facing each of the communities. This input is brought to the workshop and through the filtering process projects addressing these opportunities and challenges are proposed. Action Plans for the projects are developed during the workshops.

The inter-community projects selected have included: a proposed joint economic development authority for the Quad Cities; cooperation and assistance in developing the Range Recreation Civic Center; and numerous inter-

community projects that were generated in a series of Quad Cities Town Meetings. The Hibbing and Chisholm cohort is working on a joint opportunity industrial park; a service learning project involving seniors and teens; and they have completed a "how to" manual to foster inter-community cooperation. The Vermilion Iron Range group developed an inter-community manual on sharing and pairing of equipment. They are looking into the development of a Wellness Center and exploring the creation of a joint economic development authority for the region. A five-year community and economic development plan is the major project of the Aurora, Hoyt Lakes, Biwabik and Town of White iteration. The Eastern Itasca County communities are developing a series of Information Technology Centers linking their communities and creating an Eastern Itasca County Chamber of Commerce. The Cuyuna Country group has just completed the retreat phase of the project and is starting the project selection process.

Outcomes of the Inter-community Cooperation Leadership Program reflect the program's assumption that neither leadership nor inter-community cooperation are ends in and of themselves but are seen as a means to stronger, healthier communities. The program emphasizes individual empowerment, shared leadership and systemic

IRRRB/BLANDIN INTER-COMMUNITY COOPERATION LEADERSHIP PROGRAM

Since 1995 the IRRRB has been in partnership with the Blandin Foundation in funding the Inter-community Cooperation Leadership Program. The program is designed to develop leadership skills and techniques necessary to foster cooperation and sharing of resources among participating communities.

To date, the Inter-community Cooperation Leadership Program has involved six iterations. The program paired: Mountain Iron, Virginia, Eveleth, and Gilbert; Hibbing and Chisholm; Tower, Soudan, Ely, Babbitt and Embarrass; Aurora, Hoyt Lakes, Town of White and Biwabik; Keewatin, Nashwauk, Pengilly, Calumet, Marble, Bovey and Coleraine; and Deerwood, Crosby, Ironton, and Emily. In all, 142 community leaders are participating in the program.



BLANDIN FOUNDATION

The program evolved through the Blandin Foundation's highly successful Community Leadership Program, which has

been in operation since 1985. The program involves a six-day in-residence retreat and two intensive follow-up workshops at which the participants select two or three projects that demonstrate inter-community cooperation.

The project selection process begins following the retreat. As part of their homework assignment the participants are asked to involve other community members in a

approaches to community action.

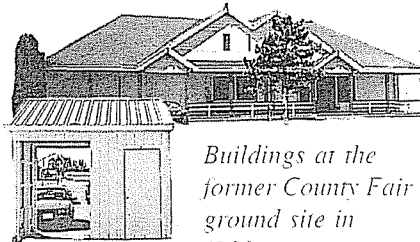
Participants selected for the program must demonstrate involvement in such sectors as education, local government, human services and business. They must care about their community and be willing to be involved. The applicants must also be willing to make a full-time commitment to the program's three sessions and be willing to participate in developing an action plan for an inter-community project.

A selection committee for each community is responsible for the selection of the delegates from their community.

This program received the 1997 *Partnership Minnesota Cooperative Public Service Award*.

RELOCATION OF THE ST. LOUIS COUNTY FAIRGROUNDS AND RACE TRACK

Hibbing Community College, a technical and community college, has received funding to co-locate the three cam-



Buildings at the former County Fair ground site in Hibbing.

puses of the college to one campus. Construction on the nearly \$22 million project began in the fall of 1998 and will necessitate the moving of the present St. Louis County Fairgrounds and Race Track.

The IRRRB has participated in the planning for the relocation effort providing in-kind services; has funded architectural and engineering design costs; acquired a 600 acre site between Hibbing and Chisholm; completed an environmental assessment worksheet; conducted a market analysis and feasibility study for the project; and has helped in the coordination of all parties involved.

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 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.

(TEPF). Other revenue sources include interest earned on invested cash, admission fees from the agency's tourism facilities, loan repayments, and other miscellaneous revenues.

Interest earnings on invested cash and loan repayments are the primary sources of funding for the 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. Fund appropriations require authorization from the state legislature. The Taconite Economic Development Fund (TEDF) and Producer Grant Program (PGP) are administered by the IRRRB and rebate funds to the taconite companies for capital investments.

For details refer to Appendices H and I.

Taconite production taxes are the primary source of funding for the IRRR Board Account and the Taconite Area Environmental Protection Fund





CITIZEN PARTNERS

IRON RANGE PARTNERS ADVISORY COMMITTEE

Stephen J. Arbour	Grand Rapids	Robert Krebsbach	Tower
Barbara Berglund	Ely	Paul A. Maki	Aurora
Lynda Bolf	Hibbing	Diana Mandich	Marble
Kimberly A. Breznik	Hibbing	Mary Mathews	Hibbing
Paul D. Carlson	Virginia	Charles E. Mistek	Gilbert
Charles J. Crep	Hibbing	Robert Munneke	Aitkin
John L. Dosen	Grand Rapids	Dennis Orn	Babbitt
Lans Hamilton	Deerwood	John A. Swift	Tower
Richard H. Harvey	Eveleth	Ione Tomasetti	Chisholm
Cindy M. Hayden	Two Harbors	Timothy S. Tomsich	Soudan
Daniel I. Johnson	Hibbing	Bogdan Zjalic	Chisholm
Anstice Jurkovich	Aurora		

IRON RANGE ECONOMIC ALLIANCE

Curt Anttila	East Range Joint Powers Board	Stephen L. Marder	UMD Center for Econ. Dev.
Phil Bakken	IRRRB	Scott Martin	United Power Association
David Carlstrom	City of Chisholm	Mary Mathews	Northeast Entrepreneur Fund
James Elioff	City of Bovey	Walter Mianowski	Cook County/Grand Marais Joint EDA
Robert Fragnito	City of Nashwauk	R. David Miller	Cuyuna Range Cities
Alan Fritz	City of Grand Rapids	Arlene Moritz	City of Embarrass
Donovan Goblirsch	City of Gilbert	Carol Nelson	Laurentian Comm. & Tech College
Henry Hanka	ARDC	Gene Nicoletti	City of Hibbing
Brian Hanson	Minnesota Power	Frank Ongaro	RAMS
Dave Hasskamp	Aitkin County	Dennis Orn	City of Babbitt
Bill Henning	City of Ely	Ken Puhek	City of Buhl
Allan Hovi	City of LaPrairie	Joanne Sherek	City of Biwabik
Lonnie Kacon	Northern Itasca Joint Powers Board	Syvilla Shermer	City of Orr
Robert H. Kind	City of Silver Bay	Barbara Sterett	City of Beaver Bay
Don Kleinschmidt	City of Mt. Iron	Randy Studier*	Minnesota Technology
Tim Kotzian	City of Tower	Mike Valentine	City of Two Harbors
Nancy Larson	St. Louis County	Ross Wagner	City of Aitkin
Randy Lasky	Northspan Group	Julie Warmbold	City of Keewatin
Sandy Layman	Itasca Development Council	Jim Wroblewski	DTED
Connie Mangan	City of Eveleth	Catherine Ziegler	Arrowhead Business Connection

TECHNICAL ADVISORY COMMITTEE

Mike Barle	Coleraine	Carol Ranta	Ely
Tom DeLuca	Gilbert	William Spang Jr.	Eveleth
Carol Nelson	Virginia	Randy Studier	Duluth
Rick Prebich	Hibbing		

NORTHERN LIGHTS TOURISM ALLIANCE

Bill Aho	Eveleth	Carroll Kukowski	Aitkin
Gordy Anderson*	Two Harbors	Mark Ludlow*	Cook
Cheri Bialke	Grand Rapids	John McQuade	Two Harbors
Patrick Christopherson	Tofte	R. David Miller	Crosby
Lorne Dooyema*	Deerwood	Tami Mlodgenski*	Grand Rapids
Adrienne Fowler*	Embarrass	Sue Prom*	Grand Marais
Linda Fryer	Ely	Jerry Rosnau*	Aitkin
Grover Gillespie*	Orr	Shirley Sanborn	Crane Lake
Eric Hanson	Cook	Madonna Ohse	Orr
David Riddle*	Virginia	Ione Tomasetti	Chisholm

* Alternate Representative

GIANTS RIDGE GOLF COURSE ADVISORY COMMITTEE

Curt Anttila	Aurora	Jerry Krikelas	Virginia
John Bachman	Virginia	Larry Mismash	Hoyt Lakes
Tim Drobnick	Eveleth	Alan Mugge	Hoyt Lakes

CITIZEN PARTNERS



APPENDIX

IRONWORLD CITIZENS ADVISORY COMMITTEE

Bob Airis	Tower	Kevin Pietrini	Virginia
Steve Arbour	Grand Rapids	Veda Ponikvar	Chisholm
Pat Blacker	Chisholm	Ione Tomasetti	Chisholm
Pat Ives	Hibbing	Steve Zeitler	Hibbing
Debra Jensen	Chisholm	Jim Gustafson	IRRRB Commissioner
Constance Jones	Virginia	Shawn Hooper	IRRRB Deputy Commissioner
Patty Phillips	Virginia	Jodi Phelps	Ironworld Discovery Center Director

SNOWMOBILE SUMMIT WORKING GROUP

Craig Backer	DNR Enforcement	Greg Sorenson	MNUSA
Elmer Cone	Itasca Trails Alliance	Doug Swenson	Hibbing
David Dill	Crane Lake	Shawn Hooper	IRRRB Deputy Commissioner
Scott Kregness (Chair)	Tower	Brian Hiti	IRRRB
Paul Maki	Aurora	DeLyle Pankratz	IRRRB
Les Ollila	DNR Trails & Waterways		

TRAILS TASK FORCE

Roger Boatman	Jacobson	Denny Rice	Hibbing
Ejay Dawson	Eveleth	Al Seagren	Grand Rapids
Robert Hidde	Hill City	Doug Swenson	Hibbing
Stanton Johnson	Virginia	Nick Wognum	Ely
Tony Kaml	Hibbing	Bill Ylatupa	Silver Bay
Scott Kregness	Tower		

GOVERNOR'S TASK FORCE ON MINING AND MINERALS

Dr. Bill Brice	Director, Minerals Division, Department of Natural Resources
Carl D'Aquila (Vice Chair)	President, Mesabi Regional Tire and Mesabi Powder and Former State Legislator
Stan Daniels	Rapid Response Coordinator, United Steel Workers of America-District #11
Dave DeLeo	President, EVTAC Mining
Dr. Dianne Dorland, PE	Department Head, Chemical Engineering, University of Minnesota - Duluth
David Foster	Director, United Steel Workers of America-District 11
Ann Glumac	President, Iron Mining Association
Jan Green	Environmentalist and Former Member of the MPCA Citizen's Board
Jim Gustafson (Chair)	Commissioner, Iron Range Resources and Rehabilitation Board
Jim Hoolihan	President, Industrial Lubricants and Former Grand Rapids Mayor
Dr. Mike Lalich	Director, Natural Resources Research Institute
Peder Larson	Commissioner, Minnesota Pollution Control Agency
David Meineke	President, Meriden Engineering
Eric Norberg	Director, Industrial and Commercial Marketing, Minnesota Power
Frank Ongaro	Executive Director, Range Association of Municipalities and Schools
Liz Prebich	Commissioner, St. Louis County
Bill Ulland	Director, Minnesota Exploration Association

MINERALS COORDINATING COMMITTEE

Dr. Bill Brice (Chair)	Director, DNR Minerals
Steve Crouch	University of Minnesota
H. Ted Davis	Dean, University of Minnesota Institute of Technology
David Foster	Director-District 11, United Steel Workers of America
Ann Glumac	President, Iron Mining Association
Jim Gustafson	Commissioner, IRRRB
Michael Lalich	Director, Natural Resources Research Institute
Peder Larson	Commissioner, Minnesota Pollution Control Agency
Ernie Lehmann	President, Minnesota Exploration Association
David Southwick	Director, Minnesota Geological Survey
Jonathan Wilmhurst	Regional President, CAMAS, Inc.



CITIZEN PARTNERS

do I.TV BOARD

Steve Acheson	Northeast Alliance for Telecommunications,
Pat Blacker	Northwest Airlines Iron Range Reservation Center
Bob Buescher	National Steel Pellet Company
Jim Bymark	University-Fairview-Mesabi
Charles Crep	K-Byte Inc., Hibbing Manufacturing
Bill Henning	Ely Area Development Council
Kyle Hopstad	Virginia Regional Medical Center
Steve Jacobsen	Northeast Service Cooperative
Sandy Layman,	Itasca Development Corporation
Andrew Lucero	Minnesota Power
Terry Moore	Hibbing Public Library
Carol Nelson	Laurentian Community and Technical College
Barb Neprud	Crosby-Ironton School District
Frank Ongaro	Range Association of Municipalities and Schools
Mark Reichert	Befera Interactive
Dr. Joseph Sertich	Itasca Community College
Bill Spang	Mountain Iron First State Bank
Mike Valentine	Two Harbors Development Corporation

GRANTS

ACEAC

98 Technical Assistance To Small Businesses.....\$75,000

AEOA

97 Hospitality Host Program.....\$25,000
97 Hospitality Host Program Expenses.....\$25,000

Aitkin Chamber of Commerce

97 Advertisement Of Upnorth Adventurer.....\$4,200
97 Promote Winter Tourism In Aitkin Area.....\$4,200

Aitkin County Growth

98 Improvements To Building.....\$2,433
98 Operation, Maintenance And Renovation.....\$5,000

Aitkin, City of

97 Summer Youth Employment.....\$2,000
97 Infrastructure Improvements.....\$200,000
98 Infrastructure To Townhouse.....\$100,000
98 Summer Youth Program.....\$2,800

Alborn, Township of

97 Completion Of New Community Center.....\$40,000

American Shield Company

98 Drilling Costs For Nonferrous Minerals.....\$5,350
98 Drilling Costs.....\$5,350

Aurora, City of

97 Summer Youth Employment.....\$4,000
97 Infrastructure Improvements.....\$250,000
98 Improvements To Cina School.....\$48,000
98 Improvements To Wastetreatment.....\$200,000
98 Summer Youth Program.....\$5,000

Babbitt, City of

97 Infrastructure To 39 Single Family Lots.....\$100,000

Babbitt-Embarrass Area Dev. Association

97 Birch Lake Plantation Ski Trail Improvements.....\$3,900

Balkan, Township of

98 Summer Youth Program.....\$800

98 Town Hall.....\$22,000

Bigfork, City of

97 Construction Of A New Well.....\$75,000
98 Hwy 38.....\$140,000

Biwabik, City of

97 Utility Assessment And Review.....\$50,000
97 Summer Youth Employment.....\$3,000
98 Summer Youth Program.....\$3,000
98 Construction Of Pavilion.....\$200,000

Blandin Foundation

97 Pairing And Sharing.....\$43,650
98 Community Leadership Program.....\$60,000

Bovey, City of

97 Water, Sewer And Road To Industrial Park.....\$50,000
97 Summer Youth Employment.....\$2,000
98 Water, Sewer, Sidewalks, Lights-Hwy 169.....\$94,000
98 Summer Youth Program.....\$2,000

Breitung, Township of

97 Sanitary Sewer, Water And Storm Sewers.....\$40,000
97 Summer Youth Employment.....\$2,000
98 Sewer Replacement -Main, 1st, And Echo Rd.....\$50,000
98 Summer Youth Program.....\$2,000

Buhl, City of

97 Construction Of 6 New Townhomes.....\$60,000
97 Road Reconstruction.....\$200,000
97 Summer Youth Employment.....\$2,000
98 Reconstruction Of Hwy 125.....\$75,000
98 Summer Youth Program.....\$3,000
98 Primitive Campground.....\$10,000
98 Construction Of 6 New For Sale/Rent Duplexes.....\$60,000

Calumet, City of

97 Summer Youth Employment.....\$2,000
97 Construction Of New Maintenance Facility.....\$25,000
98 Summer Youth Program.....\$2,000



Carpenter, Township of

97 Summer Youth Employment	\$1,000
98 Addition To Town Hall	\$30,000

Center For Independent Living

98 Ramps Ada	\$10,000
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Chisholm Area Chamber

98 Kitty Kat Snowmobile Race	\$1,000
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Chisholm, City of

97 Summer Youth Program	\$4,000
97 Frontage Road Extension	\$200,000
98 Business Park -Water And Sewer	\$150,000
98 Summer Youth Program	\$7,000

Chisholm-Hibbing Airport

98 Marketing Grant	\$40,000
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Chisholm-Hibbing Airport Commission

97 Improvements To Airport	\$75,000
98 Parking Lots, Clear Zone, Acquisition	\$94,000

Clinton, Township of

97 Agra Lime And New Dugouts For Baseball Field ...	\$5,000
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Cohasset, City of

97 Housing	\$98,000
98 Clay Boswell And Industiral Park Roads	\$100,000
98 Summer Youth Program	\$2,000

Coleraine, City of

97 Erosion Control Problems	\$17,500
97 Promotion Of The Grand Slam Of Golf	\$4,200
98 Summer Youth Program	\$1,200
98 Reconstruction Of Hwy 61	\$100,000

Cook County

97 Promotion Of Airports	\$1,200
97 New Buildings At Airport In Grand Marais	\$100,000
98 Devils Track Infrastructure	\$120,000
98 Pincushion Mtn Chalet	\$30,000

Cook County Airport

97 Feasibility Study To Develop Charter	\$5,000
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Cook, City of

97 Summer Youth Program	\$2,500
97 Runway And Drainage Repairs To Airport	\$50,000
98 Housing Infrastructure	\$60,000
98 Extension Of Water, Sewer	\$60,000
98 Summer Youth Program	\$2,500

Crane Lake Commercial Club

97 Voyageur Days Publicity	\$1,700
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Crane Lake Visitor & Tourism

97 Development Of A Home Page	\$2,200
97 Promotion Of State Publications	\$4,200
97 Promotion Of The Midwest Outdoors	\$4,200

Crane Lake Voy. Snowmobile Club

97 Promote Snowmobile Race	\$1,700
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Croft Mine Historical Park

97 Summer Youth Program	\$1,120
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Crosby, City of

97 Summer Youth Program	\$3,000
98 Summer Youth Program	\$3,000

Crosby-Ironton Joint Powers Board

97 Croft Mine Historical Park	\$30,000
98 Croft Mine Historical Park	\$20,000

Crosslake, City of

97 Summer Youth Program	\$660
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Crow Wing County

97 Water Quality Testing	\$5,000
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Crow Wing County Highway Department

98 Drainage	\$35,000
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Crow Wing County Planing & Zoning

98 Water Quality Testing	\$2,500
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Cuyuna Country Chamber

97 Ice Fishing Marathon	\$1,200
97 Promotion Tourism	\$1,520
97 Promotion Of Power Boat Races	\$1,200

Cuyuna Range Econ. Dev.

98 Well, Septic And Drainfields	\$10,000
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Cuyuna Range Econ. Dev. Inc.

98 Road To Crosby Manuf.	\$89,000
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Deer River Bushwackers Snowmobile Club

98 New Trail Construction	\$7,000
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Deerwood, City of

98 Infrastructure To Magnum Mfg	\$150,000
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East Range Joint Powers Board

97 East Range Area Assessment	\$4,200
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Edge of the Wilderness Lodging Association

97 Development Of Brochure	\$1,700
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Ely Chamber of Commerce

97 Promote Ely Fishing Destination	\$4,200
97 Promote Ely Vacation Destination	\$4,200
97 Promote Ely Diverse Vacation Destination	\$4,200
97 Promote Ely Winter Vacation Destination	\$4,200

Ely Voyageur Winter Festival

97 Promote Ely's Voyageur Winter Festival	\$1,700
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Ely, City of

97 Summer Youth Program	\$2,400
97 Tourism Grant Pioneer Mine Project	\$50,000
97 Trezona Trail & Imp. To Business Park	\$10,000
97 City Business Park	\$150,000
98 Summer Youth Program	\$2,000
98 Business Park And Pioneer Rd Construction	\$150,000

Embarrass Region Fair Board

97 Promote The Embarrass Region Fair	\$1,700
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Embarrass, Township of

97 Summer Youth Program	\$3,000
97 America's Winter Challenge	\$4,500
97 Promote Tourism In Embarrass	\$700
98 Summer Youth Program	\$3,000

Emily, City of

97 Drainage Repairs	\$8,000
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Emily/Outing Snowmobile Club

97 Trail Improvements	\$9,000
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**Eveleth Chamber of Commerce**

97 Iron Range Grass Drags	\$4,000
98 Iron Range Grass Drags	\$4,000

Eveleth Economic Development Association

97 Construction Of Market Rate Housing	\$300,000
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Eveleth, City of

97 Summer Youth Program	\$3,000
97 Industrial Park And Progress Park	\$350,000
98 Summer Youth Program	\$3,000
98 Fayal Pond Project	\$25,000
98 Lift Station And Sewer Lines	\$150,000
98 Curling Club	\$100,000

EVTAC Mining

97 Producer Grant Program	\$1,114,500
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Fairbanks, Township of

97 ADA Bathroom For Town Hall	\$2,000
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Fayal, Township of

97 Summer Youth Program	\$3,000
97 Town Hall, Garage And Fire Hall	\$40,000
98 Summer Youth Program	\$3,000
98 Hiking And Biking Trail	\$30,000

French, Township of

97 Summer Youth Program	\$504
97 Construction Of A Warming Shack On A Slab	\$20,000
98 Summer Youth Program	\$500

Friends of the Bus Origin Center

98 Greyhound Bus Museum	\$150,000
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Gilbert, City of

97 Baseball Field And Wastewater Treatment	\$100,000
97 Publicity Of Sherwood Forest Day's	\$1,700
97 Summer Youth Program	\$2,000
98 Control House, Digester, Clarifier, Filters	\$94,000
98 Sherwood Forest Campground	\$18,000
98 Summer Youth Program	\$2,800

Grand Marais, City of

98 Waterfront Folk School Imp	\$85,000
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Grand Marais-Cook County Airport

97 Study	\$5,000
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Grand Portage Reservtion Business Committee

97 Sewage Disposal System	\$100,000
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Grand Rapids HRA

97 Construction Of Affordable Housing Facility	\$75,248
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Grand Rapids School Forest Committee

98 Construction of a Log Pavillion	\$7,500
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Grand Rapids Visitors Bureau

97 Promote As A Meeting Destination	\$4,200
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Grand Rapids, City of

97 Bridge On Mississippi River Trail	\$15,000
97 Trail Improvements	\$15,000
97 New Sports Complex	\$200,000
98 Summer Youth Program	\$4,500
98 New Library	\$200,000

Grand Rapids-Itasca County Airport

98 Airports Improvements	\$75,000
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Greenway Joint Recreation Board

98 Arena Improvements	\$75,000
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Gunflint Trail Association

97 Cross County Skiing Promotion	\$4,200
97 Promote Spring And Canoe Outfitters	\$4,200
97 Improvements Of The Gunflint Trails	\$25,000

Hibbing Electronics

98 Employee Training	\$50,000
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Hibbing Joint Recreation & Park Board

98 Press Box/Restrooms	\$40,000
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Hibbing Taconite Company

98 Producer Grant Program	\$1,818,000
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Hibbing Trailblazers

97 Trail Work	\$4,000
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Hibbing, City of

97 Remodeling Of City Hall	\$250,000
97 Fraboni Expansion	\$100,000
97 Summer Youth Program	\$6,000
98 Construction Of Townhomes	\$180,000
98 Vic Power Park Soccer Field	\$47,000
98 N. Hibbing Historical Site (Mineland Rec)	\$15,800
98 Summer Youth Program	\$6,000

Hoyt Lakes Chamber of Commerce

97 Hoyt Lakes Old Fashioned Christmas	\$1,200
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Hoyt Lakes Water Carnival

97 Water Carnival	\$1,700
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Hoyt Lakes, City of

97 Renovations To Retail Shopping Center Area ..	\$200,000
97 Summer Youth Program	\$3,500
97 Infrastructure For Carlson Country Inn	\$200,000
98 Summer Youth Program	\$4,500
98 Infrastructure To Laskin Energy Park	\$2,094,484
98 Laskin Energy Park	\$2,094,484
98 Arena Improvements	\$200,000

IAT

98 Training Assistance Grant	\$50,000
98 Employment Incentive Grant	\$150,000

Inland Steel Mining Company

97 Producer Grant Program	\$555,000
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International Snowmobile Hall

97 Business Plan	\$4,000
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International Wolf Center

97 Promotional Pieces	\$1,200
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Iron Range Sports Board

97 Events At Giants Ridge	\$50,000
97 Giants Ridge Sno Cross	\$5,000
98 Operations, Programs & Special Events	\$48,000

Iron Range Ventures

97 Equity Investments To Businesses	\$250,000
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Iron Trail Convention & Visitor Bureau

97 Advertising	\$4,164
97 Advertising For Group Tours	\$4,200
97 Advertising For New And Return Visitors	\$1,400
97 Advertising For Snowmobile Race	\$1,700

**Ironton, City of**

97 Summer Youth Program	\$1,500
97 Improvements To Industrial Park	\$70,000
98 Summer Youth Program	\$2,500

ISHOF

98 Hall Of Fame Induction Promotion	\$1,850
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Itasca Community College Found

97 Summer Internship Program	\$20,000
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Itasca Driftskippers

97 Trails Grant	\$5,000
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Itasca Ski and Outing Club

97 Construction Of Chalet/Service Building	\$130,000
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Jerry Kolstad (Range Minerals)

98 Direct Drilling Costs	\$4,672
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Kabetogama Tourism Bureau

97 Development Of A Video	\$4,200
97 Sport Shows	\$4,200
97 Distribution Of A Printed Piece	\$4,200
97 Television Advertising	\$1,700

Keewatin, City of

97 Water And Sewer	\$150,000
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Kinghurst, Township Of

98 Addition And Repairs To Town Hall	\$10,000
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Kinney, City of

97 Repairs To Sewer Line	\$40,000
98 Installation Of Water Meters	\$10,000

Kitzville Senior Citizens, Inc

97 Waterline	\$983
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Kugler, Township of

97 Development Of Ski Trail	\$10,000
98 Summer Youth Program	\$1,500

Lake County

97 Snowmobile Trail Maintenance	\$7,000
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Laprairie, City of

97 Access Road To Industrial Park	\$40,000
97 Summer Youth Program	\$1,500
98 Summer Youth Program	\$2,500

Larex International Inc.

97 \$3,000 Per Employee Incentive Grant	\$120,000
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Lone Pine, Township of

98 Baseball Field	\$10,000
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Louisiana-Pacific

98 Employment Incentive Grant	\$15,000
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Lutsen Tofte Tourism Association

98 Trail Improvements	\$12,750
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Lutsen Trailbreakers

97 Maintenance And Culverts	\$3,900
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Lutsen-Tofte-Schroeder Visitor & Tourism Board

97 Promote Cross Country Skiing Vacations	\$4,200
97 Promote Snowmobilers To Area	\$4,200

97 Promote Spring/Summer Soft Adventure	\$4,200
97 Advertising Lodge To Lodge Hiking	\$4,200
97 Promote Superior National At Lutsen	\$4,200

LTV Steel Mining Company

98 Producer Grant Program	\$1,619,500
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Marble, City of

97 Summer Youth Program	\$2,000
98 Main Street Improvements	\$45,000
98 Summer Youth Program	\$3,000

McKinley, City of

97 Sewer Work South Of Main Street	\$40,000
97 Summer Youth Program	\$2,500
98 Summer Youth Program	\$1,500

Meadowlands, City of

98 Sanitary Sewer And Lagoon System	\$50,000
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Mesabi Range Community College

98 Skills Assessment Project	\$20,000
98 Training Program	\$33,000

Minnesota Iron & Steel Company

97 Aerial Photogrammetric Survey & Mapping	\$36,375
98 Aerial Photogrammetric Survey & Mapping	\$2,130

Missabe Iron & Steel

98 Study To Convert Ore To DRI	\$5,000
98 Test Work	\$5,000

Mission, Township of

97 Summer Youth Program	\$1,316
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Mississippi Headwaters Board

97 Water Trail Maps	\$4,200
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Minnesota Iron & Steel

98 Amendment To Contract	\$2,130
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Mountain Iron, City of

97 Amendment To 70471	\$4,100
97 Sewer Drainage	\$200,000
97 Summer Youth Program	\$6,000
98 Ann's Acres Waterline	\$50,000
98 Summer Youth Program	\$7,400
98 Street Improvement And Extensions	\$250,000

Mountain Iron HRA

97 Infrastructure & Site Improvements	\$40,000
97 Relocation Of Anderson Chev	\$150,000
97 Housing	\$200,000
97 Housing	\$100,000

Nashwauk Snowmobile & Recreation Club

97 Bridge Repairs On The Day Brook Trail	\$3,000
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Nashwauk, City of

97 Summer Youth Program	\$2,000
97 Infrastructure	\$132,000
98 Larue Pit Access	\$50,000
98 Industrial Park Roads	\$150,000
98 Summer Youth Program	\$2,000

National Steel Pellet Company

97 Producer Grant Program	\$1,089,600
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NE MN Office of Job Training

98 Institute of Advanced Technology	\$2,500
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**North Shore Music Association**

97 Promotion \$1,700

Northeast Entrepreneur Fund

97 Technical Assistance To Small Businesses \$50,000

Northeast Ventures

97 \$250,000

Northern Lakes Arts Association

97 Old-Fashioned Picnic In The Park \$1,700

Northland Foundation

97 National Development Council \$16,500

98 Endowment Fund \$10,000

98 Sponsorship Endowment Fund \$10,000

Northshore Mining Company

98 Producer Grant Program \$882,700

Northspan

97 Map Of Industrial Parks In TTRA \$11,850

97 Movies, Documents For Ne Mn \$10,000

97 Industrial Park Map Amended \$32,458

97 Marketing Of Northeastern Minnesota \$15,000

98 Marketing Program \$15,000

98 Web Page Development For IREA \$5,000

98 Upper Mn Film Bd \$12,000

Occupational Development Center

97 Manufacture Cassette Crates \$50,000

Orr Pelican Lake Resort Association

97 Promotion Orr-Pelican Lake Area \$2,548

97 Promotion Fishing Opportunities \$4,200

Orr, City of

97 Road For DNR Boat Landing \$125,000

97 Development Of A Promotional Piece \$4,200

98 Airport Improvements \$40,000

Peter Mitchell Fun Days Inc.

97 Marketing And Promotion \$7,000

Pike Sandy Volunteer Fire Dept.

97 Construction Of Fire Hall \$75,000

Quad Cities Recreation Facility

97 Construction Of A Curling Club \$500,000

Range Association of Municipalities & School

97 USGS Quadrangle Maps \$2,000

98 USGS Quadrangle Maps \$2,000

Range Respite

98 Improvements-ADA \$25,000

Range Trail Committee

98 Trail Grant-Kinney Spur \$7,500

Riverton, City of

97 Municipal Sewer System \$20,000

Schroeder, Township of

97 Trail Imp To Taconite Harbor \$3,200

Silver Bay, City of

97 Summer Youth Program \$3,000

97 Recreational Boat Harbor \$500,000

97 Road Paving & Community Center \$100,000

98 Summer Youth Program \$3,000

98 Water Plant Improvements \$150,000

Silver Creek, Township of

97 Wastewater Treatment \$8,000

97 Wastetreatment System \$100,000

98 Wastetreatment System \$400,000

Silver Trail Riders

97 Tettagouche Park Trail Improvements \$11,250

Sno-Serpents Snowmobile Club

97 Trails Grant \$4,000

97 Trails Grant \$11,000

Spang, Township of

98 Replace Culverts \$50,000

St. Louis & Lake Counties Regional Rail Authority

97 132 Mile Multi Purpose Trail \$250,000

98 132 Mile Multi-Purpose Trail \$250,000

Taconite, City of

98 Multipurpose Building \$50,000

Tourist Center Senior Citizens, Inc.

98 Addition And Exit Driveway \$30,000

Tower, City of

97 Summer Youth Program \$2,500

97 Water And Sewer To New Business At Airport \$30,000

97 Sanitary Sewer \$50,000

97 Trails Grant \$7,080

97 Preservation To Locomotive \$25,000

98 Sanitary Sewer \$75,000

98 Infrastructure Extensions To Industrial Park \$25,000

98 Summer Youth Program \$2,500

Trailhawks Snowmobile Club

97 25 Miles Hawk Trail-Eve-Cotton \$10,000

Trommald, City of

97 Wastetreatment System \$45,000

Two Harbors Airport Commision

98 Airport Improvements \$40,000

Two Harbors Chamber

97 Publicity Of North Shore Winter Fun Days \$1,700

97 Promotional Pieces For The Two Harbors Area \$3,971

Two Harbors, City of

97 Roads, Water, Sewer And Utilities \$300,000

98 Streets, Water And Sewer \$94,000

98 Summer Youth Program \$3,500

University of Minnesota

97 White Pine Seedlings \$50,000

97 Geological Survey \$8,000

98 White Pine Seedlings Study \$40,000

University of Minnesota - Forest Resource

98 White Pine Seedlings Study \$40,000

University of Minnesota - NRRI

97 Amended On Site Septic System \$20,000

USX-Minnesota Ore Operations

97 Producer Grant Program \$2,920,700



Valentine Magnetics

97 Manufacturing Facility In Industrial Park \$5,000

Virginia Area Chamber of Commerce

97 Distribution Of A Quad Cities Brochure \$4,200

Virginia HRA

97 Old Washington School \$630,000

Virginia, City of

97 Renovation Of Water Tank \$200,000
 97 Summer Youth Program \$5,000
 97 Infrastructure And Site Improvements \$250,000
 97 Developing Mine Dump \$40,000
 98 Golf Course, Irrc And Housing \$400,000
 98 Golf Course And Residential Development \$50,000
 98 Summer Youth Program \$5,000

Virginia/Eveleth Economic Development Authority

97 Sale Of Progress Park Building \$7,800

Voyageur Snowmobile Club

97 Yukon Trail Bridge Construction \$2,700

Western Lake Sanitary District

97 Study On Composting Municipal Soil \$5,000

Western Mine Planning Board

98 Study Of Conservation Of Lands \$5,000

White, Township of

97 Loon Lake Community Center \$50,000

Winton, City of

97 Construction Of New Well \$50,000

TACONITE INDUSTRY INVESTMENTS

1993 - 1998 (Dollars in thousands)

Mining Company Name	Taconite Assistance Program	Taconite Economic Development	Taconite Producer Grant Program	Other Assistance	Total per Company
Eveleth Mines	\$2,000	\$4,229	\$1,364	\$500	\$8,093
Hibbing Taconite Co.	\$2,000	\$7,316	\$2,214		\$11,530
Inland Steel Mining Co.	\$2,000	\$2,675	\$679		\$5,355
LTV Steel Mining Co.	\$2,000	\$8,571	\$1,983		\$12,554
National Steel Pellet Co.	\$2,000	\$3,821	\$1,338	\$6,248	\$13,407
Northshore Mining Co.	\$2,000	\$3,071	\$1,079		\$6,150
USX-MN Ore Operations	\$2,000	\$11,971	\$3,571		\$17,542
Total Investment	\$14,000	\$41,654	\$12,228	\$6,748	\$74,631*

GRAND TOTAL \$74.6 MILLION*

NORTHEAST MINNESOTA ECONOMIC PROTECTION TRUST FUND ("2002" FUND)

UNEXPENDABLE CORPUS (DOLLARS IN THOUSANDS)

	Fiscal Year	
	Ending June 30, 1997	Ending June 30, 1998
Beginning Balance	\$66,473	\$61,916
Taconite Tax Receipts	5,324	5,296
Interest on tax receipts prior to county distributions	119	127
Expenditures & Obligations	10,000	0
Ending Balance	\$ 61,916	\$ 67,339



FINANCIAL SUMMARY

RESOURCES (Dollars in thousands)

	<u>Fiscal Year</u>	
	<u>Ending June 30, 1997</u>	<u>Ending June 30, 1998</u>
Carry Forward In	\$ 46,723	\$ 37,794
Current Resources:		
Taconite Production Taxes	17,165	17,657
Investment Earnings	7,144	7,785
Loan Revenues	2,158	2,502
Departmental Revenue	2,513	3,478
Bond Proceeds	<u>3,737</u>	<u>0</u>
Subtotal Current Resources	\$ 32,717	\$ 31,423
Total Resources Available	\$ 79,440	\$ 69,216

EXPENDITURES BY DIVISION (DOLLARS IN THOUSANDS)

	<u>Fiscal Year</u>	
	<u>Ending June 30, 1997</u>	<u>Ending June 30, 1998</u>
Programs		
Business Development	\$ 9,904	\$ 5,618
Community Development	8,839	11,575
Taconite Assistance	9,570	6,578
Communications	218	209
Tourism	935	751
Research and Planning	515	705
Facilities		
Giants Ridge Golf and Ski Resort	3,931	5,066
Ironworld Discovery Center	2,265	2,301
Mineland Reclamation	876	916
Trails	536	408
Maintenance/Shop	473	521
Building Demolition	290	247
Facilities Improvements	1,753	228
Administrative Services		
General Support	1,133	1,572
Information Systems	222	232
Human Resources	186	299
Total Expenditures	\$ 41,646	\$ 37,226
Carry Forward Out	\$ 37,794	\$ 31,990

BUILDING DEMOLITION

NUMBER OF STRUCTURES REMOVED-FY97-98

Aitkin	1	Eveleth	17	Meadowlands	1
Aurora	2	Fayal Township	8	Mountain Iron	10
Bear River	1	Gilbert	4	Nashwauk	15
Biwabik	7	Goodland	2	Orr	8
Big Fork	3	Grand Rapids	5	Sand Lake	11
Buhl	8	Hibbing	84	Swan Lake	6
Canyon	1	Hoyt Lakes	2	Side Lake	7
Chisholm	43	Kinney	5	Tower/Soudan	5
Cohasset	1	Lake Fourteen	2	Two Harbors	28
Coleraine/Bovey	8	Lake Vermillion	2	Virginia	33
Cook	2	Marble	1	Zim	3
Cotton	1	Markham	1	TOTAL	355
Ely/Winton	9	McKinley	8		

NORTHEAST MINNESOTA ECONOMIC PROTECTION FUND

<u>RECIPIENT</u>	<u>PURPOSE</u>	<u>TOTAL PROJECT COST</u>	<u>FORM</u>	<u>IRRRB AMOUNT</u>
Buhl				
Kidspace	Expansion	\$7,000,000	Direct Loan	\$500,000
			Forgivable Loan	\$500,000
City of Buhl (new Buhl comm. tenant)	Reloc. & Reno. of Bldg.	\$91,800	Direct Loan	\$40,000
Chisholm				
Cincinnati Milacron (MN Twist Drill)	Expansion	\$5,000,000	Participation Loan	\$1,250,000
			Empl. Incentive Grant	\$150,000
Minnesota Twist Drill	Expansion	\$600,000	Participation Loan	\$250,000
Ely				
Steger Design	Expansion	\$300,000	Participation Loan	\$100,000
Eveleth				
City of Eveleth-Hospital	Expansion	\$339,526	Direct Loan	\$90,000
Grand Marais				
Hedstrom Lumber Co., Inc.	Expansion	\$500,000	Participation Loan	\$133,333
Grand Rapids				
GREDA (for ASV, Inc.)	Expansion	\$2,500,000	Participation Loan	\$750,000
Hibbing				
Industrial Rubber Applicators, Inc.	Expansion	\$550,000	Participation Loan	\$160,000
Instit. For Advanced Technology	Expansion	\$310,000	Direct Loan	\$200,000
			Empl. Incentive Grant	\$150,000
			Training Grant	\$50,000
			Stock Warrants	\$50,000
Hibbing Fabricators	Expansion	\$566,700	Participation Loan	\$150,000
Fireside Investment Club (Hibb. Fab.)	Expansion	\$1,000,000	Participation Loan	\$250,000
Hibbing Electronics	Training	\$50,000	Training Grant	\$50,000
City of Hibbing	Building Renovation	\$440,000	Direct Loan	\$200,000
DMR Electronics	Expansion	\$430,000	Participation Loan	\$165,000
Lake Kabetogama				
Harmony Beach Resort	Expansion	\$225,000	Participation Loan	\$75,000
Lutsen				
Lutsen Resort Company	Sprinkler System	\$150,000	Participation Loan	\$50,000
Mountain Iron				
Spring Creek Outfitters, Inc.	Expansion	\$95,000	Participation Loan	\$40,000





<u>TOTAL RECIPIENT</u>	<u>PURPOSE</u>	<u>IRRRB PROJECT COST</u>	<u>FORM</u>	<u>AMOUNT</u>
Orr				
N. Lights Timber & Lumber, Inc.	Expansion	\$325,000	Participation Loan	\$150,000
Range Area				
Minnesota Power	Install Fiber Link	\$1,700,000	Direct Loan	\$700,000
Tower				
City of Tower for Husky	Expansion	\$400,000	Direct Loan	\$400,000
Two Harbors				
Louisana Pacific	Expansion	\$15,000	Employee Grant	\$15,000
Virginia				
Georgia Pacific Resins, Inc.	Expansion	\$50,000	Employee Grant	\$50,000
Arrow Comm Econ Assist. Corp.	Rev. Loan & Tech. Assist.	\$250,000	Grant	\$75,000
NE Entrep. Fund	Technical Assistance	\$150,000	Grant	\$50,000
FY97-98 TOTAL		\$23,038,026		\$6,793,333

MINELAND RECLAMATION PROJECTS

Bovey			Hibbing		
97 Canisteo Pit Shaft Capping	\$ 5,000		97 Road Relocation		\$45,000
			98 Soccer Fields		\$47,000
Buhl			Itasca County		
98 Stubler Pit Improvements	\$10,000		98 Western Mesabi Mine Planning Board		\$ 5,000
Coleraine			Keewatin		
97 Golf Course Erosion Repairs	\$17,500		97 Stockpile Reshaping		\$50,000
Crosby/Ironton			Mesabi Range		
97 Croft Mine	\$30,000		97 Water Study with U of M		\$ 8,000
98 Croft Mine	\$20,000		97 Fish Stocking		\$ 7,500
Crow Wing County			98 Fish Stocking		\$10,000
98 Road Relocating	\$35,000		Mesabi & Vermilion Ranges		
Cuyuna Range			97 Mesabi Map Project		\$ 2,000
98 Pit Quality Study	\$ 2,500		98 Mesabi Map Project		\$ 2,000
97 Pit Quality Study	\$ 5,000		Nashwauk		
Ely			98 LaRue Pit Access		\$50,000
97 Capping Shaft	\$ 5,000		Range Wide		
97 Trezona Trail	\$10,000		97 White Pine Study		\$50,000
98 Capping Shaft	\$18,000		Tower		
Eveleth			97 Historic Train Cover		\$25,000
98 Fayal Pond Bridge	\$25,000		Virginia		
Gilbert			97 Residential Development		\$40,000
98 Campground Improvements	\$18,000		98 Golf Course & Residential Development		\$50,000
Grand Rapids					
98 School Forest	\$ 7,500				
FY97-98 TOTAL					\$600,000

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1997-98 Biennial Report to the Legislature

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