

## Agency Purpose

Iron Range Resources is a state economic development agency that was created by the legislature in 1941 to diversify the economy of the iron mining areas of northeastern Minnesota. Specifically, the agency serves the interests of the Taconite Assistance Area (TAA), a geographical region encompassing approximately 13,000 square miles that stretches from Crosby, Minnesota, across the state's Cuyuna, Mesabi, and Vermilion iron ranges to the North Shore of Lake Superior. As part of its core mission of economic development, Iron Range Resources owns and operates two facilities, Giants Ridge Golf and Ski Resort, and Ironworld Discovery Center.

## At A Glance

**Mission:** To advance regional growth by stabilizing and enhancing the economy of northeastern Minnesota's Taconite Assistance Area.

Day to day operation of the agency is managed by a full-time commissioner appointed by the governor who serves as a member of the governor's cabinet. The agency's annual budget and most economic development proposals are subject to review and approval by a 13-person Iron Range Resources Board.

Besides encouraging growth in the region's core industries of timber, taconite, tourism and technology, the agency focuses its economic development efforts on four key industries:

- ◆ value added secondary wood products manufacturing
- ◆ industrial machinery manufacturing
- ◆ high end customer service centers
- ◆ electronics manufacturing

Iron Range Resources provides a variety of tailored development packages and financial incentives to businesses wishing to relocate or expand in its service area. At the same time, the agency is actively involved in retaining and growing existing businesses within the region.

## Core Functions

The agency focuses its efforts on promoting the region's resources, including:

- ◆ **agency resources** that are structured to advance the growth of our region;
- ◆ **business resources** involving grants, loans and equity investments as well as human resources and a variety of programs designed to support business development;
- ◆ **regional resources** including a variety of business locations that offer exemptions from state and local taxes;
- ◆ **natural resources** from timber to taconite and value-added opportunities in between; and
- ◆ **tourism resources** that highlight the rugged beauty of the region and the beckoning facilities that add to an excellent quality of life.

## Operations

Iron Range Resources serves the interests of the TAA through the following divisions:

- ⇒ **Administrative Services** combines human resources and payroll services with financial, procurement, information systems, and maintenance activities. It supports other agency programs and facilities, providing administrative services and resources to ensure smooth agency operation.
- ⇒ **Marketing and Communications** directs, develops and coordinates marketing, promotional and communication materials and messages on behalf of Iron Range Resources, its Giants Ridge and Ironworld facilities, and its stakeholders as well as serving as the primary contact for external affairs.
- ⇒ **Development Strategies** deploy the agency's human and financial resources. Programs are designed to encourage economic growth across the TAA and use a variety of tools including bank participation loans, direct loans, employment incentive grants, infrastructure improvement grants, training grants, equity investments and the Job Opportunity Building Zones (JOBZ) program.

⇒ **Giants Ridge Golf and Ski Resort and Ironworld Discovery Center** promote the region's tourism and recreational resources. Giants Ridge operates two 18-hole championship golf courses and a winter sports area to standards that have earned national recognition. Ironworld is a museum and heritage attraction that preserves the story of Minnesota's Iron Ranges: the life, the work, the place, and the people.

### **Budget**

The agency and its programs receive no money from the state General Fund. The agency's funding comes from a percentage of the production taxes, assessed in lieu of property taxes, on area iron mining companies. The production tax provides approximately 50% of the agency's budget. The other half of the budget is derived from non-mining sources, such as revenue from its facilities, interest earned on its fund accounts and interest generated from its loan programs.

### **Contact**

Iron Range Resources  
P.O. Box 441  
4261 Highway 53 South  
Eveleth, Minnesota 55734-0441  
(218) 744-7400 or (800) 765-5043

For further information check out the agency web site at [www.ironrangeresources.org](http://www.ironrangeresources.org)

# IRON RANGE RESOURCES & REHAB

# Agency Overview

*Dollars in Thousands*

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Iron Range Resources & Rehab	29,420	60,127	32,639	30,824	63,463
Giants Ridge Golf & Ski Resort	6,921	7,060	7,314	7,322	14,636
Ne Mn Economic Protection	12,459	6,904	5,066	3,566	8,632
<b>Total</b>	<b>48,800</b>	<b>74,091</b>	<b>45,019</b>	<b>41,712</b>	<b>86,731</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	6,077	5,510	5,056	5,056	10,112
Other Operating Expenses	6,969	7,852	6,762	6,762	13,524
Capital Outlay & Real Property	42	842	95	95	190
Local Assistance	19,193	47,873	23,095	21,280	44,375
Other Financial Transactions	16,519	12,014	10,011	8,519	18,530
<b>Total</b>	<b>48,800</b>	<b>74,091</b>	<b>45,019</b>	<b>41,712</b>	<b>86,731</b>
<b><u>Expenditures by Program</u></b>					
Administrative Services	9,148	17,878	2,517	2,517	5,034
Facilities	8,657	8,996	8,890	8,583	17,473
Development Strategies	1,488	1,755	1,917	1,917	3,834
Agency Roll Over	312	11,831	0	0	0
Mining Rebate Program	15,813	15,208	15,208	14,108	29,316
Marketing & Communications	788	870	934	934	1,868
Agency Programs & Projects	12,235	17,170	15,170	13,270	28,440
Attorney General	359	383	383	383	766
<b>Total</b>	<b>48,800</b>	<b>74,091</b>	<b>45,019</b>	<b>41,712</b>	<b>86,731</b>
<b>Full-Time Equivalent (FTE)</b>	<b>93.3</b>	<b>86.7</b>	<b>72.9</b>	<b>72.9</b>	

**Program Description**

Administrative Services provides support services and resources to its customers – other agency programs and facilities. This division is comprised of: Finance and Human Resources, Information Systems, and Maintenance and Shop. This division also includes the office of the commissioner.

- ⇒ **Finance and Human Resources** provides support to all divisions within the agency. Finance provides professional/technical contracting, procurement, accounting, and financial reporting services. Human Resource performs payroll, employee recruitment, employee development, and labor relations services.
- ⇒ **Information Systems** supports and maintains supports and maintains the computer hardware, data, and telecommunication infrastructure for the agency. Technical support, information access, project management, internet and phone connections are a few of the services provided to agency personnel.
- ⇒ **Maintenance and Shop** assists the agency’s programs and facilities through equipment maintenance, repair, and fleet management. The program also provides building and grounds maintenance support of the Eveleth headquarters complex.

<u><b>Program at a Glance</b></u>
◆ Agency accounting, procurement, and financial reporting services
◆ Professional/technical contracting
◆ Human resources
◆ Information systems
◆ Maintenance services

Human Resource performs payroll, employee recruitment,

**Population Served**

Iron Range Resources programs, facilities, business clients, and general public.

**Services Provided**

- ⇒ Professional/technical contracting, procurement, accounting, and financial reporting.
- ⇒ Payroll, employee recruitment, interviewing and hiring, employee benefits, training, and labor relations.
- ⇒ Information technology services.
- ⇒ Mobile equipment maintenance, repair, and fleet management.

**Key Measures**

- ⇒ Budget and accounts are aligned to support operational targets.
- ⇒ Accurate and timely financial information is available.
- ⇒ High level of service quality and customer satisfaction.

**Program Funding**

Finance and Human Resources	\$1.7 million (per year)
Information Systems	\$352,000 (per year)
Maintenance and Shop	\$459,000 (per year)

**Contact**

Jean Dolensek  
 Administrative Services Director  
 Iron Range Resources  
 P.O. Box 441  
 4261 Highway 53 South  
 Eveleth, Minnesota 55734-0441  
 (218) 744-7400 or (800) 765-5043  
[www.IronRangeResources.org](http://www.IronRangeResources.org)

**IRON RANGE RESOURCES & REHAB**  
 Program: ADMINISTRATIVE SERVICES

Program Summary

*Dollars in Thousands*

	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Iron Range Resources & Rehab	2,566	17,878	2,517	2,517	5,034
Ne Mn Economic Protection	6,582	0	0	0	0
<b>Total</b>	<b>9,148</b>	<b>17,878</b>	<b>2,517</b>	<b>2,517</b>	<b>5,034</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	2,065	1,691	1,691	1,691	3,382
Other Operating Expenses	595	885	826	826	1,652
Local Assistance	0	15,302	0	0	0
Other Financial Transactions	6,488	0	0	0	0
<b>Total</b>	<b>9,148</b>	<b>17,878</b>	<b>2,517</b>	<b>2,517</b>	<b>5,034</b>
<b><u>Expenditures by Activity</u></b>					
Administrative Services	9,148	17,878	2,517	2,517	5,034
<b>Total</b>	<b>9,148</b>	<b>17,878</b>	<b>2,517</b>	<b>2,517</b>	<b>5,034</b>
<b>Full-Time Equivalent (FTE)</b>	<b>19.0</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>	

**Program Description**

The activities of the agency's tourism facilities - Giants Ridge Golf and Ski Resort in the city of Biwabik, and Ironworld Discovery Center located in Chisholm - are directed toward the development and promotion of tourism and recreation opportunities that will enhance the economic diversification of the Taconite Assistance Area.

⇒ **Giants Ridge Golf and Ski Resort** promotes the region's tourism and recreational resources. Giants Ridge operates two 18-hole championship golf courses and a winter sports area to standards that have earned national recognition. Giants Ridge offers 34 alpine ski runs, more than 60 kilometers of cross-country ski trails and easy access to lakes, mountain bike trails, and snowmobile trails. Lodging facilities include a suite at The Lodge or a condominium at The Villas. There is dining, conference facilities, and outdoor equipment rentals. The resort generates over \$1.5 million in payroll for over 300 part- and full-time employees. The annual economic impact is approximately \$10 million from The Legends golf course; \$13 million from the ski area; and a projected additional \$7 million from The Quarry golf course.

⇒ **Ironworld Discovery Center** promotes the region's historical and tourism resources. Ironworld is a museum that preserves the story of Minnesota's Iron Ranges: the life, the work, the place, and the people. Ironworld collects artifacts, and archival resources, preserves objects and documents, makes information and resources accessible, and provides educational opportunities for visitors and regional residents. Ironworld's museum is open May-September, the Research Center is open year around. The Research Center is a library focusing on the regional, local, and personal history of Minnesota's iron ranges and the people who settled here. An integral part of the Ironworld Discovery Center, is a repository and resource for historical documentation and interpretative information. Primary interest areas are geology, mining, settlement, industrial development, immigration, ethnicity, logging, natural resources, social, political and economic history, and genealogy. The Research Center offers a broad array of services including on-site public services, genealogical research services, historical materials collection/preservation and education.

**Program at a Glance**

**Giants Ridge Golf and Ski Resort:**

- ◆ 36 holes of the Midwest's best golf
- ◆ 34 challenging downhill ski runs
- ◆ 60 kilometers of cross country ski trails
- ◆ Easy access to lakes, mountain bike trails, and snowmobile trails
- ◆ Great accommodations: The Lodge or at Giants Ridge
- ◆ Great dining, shopping, and conference facilities
- ◆ Top-flight rental equipment - from snowboards and skis to canoes and kayaks

**Ironworld Discovery Center:**

- ◆ Explore the museum and outdoor exhibits
- ◆ Ride a vintage trolley
- ◆ Participate in living history
- ◆ Play mini-golf
- ◆ Marvel at spectacular mine views
- ◆ Visit the renowned library research and archives

Early in her tenure with Iron Range Resources, Commissioner Sandy Layman sought input from two independent citizen task forces on strategies for improving the long-term sustainability of Ironworld Discovery Center and Giants Ridge Golf and Ski Resort. With the work of the task forces complete, each facility is engaged in processes to implement their recommendations.

Commissioner Layman is currently negotiating a management agreement between the agency and a newly formed nonprofit corporation which will assume responsibility for the operations of Ironworld. The nonprofit corporation, Ironworld Development Corporation (IDC), grew out of recommendations from a citizen's task force appointed by the commissioner in 2003 to develop a strategy for ensuring Ironworld's sustainability while eliminating or reducing to the extent possible the agency's subsidy of the facility. Besides operating Ironworld, the IDC board of directors will seek additional funding sources to support the facility's operations.

Following the recommendations of the Giants Ridge Task Force, a Master Plan and Market Analysis were conducted for Giants Ridge Golf and Ski Resort. Commissioner Layman then requested the formation of a Resort Stakeholders Group, with the mission of working towards common resort operational and development goals. The group has been working together since September 2005, and with the commissioner's cooperation to develop a new charter and bylaws for the resort's Master Association of which all resort stakeholders will be members.

This Master Association membership will work towards the following goals:

- ◆ clearly defined governance, membership, and financing of the newly structured Master Association;
- ◆ development of a detailed resort concept plan; and
- ◆ definitive criteria necessary for carrying forward resort development and establishing a customer-friendly, sustainable resort community.

The new role of the Master Association will be critical to the structural and financial success of all resort stakeholders, both private and public.

**Population Served**

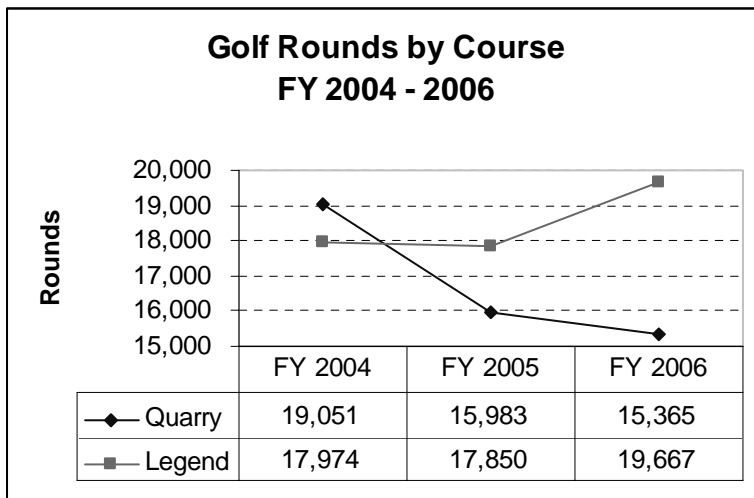
Minnesota residents, national and international tourists.

**Services Provided**

- ⇒ Giants Ridge Golf and Ski Resort provides tourism and recreation opportunities including two 18-hole championship golf courses, a variety of winter sports activities, dining, lodging, shopping, and conference facilities.
- ⇒ Ironworld Discover Center preserves and interprets historical information and provides tourism and recreation opportunities including a museum, outdoor exhibits, mini-golf, and a research library and archival facility.

**Key Measures**

- ⇒ Giants Ridge Golf and Ski Resort - Increase Giants Ridge golf revenues through tee time management.



- ⇒ Ironworld Discover Center - Successful negotiation of a management agreement allowing IDC to assume responsibility for Ironworld operations.

**Program Funding**

Giants Ridge Golf and Ski Resort Operations	\$7.1 million (per year)
Ironworld Discovery Center Operations	\$2.23 million (per year)

**Contacts**

Linda Johnson  
Director of Giants Ridge  
Giants Ridge Golf and Ski Resort  
P.O. Box 190  
Biwabik, Minnesota 55708  
(218) 865-3000 or (800) 688-7669  
[www.IronRangeResources.org](http://www.IronRangeResources.org) or [www.giantsridge.com](http://www.giantsridge.com)

Marianne Bouska  
Director of Ironworld  
Ironworld Discovery Center  
801 Southwest Highway 169, Suite 1  
Chisholm, Minnesota 55719  
(218) 254-7959 or (800) 372-6437  
[www.IronRangeResources.org](http://www.IronRangeResources.org) or [www.ironworld.com](http://www.ironworld.com)



# IRON RANGE RESOURCES & REHAB

Program: FACILITIES

Program Summary

*Dollars in Thousands*

	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Iron Range Resources & Rehab	1,736	1,936	1,576	1,261	2,837
Giants Ridge Golf & Ski Resort	6,921	7,060	7,314	7,322	14,636
<b>Total</b>	<b>8,657</b>	<b>8,996</b>	<b>8,890</b>	<b>8,583</b>	<b>17,473</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	2,128	2,165	1,485	1,485	2,970
Other Operating Expenses	4,943	5,172	4,173	4,173	8,346
Capital Outlay & Real Property	38	95	95	95	190
Local Assistance	0	0	1,576	1,261	2,837
Other Financial Transactions	1,548	1,564	1,561	1,569	3,130
<b>Total</b>	<b>8,657</b>	<b>8,996</b>	<b>8,890</b>	<b>8,583</b>	<b>17,473</b>
<b><u>Expenditures by Activity</u></b>					
Facilities	8,657	8,996	8,890	8,583	17,473
<b>Total</b>	<b>8,657</b>	<b>8,996</b>	<b>8,890</b>	<b>8,583</b>	<b>17,473</b>
<b>Full-Time Equivalents (FTE)</b>	<b>45.3</b>	<b>45.4</b>	<b>28.6</b>	<b>28.6</b>	

**Program Description**

Development Strategies consists of: Business Development, Business Recruitment and Technology, and Mining, Minerals and Reclamation. The division sustains business relationships with public and private sector partners to encourage growth and enhance agency deal flow, retain and create jobs, and improve the physical landscape within the Taconite Assistance Area (TAA).

Division staff members encourage and support economic growth throughout the service area by generating quality leads, helping new and existing businesses create or retain jobs, insuring the long-term utilization of Minnesota's mineral resources, undertaking long-term reclamation planning efforts, and promoting investment in technology infrastructure.

- ⇒ **Business Development** has the primary responsibility for helping new and existing businesses create or retain jobs, while effectively leveraging private investment. The program uses a variety of tools that include bank participation loans, direct loans, employment incentive grants, infrastructure improvement grants, training grants, equity investments and the Job Opportunity Building Zones (JOBZ) program. Staff perform due diligence, financial structuring, and documentation and monitoring of projects.
- ⇒ **Business Recruitment and Technology** promotes the TAA to prospective businesses from outside the region in the hopes of attracting new jobs to northeastern Minnesota. The primary focus of the program is to generate leads from bona fide business prospects through a combination of activities that include: targeted mailings and telephone-based prospecting aimed at select groups of businesses located in the Midwest and nationwide, attending trade shows that attract interest from a variety of targeted businesses and advertising the advantages of our region in regional, national, and international publications. The program also coordinates the agency's technology initiatives. *do I.T!* explores opportunities to promote information technology in the region. Projects focus on the deployment of information technology, technology-based economic development and raising community awareness of technology.
- ⇒ **Mining, Minerals and Reclamation** coordinates all of the agency's mining and mineral activities, including its Mineland Reclamation program. Mining and Minerals works to insure the long-term utilization of Minnesota's mineral resources. Activities focus on supporting projects that produce higher value products from Minnesota iron ore and administering the Taconite Economic Development Fund (TEDF) production tax rebate. Efforts are also underway to diversify Minnesota's mining industry by promoting the development of non-ferrous minerals (copper, nickel, and precious metals). The Mineland Reclamation program supports projects between units of government and private industry that promote safety and enhance community resources and amenities. The program's mission is outlined in M.S. 298.223 as follows: "A fund called the taconite environmental protection fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast Minnesota...adversely affected by...mining taconite and iron ore...for the purpose of promoting the economic development of northeast Minnesota...The fund will be used for reclamation, restoration, or reforestation of minelands not otherwise provided for by state law."

**Program at a Glance**

- ◆ Business Development assisted in the creation of 381 new jobs and the retention of 397 existing jobs in FY 2006.
- ◆ Business Development efforts resulted in the expansion/relocation of 17 businesses to JOBZ in the TAA, creating 152 jobs and retaining 112 jobs.
- ◆ Mining and Minerals administered \$11.2 million TEDF production tax rebates for projects that totaled \$17.5 million in new investments.
- ◆ Mineland Reclamation stocked 12,510 rainbow trout in six mine pits and grew 150,000 tree seedlings.
- ◆ *do I.T!* efforts resulted in completion of a fiber to the premises feasibility study involving 14 communities.

**Population Served**

Communities located within the TAA and eligible businesses currently located within or locating to the TAA

**Services Provided**

- ⇒ Financial assistance programs - bank participation loans, direct loans, employment incentive grants, infrastructure improvement grants, training grants, equity investments, and JOBZ.

# IRON RANGE RESOURCES & REHAB

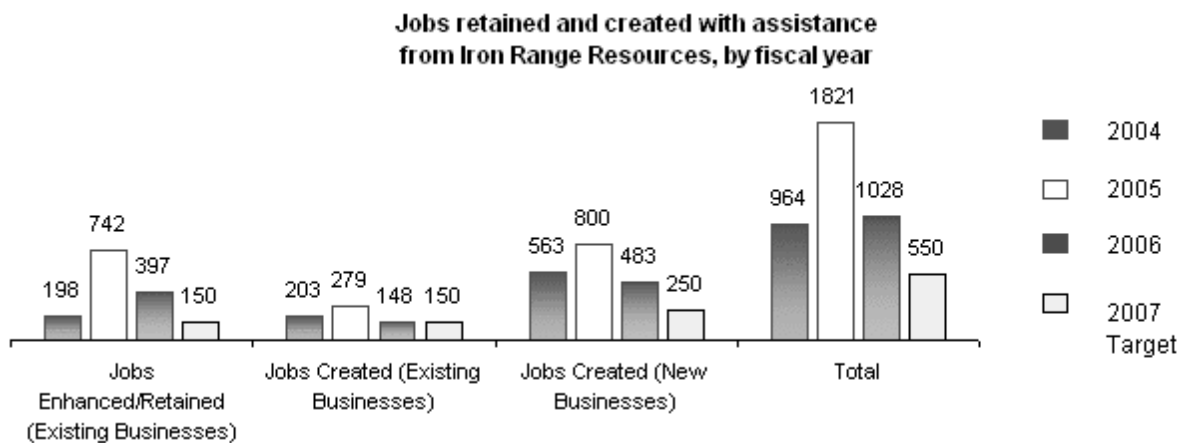
Program: DEVELOPMENT STRATEGIES

Narrative

- ⇒ Targeted recruitment strategy - telephone-based prospecting, site visits, trade show involvement, and business recruitment promotional activities including advertisements and informational mailings.
- ⇒ Technology awareness programs - high-speed broadband connectivity utilizing fiber optic cable, DSL and wireless technologies.
- ⇒ Mining and Minerals program - initiatives to enhance the existing taconite industry, promote the development of value-added iron and steel products, non-ferrous minerals, and energy-related developments.
- ⇒ Mineland Reclamation program - reclaims, restores, and enhances those areas of northeastern Minnesota adversely affected by past mining activities.

## Key Measures

- ⇒ At least 550 jobs are retained and created in FY 2007.



## Program Funding

Development Strategies \$1.7 million (per year)

## Contact

Matt Sjoberg  
Development Strategies Director  
Iron Range Resources  
P.O. Box 441  
4261 Highway 53 South  
Eveleth, Minnesota 55734-0441  
(218) 744-7400 or (800) 765-5043  
[www.IronRangeResources.org](http://www.IronRangeResources.org)

**IRON RANGE RESOURCES & REHAB**  
 Program: DEVELOPMENT STRATEGIES

Program Summary

*Dollars in Thousands*

	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Iron Range Resources & Rehab	595	490	490	490	980
Ne Mn Economic Protection	893	1,265	1,427	1,427	2,854
<b>Total</b>	<b>1,488</b>	<b>1,755</b>	<b>1,917</b>	<b>1,917</b>	<b>3,834</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	1,253	1,254	1,416	1,416	2,832
Other Operating Expenses	235	501	501	501	1,002
<b>Total</b>	<b>1,488</b>	<b>1,755</b>	<b>1,917</b>	<b>1,917</b>	<b>3,834</b>
<b><u>Expenditures by Activity</u></b>					
Development Strategies	1,488	1,755	1,917	1,917	3,834
<b>Total</b>	<b>1,488</b>	<b>1,755</b>	<b>1,917</b>	<b>1,917</b>	<b>3,834</b>
<b>Full-Time Equivalents (FTE)</b>	<b>19.2</b>	<b>17.5</b>	<b>19.5</b>	<b>19.5</b>	

**Program Description**

The agency's rollover consists of all budget activity that has been certified and reset into FY 2007. This account represents projects that had not been completed in FY 2006.

**Program at a Glance**

◆ FY 2007 Roll Over: \$1.4 million

**Population Served**

Iron Range Resources divisions, programs, and facilities.

**Contact**

Jean Dolensek  
Administrative Services Director  
Iron Range Resources  
P.O. Box 441  
4261 Highway 53 South  
Eveleth, Minnesota 55734-0441  
(218) 744-7400 or (800) 765-5043  
[www.IronRangeResources.org](http://www.IronRangeResources.org)

# IRON RANGE RESOURCES & REHAB

Program: AGENCY ROLL OVER

Program Summary

*Dollars in Thousands*

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Iron Range Resources & Rehab	312	11,831	0	0	0
<b>Total</b>	<b>312</b>	<b>11,831</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Expenditures by Category</u></b>					
Other Operating Expenses	182	32	0	0	0
Capital Outlay & Real Property	4	747	0	0	0
Local Assistance	126	11,052	0	0	0
<b>Total</b>	<b>312</b>	<b>11,831</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Expenditures by Activity</u></b>					
Agency Roll Over	312	11,831	0	0	0
<b>Total</b>	<b>312</b>	<b>11,831</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Program Description**

In 1992, the Minnesota Legislature established the Taconite Economic Development Fund (TEDF) to encourage capital investments in northeastern Minnesota taconite plants. Through the TEDF, 30.1-cents of the \$2.137 tax paid for each ton of taconite pellets produced is rebated back into northeastern Minnesota taconite plants for new equipment, facility improvements, and research and development in new mining technologies.

The taconite industry is a major contributor to Minnesota's economy and in particular to the economy of northeastern Minnesota. In 2005, 39.5 million tons of taconite pellets were produced, and over \$86 million in taconite production taxes were paid. The industry currently has 4,000 direct employees and other spin-off industries that do business with the taconite companies provide more than 14,000 jobs.

Under current law, 30.1-cents of the \$2.137 tax paid for each ton of taconite pellets produced is set aside in a special account administered by Iron Range Resources. The TEDF funds are then rebated back to each company for capital improvement projects.

**Program at a Glance**

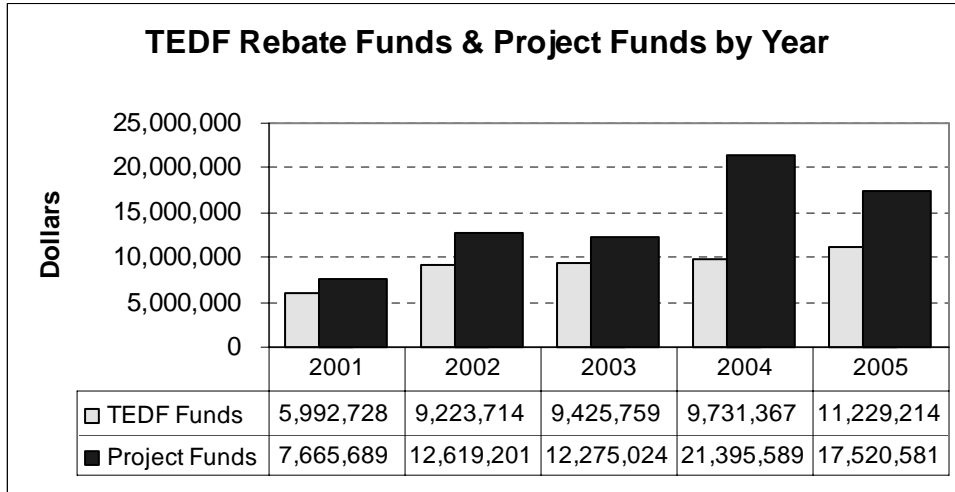
- ◆ Recapitalization of Minnesota's taconite industry.
- ◆ Between 1993-2006, \$113.4 million in Taconite Economic Development Fund production tax rebates has leveraged \$60 million from taconite companies for projects totaling \$173.4 million.

**Population Served**

TEDF grants are provided to the six taconite plants located in northeastern Minnesota.

**Key Measures**

⇒ State money leverages additional funding from taconite companies.



**Program Funding**

Taconite Economic Development Fund - \$11.5 million (Payable in 2006 based on the 2005 production year).

**Contact**

Dan Jordan  
 Mining and Minerals Program Supervisor  
 Mining, Minerals and Reclamation  
 801 Southwest Highway 169, Suite 2  
 Chisholm, Minnesota 55719  
 (218) 254-7967  
[www.IronRangeResources.org](http://www.IronRangeResources.org)

**IRON RANGE RESOURCES & REHAB**  
 Program: MINING REBATE PROGRAM

Program Summary

*Dollars in Thousands*

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Iron Range Resources & Rehab	15,813	15,208	15,208	14,108	29,316
<b>Total</b>	<b>15,813</b>	<b>15,208</b>	<b>15,208</b>	<b>14,108</b>	<b>29,316</b>
<b><u>Expenditures by Category</u></b>					
Local Assistance	15,813	15,208	15,208	14,108	29,316
<b>Total</b>	<b>15,813</b>	<b>15,208</b>	<b>15,208</b>	<b>14,108</b>	<b>29,316</b>
<b><u>Expenditures by Activity</u></b>					
Mining Rebate Program	15,813	15,208	15,208	14,108	29,316
<b>Total</b>	<b>15,813</b>	<b>15,208</b>	<b>15,208</b>	<b>14,108</b>	<b>29,316</b>



**Program Description**

Marketing and Communications directs, develops, coordinates and disseminates marketing, promotional and communications materials on behalf of Iron Range Resources and its stakeholders.

Working as a team, staff members create and distribute internal and external agency communications in print and electronic form, update the agency web site, provide written and graphic creative services to all divisions as needed, and provide staff support for various special events and strategic initiatives.

**Program at a Glance**

- ◆ Agency marketing
- ◆ Economic development marketing
- ◆ Tourism and facility marketing
- ◆ Multi-media communication services
- ◆ Special project services

⇒ **Marketing** is responsible for directing the development and implementation of all marketing-related communications strategies, messages, and materials generated by and for the agency, its partners and its facilities.

⇒ **Communications** establishes and delivers key messages for the agency, using a fully integrated multi-media approach. Staff members provide written and graphical support for all operating areas and develop and manage a variety of special projects. Staff create and distribute internal and external agency communications, update the agency web site and provide staff support for various events and initiatives.

**Population Served**

Iron Range Resources programs, facilities, business clients, service areas, and the general population of Minnesota through its function of public information about the work and projects of the agency.

**Services Provided**

- ⇒ Marketing-related communications and materials.
- ⇒ Internal and external agency communications.
- ⇒ Staff support for special events and strategic initiatives.

**Key Measures**

- ⇒ Position the agency to be a leading communicator for the region.
- ⇒ Develop and distribute informative materials to targeted regional, statewide, and national audiences.

**Program Funding**

Marketing and Communications      \$869,000 (per year)

**Contact**

Sheryl Kochevar  
Communications and Media Coordinator  
Iron Range Resources  
P.O. Box 441  
4261 Highway 53 South  
Eveleth, Minnesota 55734-0441  
(218) 744-7400 or (800) 765-5043  
[www.IronRangeResources.org](http://www.IronRangeResources.org)

# IRON RANGE RESOURCES & REHAB

Program: MARKETING & COMMUNICATIONS

Program Summary

*Dollars in Thousands*

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Iron Range Resources & Rehab	788	870	934	934	1,868
<b>Total</b>	<b>788</b>	<b>870</b>	<b>934</b>	<b>934</b>	<b>1,868</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	579	353	417	417	834
Other Operating Expenses	209	517	517	517	1,034
<b>Total</b>	<b>788</b>	<b>870</b>	<b>934</b>	<b>934</b>	<b>1,868</b>
<b><u>Expenditures by Activity</u></b>					
Marketing Comm & Ext Affairs	788	870	934	934	1,868
<b>Total</b>	<b>788</b>	<b>870</b>	<b>934</b>	<b>934</b>	<b>1,868</b>
<b>Full-Time Equivalent (FTE)</b>	<b>9.0</b>	<b>5.0</b>	<b>6.0</b>	<b>6.0</b>	

**Program Description**

Agency Programs and Development Projects comprise the major portion of the agency's economic development activities throughout the Taconite Assistance Area (TAA).

Agency Programs support the economic development activities of the agency, including existing initiatives in marketing and communications, tourism, technology and mining, minerals and reclamation, plus new development initiatives.

- ⇒ **Commissioner Program** - grants to pursue development opportunities in order to advance regional growth.
- ⇒ **Application Fund Program** - grants to communities and organizations to help pay for a portion of the cost of applying for funds from other sources.
- ⇒ **Marketing and Communications Program** - funds activities directed towards promoting messages from the agency regarding its economic development mission to audiences both within and outside the region.
- ⇒ **Tourism Program** - funds activities directed towards promoting and developing tourism in the region.
- ⇒ **Technology Program** - funds activities that promote information technology through the deployment of high-speed broadband connectivity in conjunction with regional public and private partners.
- ⇒ **Mining, Minerals and Reclamation Program** - funds projects/studies in the mining and minerals sectors, including initiatives to enhance the existing taconite industry, promote the development of value-added iron and steel products and non-ferrous minerals. The program also provides grants for the reclamation and restoration of lands in northeastern Minnesota adversely affected by past mining activities.
- ⇒ **Region III** - M.S. 298.17 authorizes grants from occupation taxes for economic and environmental development projects in Koochiching and Carlton counties (Region III).

Development Projects fund the agency's economic development packages and financial incentives to businesses wishing to relocate or expand in the TAA. The funding sources for these projects are:

- ⇒ **Board Account, Taconite Environmental Protection Fund and Douglas J. Johnson Economic Protection Trust Fund** - these monies are allocated for economic development projects within the TAA.

**Population Served**

Communities located within the TAA and eligible businesses currently located within or expanding into the TAA.

**Services Provided**

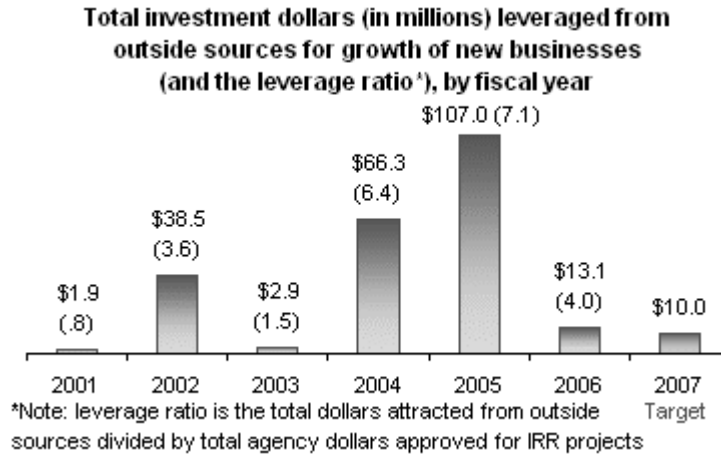
- ⇒ Economic development packages and financial incentives, including bank participation loans, direct loans, employment incentive grants, infrastructure improvement grants, training grants, and equity investments.

**Program at a Glance**

- ◆ Agency Programs and Development Projects support the agency's economic development activities throughout the Taconite Assistance Area.
- ◆ The agency's loan portfolio consists of 200 projects totaling over \$30 million.
- ◆ In FY 2006, 17 economic development projects were approved for a total of \$12 million in assistance.
- ◆ Economic development projects leveraged investments of \$12.5 million and created 381 new jobs in FY 2006.
- ◆ In FY 2006, a total of 778 jobs were created or retained in the TAA.
- ◆ Since FY 2004, 44 projects have been approved for a total of \$42.1 million in assistance. These projects leveraged a total investment of \$306.9 million and resulted in the creation of a projected 2,199 new jobs.

**Key Measures**

⇒ The agency’s financial resources for new business investments are leveraged at a minimum of 4:1.



**Program Funding**

Agency Programs                      \$3.2 million (per year)  
 Development Projects                \$7 million (per year)

**Contact**

Brian Hiti, Deputy Commissioner  
 Matt Sjoberg, Development Strategies Director  
 Iron Range Resources  
 P.O. Box 441  
 4261 Highway 53 South  
 Eveleth, Minnesota 55734-0441  
 (218) 744-7400 or (800) 765-5043  
[www.IronRangeResources.org](http://www.IronRangeResources.org)

# IRON RANGE RESOURCES & REHAB

Program: AGENCY PROGRAMS & PROJECTS

Program Summary

*Dollars in Thousands*

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Iron Range Resources & Rehab	7,367	11,670	11,670	11,270	22,940
Ne Mn Economic Protection	4,868	5,500	3,500	2,000	5,500
<b>Total</b>	<b>12,235</b>	<b>17,170</b>	<b>15,170</b>	<b>13,270</b>	<b>28,440</b>
<b><u>Expenditures by Category</u></b>					
Other Operating Expenses	498	409	409	409	818
Local Assistance	3,254	6,311	6,311	5,911	12,222
Other Financial Transactions	8,483	10,450	8,450	6,950	15,400
<b>Total</b>	<b>12,235</b>	<b>17,170</b>	<b>15,170</b>	<b>13,270</b>	<b>28,440</b>
<b><u>Expenditures by Activity</u></b>					
Agency Projects	12,235	17,170	15,170	13,270	28,440
<b>Total</b>	<b>12,235</b>	<b>17,170</b>	<b>15,170</b>	<b>13,270</b>	<b>28,440</b>

**Program Description**

The Attorney General's Office provides legal services to the agency and the Iron Range Resources Board (Board) in support of all agency activities.

**Program at a Glance**

- ◆ Agency legal counsel

Two assistant attorneys general and one legal assistant provide the commissioner, agency staff and the Board with counsel on legal matters, including statutory interpretation, drafting or interpretation of legal documents, drafting of legislative language and defense of the agency or Board in litigation.

**Population Served**

Iron Range Resources programs, facilities, business clients, and board.

**Services Provided**

- ⇒ Provide legal advice to the agency and the Board.
- ⇒ Advise and counsel the commissioner, agency staff and the Board.
- ⇒ Draft contracts, loans, and other agreements for the agency.
- ⇒ Represent the agency and the Board in litigation

**Key Measures**

- ⇒ High level of service quality and legal advice.
- ⇒ Quality and timeliness of legal documents.
- ⇒ Outcome of litigation.

**Program Funding**

Legal Services           \$382,000 (per year)

**Contact**

Jean Dolensek  
Administrative Services Director  
Iron Range Resources  
P.O. Box 441  
4261 Highway 53 South  
Eveleth, Minnesota 55734-0441  
(218) 744-7400 or (800) 765-5043  
[www.IronRangeResources.org](http://www.IronRangeResources.org)

# IRON RANGE RESOURCES & REHAB

Program: ATTORNEY GENERAL

Program Summary

*Dollars in Thousands*

	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Iron Range Resources & Rehab	243	244	244	244	488
Ne Mn Economic Protection	116	139	139	139	278
<b>Total</b>	<b>359</b>	<b>383</b>	<b>383</b>	<b>383</b>	<b>766</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	52	47	47	47	94
Other Operating Expenses	307	336	336	336	672
<b>Total</b>	<b>359</b>	<b>383</b>	<b>383</b>	<b>383</b>	<b>766</b>
<b><u>Expenditures by Activity</u></b>					
Attorney General	359	383	383	383	766
<b>Total</b>	<b>359</b>	<b>383</b>	<b>383</b>	<b>383</b>	<b>766</b>
<b>Full-Time Equivalents (FTE)</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	

IRON RANGE RESOURCES & REHAB

Agency Revenue Summary

*Dollars in Thousands*

	Actual FY2006	Budgeted FY2007	Current Law		Biennium 2008-09
			FY2008	FY2009	
<b><u>Non Dedicated Revenue:</u></b>					
<b>Taxes:</b>					
General	253	0	0	0	0
<b>Total Non-Dedicated Receipts</b>	<b>253</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Dedicated Receipts:</u></b>					
<b>Departmental Earnings:</b>					
Iron Range Resources & Rehab	302	285	50	50	100
Giants Ridge Golf & Ski Resort	4,514	4,758	4,758	4,758	9,516
Ne Mn Economic Protection	122	122	122	122	244
<b>Other Revenues:</b>					
Iron Range Resources & Rehab	2,105	1,675	1,373	1,373	2,746
Giants Ridge Golf & Ski Resort	112	303	303	303	606
Ne Mn Economic Protection	2,832	2,165	2,165	2,165	4,330
<b>Other Sources:</b>					
Iron Range Resources & Rehab	137	15,087	28	28	56
Ne Mn Economic Protection	3,451	1,383	1,383	1,383	2,766
<b>Taxes:</b>					
Iron Range Resources & Rehab	18,708	20,431	20,220	19,120	39,340
Ne Mn Economic Protection	3,299	2,864	2,864	2,864	5,728
<b>Total Dedicated Receipts</b>	<b>35,582</b>	<b>49,073</b>	<b>33,266</b>	<b>32,166</b>	<b>65,432</b>
<b>Agency Total Revenue</b>	<b>35,835</b>	<b>49,073</b>	<b>33,266</b>	<b>32,166</b>	<b>65,432</b>