



**DEPARTMENT OF IRON RANGE
RESOURCES & REHABILITATION**

Fiscal Year 2023 Capital Budget Request

Iron Range Resources & Rehabilitation is a state of Minnesota economic development agency located in northeastern Minnesota. We are a Governor's cabinet level agency.

Our agency is 82 years old and was established in 1941 by Governor Harold Stassen and the Legislature.



Mission

Invest resources to foster vibrant growth and economic prosperity in northeastern Minnesota.

- Enhance livable communities.
- Maximize collaborations and partnerships.
- Strengthen businesses and worker education.



Minnesota Statute

§298.22 Subd. 1(c) When the Commissioner determines that distress and unemployment exists or may exist in the future by reason of the removal of natural resources or a possibly limited use of natural resources in the future and any resulting decrease in employment, the commissioner may use whatever amounts of the appropriation made to the commissioner that are determined to be necessary and proper in the development of the remaining resources of the county and in the vocational training and rehabilitation of its residents. For the purposes of the section, “development of remaining resources” includes, but is not limited to, the promotion of tourism.

Giant Ridge



\$55 million annual economic impact.

Giants Ridge Recreation Area is one of our region's most important agency owned facilities. Communities depend on the tourism economy from ski, golf and mountain bike visitors.

History of Giants Ridge Recreation Area

- 1959 Group of private stakeholders founded Giants Ridge as a local ski hill.
- 1980 Deep mining recession hits the Iron Range and Giants Ridge falls into bankruptcy.
- Later in 1980, in an effort to diversify the economy of the Iron Range and create jobs, the agency pays off the mortgage and debt and buys Giants Ridge for \$68,000.
- Over the past 39 years, the agency, as well as private developers, have shared in the investment at Giants Ridge of over \$120 million with private investment being over half that amount.
- The economic impact is \$55+ million dollars annually.

Capital Budget Request: Critical Infrastructure Investment

Replace failing underground infrastructure at a state-owned asset – Giants Ridge Recreation Area.

The water line replacement will sustain the facility's recreational operations and provide fire suppression services.

\$16.6 million
Capital Budget Request

Giants Ridge Recreation Area: A State-Owned Asset

Facility Goals:

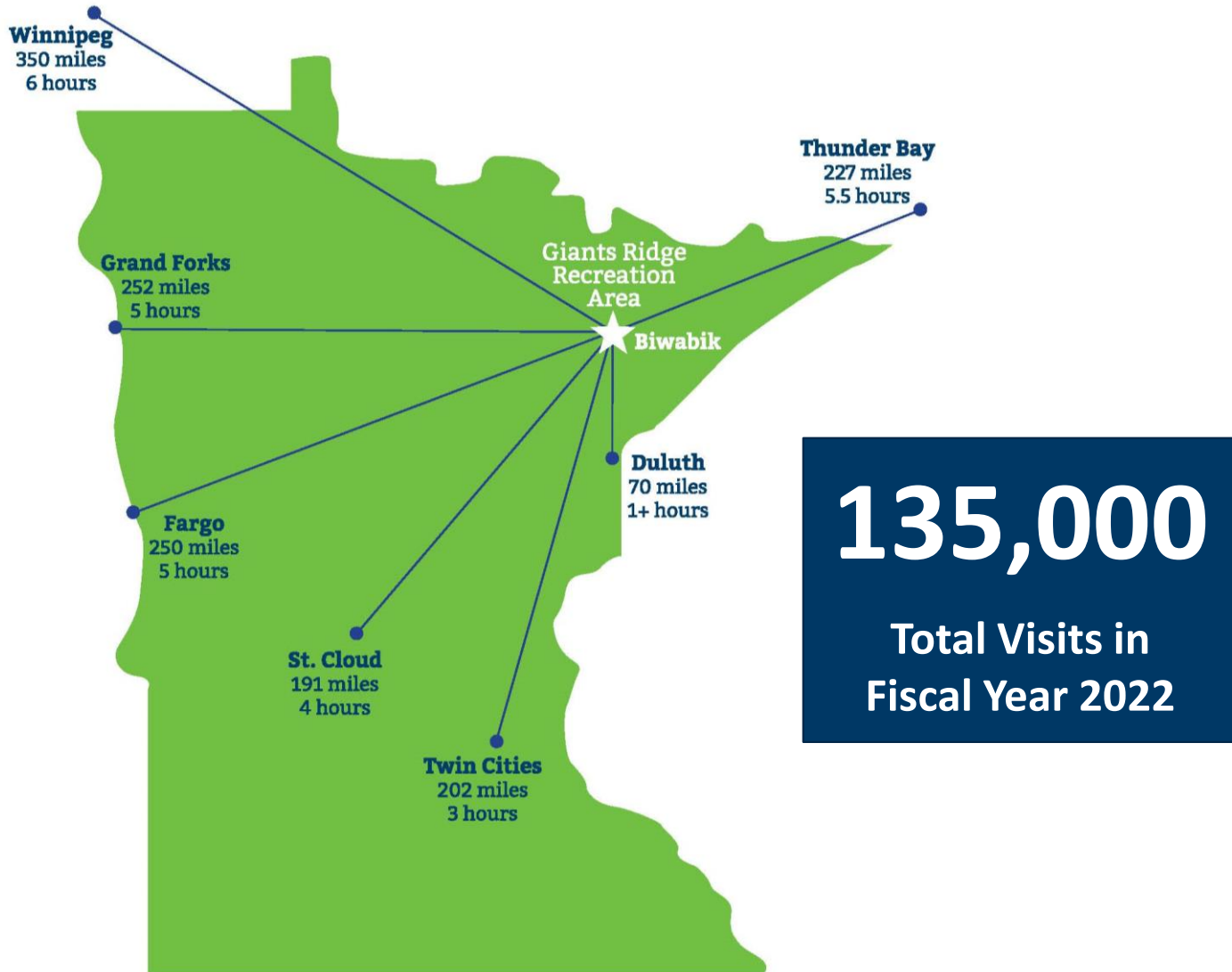
- 1 Create economic impacts in northeastern Minnesota.
- 2 Provide recreational facilities to enhance quality of life for the people of northeastern Minnesota.
- 3 Attract private sector development.
- 4 Operate as a year-round recreation destination.



Giants Ridge attracted nearly 135,000 visits in fiscal year 2022 from Minnesota, U.S. and Canada. Private residential and lodging facilities have been built within the recreation area boundaries which increased the local tax base.



Project Location, Users & Impacted Populations



Directly impacted populations

- 1 Families & individuals who ski, golf or bike.
- 2 Minnesota state high school athletes.
- 3 Elementary age school children.
- 4 Physically disabled skiers.
- 5 Recreation area employees.
- 6 Facility vendors.

Indirectly impacted populations

- 7 Residents.
- 8 Homeowners.
- 9 Private local businesses.

Economic Impacts

\$55.4 Million

Average Annual
Economic Impact

179 Jobs

Recreation & Lodging



Critical Infrastructure Investment

Failing Underground Infrastructure

Existing water line pipes are over 35 years old and have reached a crisis level of corrosion, damage and deterioration. Without this project, the facility will soon be unable to make snow to support its winter operations which are key to the region's economy.



Critical Infrastructure Need: Water Line Replacement

Water Line Replacement

Replace 90% and automate 60% of the 35-year-old failing underground infrastructure and snowmaking system.

90%
Infrastructure
Improved

36,000
Linear Feet of Pipe
Replaced or Upgraded

Snowmaking is the production of snow by forcing water and pressurized air through a "snow machine" on ski slopes. Snowmaking has become critical to smaller ski areas that need to provide consistent snow to remain competitive.

Corroded and deteriorating water line pipes



Damaged underground pipes



Proposed new snowmaking machine



Critical Infrastructure Need: Water Line Replacement

Impacts

- 1 Increase efficiencies.**
Maximizes pump station to capacity and reduces energy and water consumption.
- 2 Cost savings.**
Reduces repair costs, resulting in decreased downtime caused by equipment failure.
- 3 Improve safety.**
Improves employee safety through automation by limiting the hazards associated with manual transport, staging and connecting of snowmaking machines.

Automation & Improved Infrastructure

30%
Reduced
Water Costs

40%
More
Energy Efficient

Fire Suppression: Snowmaking Machines Used to Slow Spread of Wildfires

September 2021: South Lake Tahoe

Firefighters struggled to contain a 204,000-acre wildfire and prevent hundreds of homes and two of California's most famous ski resorts, Heavenly and Kirkwood, from being destroyed.

Workers at both ski resorts ran dozens of snowmaking machines around the clock to soak buildings and surrounding areas in an attempt to stop the advancing fire.

As our nation experiences more wildland fires, the ski industry is increasingly using snowmaking machines to try and minimize the risk and damage from major fires.



Critical Infrastructure Needed at State Asset

\$16.6 Million Request To Preserve the Giants Ridge Recreation Area

Corroded and deteriorating water line pipes



Damaged underground pipes



Thank you!

Preserving State Assets for
Minnesota's
Healthy & Livable
Communities

