

RANGE READINESS INITIATIVE (RRI) “A Coordinated Regional Response”

Strategy Team Meeting V
Monday, February 11, 2008 - 9:00 A.M. - Noon
Iron Range Resources Board Room, Eveleth, MN

OBJECTIVE

To prepare and implement a coordinated regional strategy responding to the opportunities and needs associated with regional large-scale development projects

MEETING NOTES SUMMARY

Welcome and Review of November 14th Meeting Results and Next Steps

Randy Lasky, Facilitator, reviewed the major outcomes of the November 14th meeting including Work Team information updates and next steps, communication needs and next steps, a discussion of the recent regional mining impacts report, future implication and professional response need, and to finalize the framework for the DEED FIRST Grant application that was prepared and submitted by November 30th as an RRI regional request.

Agenda and Expected Outcomes for Today’s Session

The Facilitator reviewed the proposed agenda and outlined the following major outcomes expected to be accomplished at this meeting including reports from the Work Teams with a Housing Team request for a \$50,000 grant by Iron Range Resources to help support the Housing Expeditor and selection of a communications consultant and commitment of approximately \$50,000 to support that effort under the direction of the Communications Team; and a report on the recent legislative hearing held on the Mining Impacts report prepared by Dr. Powers and the Sierra Club.

Work Team Updates and Actions

The Strategy Team has requested regular updates on Work Team activities. How are they approaching their responsibilities? What strategic priorities and actions are they taking? What results or new challenges or needs are they facing? What’s next and how can the Strategy Team or other regional resources be of assistance? The respective Chairs or facilitator provided the following reports:

A. Housing Team

Mary Ives Chair of the Housing Team reported on the progress being made on a number of fronts and highlighted a request for Iron Range Resources funding support in the amount of \$50,000 to help fund the Housing Expeditor consultant work. She reported:

- The dynamic Housing Market Assessment is in process and is expected to be completed by the end of March 2008. The communities will be contacted for specific information needs as well as hiring information from the major project sponsors. Team members are supporting the consultant with this critical information gathering.
- A Memorandum of Understanding has been developed and approved by Team members, which clarifies roles, responsibilities and resource commitments to a two-year housing work plan.
- The Work Plan, outcome expectations and proposed Budget is in place for 2008-2009.

- The “Housing Expeditor” hiring process has been completed and Community Partners Research, Inc. selected to lead a three person team effort at a cost of \$100,000 for 2008. The Expeditor team will be under contract to ARDC, who has agreed to serve as the fiscal agent and will manage the contract and its performance. Iron Range Resources will work with the Housing Team/ARDC to provide \$50,000 in conjunction with \$50,000 shared by Itasca and St. Louis Counties to pay for this support in 2008.
- The team is interested in working with the Communications Team to share information and let people/communities know what we’re doing and what assistance is available. We need to have community focused communication very soon. There has been a lot of developer interest in various communities for both temporary and permanent workforce housing development. With the Expeditor onboard soon, we will have the consultant contact and follow-up with the developers and specific communities of interest. We will be representing and guiding the communities as requested.
- The Housing Team has been contacted by the Mayor of Nashwauk with concerns regarding low income resident displacements and the need for affordable housing in the community. This displacement trend has also surfaced in Hibbing with recent displacements occurring at rentals. More information is being gathered on this trend.
- The Housing Team wants to make sure we communicate with the communities on three areas of focus:
 - Access to professional housing development support services
 - Understanding and addressing key issues and needs as they occur
 - Want to share information amongst communities as a regional initiative
- Mary intends to bring the Marketing consultant and Housing Expeditor to a future RRI Strategy Team Meeting to meet members and share information.

B. Workforce Development Team

Roy Smith, Team Facilitator reported that the Workforce Development Team has had a couple of meetings and is working on issues on two basic tracks; permanent regional workforce retirements and project expansion workforce needs for both temporary and permanent workers. He used a PowerPoint presentation to highlight major work activities which is briefly summarized including comments and suggestions by RRI Strategy Team members as follows:

- *Regional Asset Inventory* is in process and should be completed soon. This will highlight the various programs and initiatives and the resources being committed to workforce development.
- *Applied Learning Initiative* (400 students involved at multiple high schools across the Range to prepare for the scope of job opportunities on the horizon)
- Construction workforce, assessing major skill needs, numbers and timing with the companies
- A draft Work Plan is currently being developed and will be shared with the Strategy Team
 - We are planning to attend construction trade conferences
 - Plan to meet with construction trade reps & unions to get their insight on what to expect and to determine how we can be supportive. We have learned that the labor unions want to do their own training.
- We recognize and are working to make sure we have relationships and understand the needs of all the key players to be involved in workforce development.
 - There are a number of different agendas to be managed, and
 - They are not all the same as the Project Team’s perspective
- We are working to address the needs of underprepared workers to determine who they are and how to get them assistance to position themselves for the upcoming job opportunities

- Communicate opportunities for training and openings
- Determine support needs to be able to participate
 - Financial
 - Other help to guide them
 - Program models
- Communicate a clear tie to support job opportunities
- Lisa Heyesen of APEX reported on a recent “Manufacturers Readiness Assessment Survey” just completed by APEX. Regional businesses reported that they are...
 - Concerned about demand and changes in supply...stability issues?
 - We need to better determine what they need and when.
- Michelle Ufford reported that the WIB has formed a Workforce Industry Cluster Team that will be manufacturing focused and involves extensive one-on-one interviews with companies. This work will begin next month and should be an excellent information tool.
- Roy emphasized that our continuing challenge is to define and communicate the need regionally for technical skills through the schools and in other venues. We can develop and are working on the education programming to support training needs. We need to communicate the opportunities and generate the interest to focus on these career paths.

C. Opportunities Development Team

Nancy Norr, Chair, reported that the Opportunities Development Team convened their first meeting with an excellent turnout and has set two areas of focus. The group is organized to begin working on the development of value added business opportunities and supply chain information, communication and support to local businesses and communities. We are working on developing and sharing current information and understanding the procurement systems of companies new to the area such as Essar and PolyMet. Sub-teams are organized and working in these two areas.

The team has also identified several members to add to the group including the Arrowhead Manufacturers & Fabricators Association (AMFA) and for entrepreneurial development a representative from the new Greenstone Group. Both will be contacted and representatives invited to participate.

Finally, the team discussed the WIB Industry Cluster Study and how that might be tied into the supply chain development work. More discussion will occur on this connection and ways to leverage the business contacts and planned interaction through one-on-one interviews.

D. Community Readiness Team

The Community Readiness Team has not been organized as a single coordinated team as yet, but work is well underway in the two respective counties. Andy Hubley of ARDC is leading the Itasca County Readiness project and reported on work going on in that area. Barb Hayden, St. Louis County Planning Director reported and distributed information on efforts to meet with communities expected to be impacted in the corridor area.

- 1) Itasca County update – Andy Hubley
 - The draft communities’ assessment report is now finalized and on ARDC’s web site, including all the mapping on available public and private housing development sites.
 - ARDC is currently seeking funds regionally to work on comprehensive plans and zoning updates which has been lacking or needing major updating in many communities.
 - The inventory and assessment of public infrastructure needs more work especially related to housing development support and current capacity to handle even modest growth. We have a lot of older systems and proposed sites that are not served with basic utilities and access roads today.

- ARDC will work with the Housing Expeditor to share site and other information as they work with developers and the communities on specific projects.
- ARDC is meeting with each community to review the assessment results and discuss additional needs and next steps for each.
- Housing is biggest concern today amongst all the communities
 - Land is available, but limited
 - Utilities are a big question
- Western Mesabi Planning Board has gotten more involved and is a good sounding board – they are organized and more engaged to sustain dialogue and coordination on growth management
- Blandin Foundation is holding a leadership training session for public and private community leaders in the eastern Itasca County area.

2) St. Louis County update – Barb Hayden

- We are working with ARDC to integrate with the Itasca County effort at this time.
- St. Louis County has prepared a Range Readiness Report with supporting information in a community profile format to help communities think about and prepare for growth impacts (handout)
- GIS parcel layer work will be done in Summer 2008 for the Iron Range area. This will be a great tool of land use planning and other related applications.
- St. Louis County has a lot of helpful data but we currently lack the ability to integrate. We will continue to work on this and get information out.
- County staff is currently meeting with communities individually and asking a series of questions to gauge interest in development and perceptions about needs and next steps. Not all the communities have been completed but thus far the following themes are coming out of discussions with Mayors and Administrators in the communities.

Themes:

- Cautious Optimism
- Diverse Workforce
- Demographic Issues
- Additional Study Needs
- Parochialism – Varies

Strategies:

- Communication
- Additional research
 - i.e. rental housing
 - Mining overlay data
- St. Louis County is getting ready to contract with ARDC to address land use/zoning assistance needs
- We will be targeting CDBG money to help support key projects in the communities.
- We are also learning like in Itasca County that basic infrastructure needs are huge
- Infrastructure funding – IRR preliminary application process in March
- We are ready to seriously begin discussion of integrating the two county efforts and activating a coordinated RRI Community Readiness Team.

E. Projects Team

Randy Lasky led a discussion about the Projects Team and the next steps with the major companies. We asked whether or not we had an agenda of value to bring them together and decided to do the following:

- Add KeeTac as the seventh large scale project as a member of the Team
- Ask the Projects Planning Team to convene sometime in the next 30-60 days to begin developing the agenda. Possible considerations could include sharing the communications strategy, provide an update on RRI efforts, share information on the housing market assessment and work of the Expeditor, and talk about workforce development efforts. The planning team can discuss all of these options and plan the next session.

F. Communications Team

On behalf of Rob West the Committee Chair, Randy Lasky reported on efforts to hire a communications consultant. A smaller team involving Rob West, Lisa Heyesen, Roy Smith and Randy Lasky conducted a request for proposals process to hire a local consultant to assist with the development and implementation of a RRI communications strategy. Three proposals were received and considered. Randy provided a handout highlighting the process, respondents and a team recommendation to hire W.A. Fisher of Virginia to perform this work. Funding in the amount of approximately \$50,000-\$60,000 will be needed to perform the scope of work as proposed. Funding for this effort will come from the DEED FIRST Grant \$15,000 and the balance from Iron Range Resources and other regional partners interested in participating. Randy will work with Sandy Layman and Brian Hiti on finalizing the funding sources. Northspan will engage the consultant once the scope of work and Lee Bloomquist's role and participation is better understood as a supporting resource from Iron Range Resources. Sandy Layman emphasized the importance of communicating what's going on and addressing the intercommunity challenges that are before us. Work will begin as soon as possible.

Randy also reported on an effort to hire an Environmental Affairs Consultant by the Arrowhead Growth Alliance. The group will be discussing the scope of such an engagement later today. This work would be related to a response to the mining impacts report and other needs as we advocate for a regional strategy that supports responsible management and development of regional mining and other natural resources. More discussion and a future report will be provided as this unfolds.

G. Legislative Hearings Update

Mike Lalich was at the legislative hearing in St. Paul and reported on the four (4) hour event. Dr. Powers of Montana University provided testimony on his mining impacts report findings with comments by the Sierra Club and others. Following that two hour phase, respondents from the region including Dr. Jim Skurla and Dr. Richard Lichty of UMD and representatives of PolyMet and others provided about two hours of rebuttal testimony for the committee. Range delegation legislators were in attendance and further supported the work of UMD and reiterated the importance of mining and natural resource development as a responsible economic development initiative for Minnesota and the region. Mike felt that legislators from outside the area need to be better educated about the importance of our natural resource economy and that we have a responsibility to provide that kind of information.

RRI Team members asked if a copy of the Skurla presentation could be made available to members. Randy will work with Mike on this. Lee Bloomquist mentioned a story he is providing input on with Larry Oakes from the Star Tribune on this same topic and RRI planning efforts. Peter McDermott also mentioned an unbiased response to the Powers report that was prepared by Dr. Kelso at Mesabi Community College. His report commented on how mineland reclamation and other safeguards have changed the rules for mining and how the workforce has evolved into a high tech workforce with different equipment, technology and work tasks. A copy of that report has been provided to members by Peter.

Next Meeting

The next meeting of the RRI will be held on March 24, 2008 from 9:00 A.M. – Noon at the Iron Range Resources Board Room. The agenda will focus on:

- Communications Plan
- Work Team updates
- Budget update
- Evaluate how RRI is doing

Adjournment

The meeting was adjourned at Noon.

Respectively submitted,

Randy Lasky
Facilitator