

**Iron Range Resources & Rehabilitation Bd**

**Projects Summary**  
(\$ in Thousands)

Project Title	2014 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations 2014	Governor's Planning Estimate	
		2014	2016	2018	Total		2016	2018
Giants Ridge Event Center	1	\$4,900	\$0	\$0	\$4,900	\$0	\$0	\$0
<b>Total Project Requests</b>		\$4,900	\$0	\$0	\$4,900	\$0	\$0	\$0

## Giants Ridge Event Center

**2014 STATE APPROPRIATION REQUEST:** \$4,900,000

**AGENCY PROJECT PRIORITY:** 1 of 1

**Project At A Glance**

The Event Center is a multi-use, year-round destination attraction that will support area tourism and local residents, providing facilities for skier services; a ski school; winter and summer equipment rentals; ski patrol; banquet, meeting and conference space; and, food and beverage venues.

**Project Description**

The new 34,500 GSF Event Center replaces an existing, aging chalet that is difficult to maintain and energy inefficient. The current facility, which is largely a single story "strip mall" linear layout, makes functional expansion problematic. The current building's age, design and condition have resulted in the following mechanical and safety issues that are becoming increasingly expensive to manage and/or repair: (1) Rubber and multiple gable roof continuously leaks; will result in substrate and structural damage, mold, and abatement events; (2) Boiler and underground pipe continue to fail and are difficult to repair; and, (3) Unacceptable low building insulation coupled with aging aluminum framed windows result in very high energy consumption. Plywood exterior walls are delaminating, cupped and warped and need replacing.

The new structure will possess excellent energy characteristic, such as renewable energy systems including geothermal and solar panels.

**Impact on Agency Operating Budgets (Facilities Notes)**

Giants Ridge is expected to directly outlay \$2.1 million annually in expenditures on wages, rents, interest, and profits related to the Event Center construction, creating \$4 million per year in other spending throughout the area.

The Event Center is projected to generate an additional \$50,000 in revenue annually. The new Event Center will reduce operating expenses by \$150,000 annually, through operational efficiencies, decreased repair and maintenance, and utilities.

**Previous Appropriations for this Project**

Design Costs Total To Date: \$275,000

Phase 1 (pre-design): \$75,000

Phase 2 (design): \$200,000

**Other Considerations**

**ECONOMIC IMPACT:** The region's overall local tax base would continue to increase and is estimated at \$2.5 million annually due to the anticipated increase of private sector single family housing developments at Giants Ridge.

**JOB CREATION:** 62 FTE construction jobs, 28 new FTEs, and 120 retained jobs. *Source: Economic Impact Study, conducted University Labovitz School of Business and Economics, Bureau of Business and Economic Research, 2012*

The project architects recommend, with the state architect's office concurrence, to replace a facility when repair costs exceed 50 percent of replacement costs. The cost to renovate the existing facility exceeds 50 percent of the cost to replace it. A much more functional, energy efficient and iconic destination facility is more economically achieved by constructing a new event center.

**Project Contact Person**

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