



January 16, 2018

Senator Bill Ingebrigtsen, Chair
Senator David Tomassoni, Ranking Minority Member
Environment and Natural Resources Finance Committee

Senator Carrie Ruud, Chair
Senator Chis Eaton, Ranking Minority Member
Environment and Natural Resources Policy and Legacy Finance Committee

Representative Dan Fabian, Chair
Representative Rick Hansen, Ranking Minority Member
Environment and Natural Resources Policy and Finance Committee

Dear Chairs and Ranking Minority Members:

The Minnesota Department of Natural Resources (DNR) is submitting the attached report in fulfillment of the requirements of 2017 Minnesota Session Laws, Chapter 93, Article 2, Section 156 which states: "The commissioner of natural resources must work with the commissioner of the Iron Range Resources and Rehabilitation Board and representatives from the city of Calumet, Itasca County, and the Western Mesabi Mine Planning Board to create an alternate operating model for local management and operation of Hill-Annex Mine State Park until mining resumes on the property. The commissioner of natural resources must submit a management and operation plan to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources by January 15, 2018."

If you or your staff have questions regarding this report, please contact Phil Leversedge at 651.259.5650 or phil.leversedge@state.mn.us.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tom Landwehr'.

Tom Landwehr
Commissioner

CC: Legislative Reference Library

Minnesota Department of Natural Resources - Commissioner's Office

500 Lafayette Road, Saint Paul, MN 55155

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Alternative Operating Model: Hill Annex Mine State Park

Report to the 2018 Minnesota Legislature

01/15/2018

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As requested by Minnesota Statute 3.197: This report cost approximately \$10,000 to prepare, including staff time, printing and mailing expenses.

Upon request, this material will be made available in an alternative format such as large print, Braille or audio recording. Printed on recycled paper.

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Executive Summary

The 2017 Minnesota Legislature directed the Minnesota Department of Natural Resources (DNR), Iron Range Resources and Rehabilitation (IRRR), City of Calumet, Itasca County, and Western Mesabi Mine Planning Board (WMMPB) to jointly develop an alternate operating model for local management and operation of Hill Annex Mine State Park (M.L. 2017, Ch. 93, Art. 2, Sec. 156; see Appendix 2 for Minnesota Session Law 2017). These organizations participated in a six-month planning process, with representatives from the organizations meeting as a Work Group to produce this report (see Appendix 3 for Work Group members). The findings of the Work Group are:

- The Work Group generally understands why Hill Annex Mine State Park is not sustainable as a unit of the Minnesota outdoor recreation system or consistent with the direction set out in the State Parks and Trails System Plan (2015). However, the communities associated with Hill Annex Mine State Park would like a park to continue at this site. The shared vision for Hill Annex Mine is a multi-purpose area retaining its cultural and historic features and educational and scientific values, while promoting economic development in the area.
- Given that Hill Annex Mine is a regional asset that has the potential to be an attractive destination for visitors to eastern Itasca County and the Mesabi Range, the Work Group concluded that future operation of Hill Annex Mine may be best implemented by a partnership of local, regional, and state organizations and agencies.
- Therefore, the Work Group proposes to establish the Hill Annex Mine Heritage Project, a partnership of organizations and agencies that will explore the feasibility of an alternate operating model for local management and operation of Hill Annex Mine and, if appropriate, recommend a business plan for Hill Annex Mine under this alternate model. The Work Group envisioned that an alternate model may include managing some aspects of park operations on a reduced footprint, using volunteers to keep some areas and exhibits open, and working with others to support economic development in the area.
- To advance the Hill Annex Mine Heritage Project, the Work Group requests the 2018 Minnesota Legislature authorize funding to Itasca County, or another appropriate economic development entity, to support this project.

Work Group Process

The 2017 legislation identified a work group comprised of organizations that had experience with or an interest in Hill Annex Mine State Park. The Work Group included representatives of the DNR, IRRR, City of Calumet, Itasca County, and WMMPB. Representatives of the City of Marble were invited to participate in the process and joined as a member of the Work Group.

In June and July 2017, the Work Group met to establish a work plan for development of this report. The work plan included the following steps:

- Organize the Work Group and determine roles and responsibilities of Work Group members.
- Hold a public meeting to solicit public input on options for an alternative operating model.
- Hire a facilitator to coordinate, facilitate and produce a final report for the public meeting.
- Review the results and recommend an approach for the future.
- Generate a draft report to the 2018 Legislature.

- Solicit public input on the draft report.
- Present recommendations to DNR leadership.
- Finalize the report.
- Submit the final report to the Minnesota Legislature by January 15, 2018.

There were four monthly Work Group meetings between August and November 2017 (see Appendices 4-5 for meeting agendas, notes, and attendance). Meetings covered the following topics: authorization of Hill Annex Mine as a state park and its historic site designation (see Appendix 6 for historic assets); inventory of buildings and facilities; school trust land designation and future mining interests; park operations and maintenance; park budget, revenues and expenses; existing park partnerships; community values of Hill Annex Mine; opportunities and challenges to management and operation of the park under a sustainable local approach; vision for successful local operation and management of the park; a phased approach to development of an alternate operating model; and review and input on the report.

Public input in the planning process included public notice of the four Work Group meetings, public input at the these meetings, news releases and media outreach, and draft report presentations to the cities of Calumet and Marble, Itasca County, and the WMMPB.

Work Group Outcomes

Values of Hill Annex Mine

With public input, the Work Group recognized the following values and resources present at Hill Annex Mine:

Educational values and resources of Hill Annex Mine:

The educational values of Hill Annex Mine are: the past, present and future business of mining; how mining contributed to the development of the communities; and the natural conditions and processes that created the Mesabi Iron Range.

The educational resources at Hill Annex Mine include the Clubhouse displays and tours of the historical mining operation.

Historical values and resources of Hill Annex Mine:

The historical values of Hill Annex Mine are: the intact open pit mine, which produced 63 million tons of iron ore between 1913 and 1978, and generated \$27 million in revenue for the Minnesota School Trust Fund; and the record of technological developments over the mine's 65 years of operations.

The historical resources at Hill Annex Mine include the historic buildings and equipment at the site and displays, including photographs, interpretive signs, offices, miner's rooms, the classroom, and the infirmary.

Cultural values and resources of Hill Annex Mine:

The cultural values of Hill Annex Mine are: the heritage of the people who lived and worked in Calumet and Marble, towns established in 1909 to support miners; the heritage of all people who lived and worked in the woods and farms; the heritage of the Native Americans who lived here before logging and mining.

The cultural resources at Hill Annex Mine include displays in the Clubhouse and oral histories recently found in the archives.

Scientific values and resources of Hill Annex Mine:

The scientific values of Hill Annex Mine are: the readily accessible geologic formation that caused iron to be present at this location; planning for future use of mine lands; the fossil record of the Cretaceous period, in the pit over-burden that are millions of years old, from life forms present when this area was covered by an inland sea, as well as the lakes; and understanding how to manage the environmental impacts of mining on the streams, wetlands, forests and peat lands of the landscape.

The scientific resources include the technological advances that made iron ore mining possible, and how the overburden at the site provides clues to the site's origins, through the Hill Annex Paleontology Project. This material could be a source for future scientific discoveries. Already, geologists and paleontologists have identified fossils of dinosaurs in the stripping rock, and identified pre-historic plants previously unknown in Minnesota.

Vision for the Future of Hill Annex Mine

The Work Group developed a shared vision for the future for Hill Annex Mine, including:

- Preserve and share the history of iron ore mining, fossils, geology, Iron Range culture and the Mesabi Iron Range's unique sense of place.
- Enhance recreational resources associated with the new Hill Annex Mine Heritage Area, in order to capitalize on the proximity of Hill Annex Mine to the Mesabi Trail.
- Attract visitors and business to the area that will benefit the communities of Calumet and Marble.

The Work Group would like to identify or create a local economic development organization that can develop a concept plan and propose a sustainable business plan for an alternate operating model that can implement the shared vision if feasible.

Ideally, the alternate model would increase visitation and stimulate the tourism economy of the area, allow for management of some park operations through a joint local, regional, and state partnership, and leverage the area's unique educational, historic, cultural and scientific values. Economic development opportunities include creating Mesabi Trail user access nodes in the cities of Marble and Calumet; providing area overnight lodging for backpack campers, RVers, or at restored bed and breakfasts; providing food and dining experiences for day travelers and overnight visitors; and providing events celebrating the area's mining history. These supporting activities would most likely occur on lands adjacent to, but not including, current state park lands.

Hill Annex Mine Heritage Project: Future Management and Operation Plan

The 2017 legislation directed the five organizations to work together to "create an alternate operating model for local management and operation of Hill Annex Mine State Park until mining resumes on the property" (M.L. 2017, Ch. 93, Art. 2, Sec. 156). While this important work was initiated, it could not be completed in the time frame provided, so the Work Group is proposing to establish the Hill Annex Mine Heritage Project to continue this work.

The Hill Annex Mine Heritage Project will bring together partners to help further explore the potential for development of an alternative operating model. Potential partners identified by the Work Group include: IRRR, Itasca County, WMMPB, and the City of Calumet. Potential regional partners include: the City of Marble,

Greenway Township, Grand Rapids Area Community Foundation, and the Blandin Foundation. In addition, potential programmatic partners include: Minnesota Discovery Center, Mesabi Trail, Itasca Trails Task Force, Itasca County Historical Society, Minnesota Historical Society, Minnesota Museum of Mining, Center for Changing Landscapes, Arrowhead Regional Development Commission, and the Laurentian Vision Partnership.

In the 1988 Minnesota Session Law that authorized Hill Annex Mine State Park, it recognized the possibility that mining may resume in the future at Hill Annex Mine and that mining operations would supersede its use as a park. Because the future of the park is uncertain, the state and its partners need to develop a framework for potential actions that can accommodate that uncertainty. The proposed local, regional and state partnership of the Hill Annex Mine Heritage Project recognizes that challenge.

The Work Group proposes a plan to transition from a state park to the Hill Annex Mine Heritage Project. The Work Group developed its recommendations with respect to the park's status as a former mine, the economic development potential of mining at Hill Annex Mine, and the financial and legal challenges of the park's school trust land designation. The Work Group also recognized that the deteriorating condition of the park's infrastructure offered further challenges for an alternate local model for future operation. A reduced footprint was identified as a possible means for alternate operations.

The Work Group brainstormed a five-year operations transition plan that could proceed as follows, although specific details would be worked out by local partners in the next phase of the project:

- Year 1 (2018): DNR continues to operate Hill Annex Mine State Park as directed by the 2017 Minnesota Legislature. The City of Calumet gradually increases its partnership contributions by recruiting and scheduling volunteers to supplement existing Clubhouse staffing hours. The City of Calumet explores options for funding improvements to the picnic area and parking area. The Work Group requests that the 2018 Minnesota Legislature authorize funds to establish the Hill Annex Mine Heritage Project to develop the concept plan assessing the feasibility of providing an alternate model for local or regional management and operations of Hill Annex Mine. DNR reports to the Hill Annex Mine Heritage Project on management issues associated with Hill Annex Mine.
- Year 2 (2019): Hill Annex Mine State Park is de-authorized as a state park during the 2019 legislative session. DNR operates the park through the end of the 2018-19 biennium (June 30, 2019). Local volunteers take over operations beginning July 1, 2019. The Hill Annex Mine Heritage Project completes the concept plan and feasibility study for Hill Annex Mine.
- Year 3 (2020): Operations continue under local management. The Hill Annex Mine Heritage Project consults with partners to determine next steps. The Hill Annex Mine Heritage Project reports on the outcomes of the concept plan and feasibility study to the Minnesota Legislature and proposed next steps. If appropriate, the Hill Annex Mine Heritage Project develops a business plan for the alternate operating model. Volunteers maintain operations at park site as appropriate.
- Year 4 (2021): Operations continue under local management. If supported, a business plan is created for economic development of the region.
- Year 5 (2022): Operations continue under local management. Recommendations of the business plan are implemented.

Next Steps

Since this project began in June 2017, the Work Group built momentum for developing an alternate model for local operation and maintenance of Hill Annex Mine State Park. It is important to the Work Group that this

momentum continue. In 2017, DNR painted the Clubhouse, provided an accessible overlook, and added a gated fence to support operations from the Clubhouse and overlook area. The City of Calumet and the DNR recruited, vetted and trained volunteers to keep the park Clubhouse open additional hours, beyond the park's normal operating hours. This successful volunteer effort is the basis for proposing additional operating hours for the Hill Annex Mine Heritage Project, and the potential for retaining operations as a regional partnership.

The Work Group will continue to meet in winter and spring 2018 to prepare for the park's season opening by working with DNR to improve the picnic and parking areas and to continue to support volunteer staffing of the Clubhouse, extending operating hours in 2018 and into 2019 using the volunteers recruited, vetted and trained in 2017. The Work Group will also explore opportunities for soliciting grant funding to support priority work.

Request to the 2018 Minnesota Legislature

- Accept this report.
- Authorize funding of up to \$150,000 over the next two biennium to an appropriate economic development organization or joint powers group to develop a concept plan and feasibility study through the Hill Annex Mine Heritage Project. The funds should be awarded to a local unit of government that can provide appropriate fiscal and administrative oversight.
- De-authorize the state park during the 2019 legislative session so local management can begin effective July 1, 2019.
- Request report from the Hill Annex Mine Heritage Project, or its successor, on the concept plan and feasibility study by January 15, 2020. If appropriate, a business plan will be developed.

DNR Management Report

The Work Group requests the DNR provide information, analysis and recommendations on several management issues at the park, including:

- How future leases and fees to the School Trust Fund will be determined and paid.
- Disposition of equipment and buildings and security of these resources.
- Analysis and plan of how to monitor and manage the mine pit's water levels.
- Identify possible alternative park management options.
- Identify public safety concerns associated with continued public access to the Hill Annex Mine lands.
- Alternative management approaches for cultural and historic artifacts and properties.

The Work Group requests that the DNR review and report on the above by June 30, 2018.

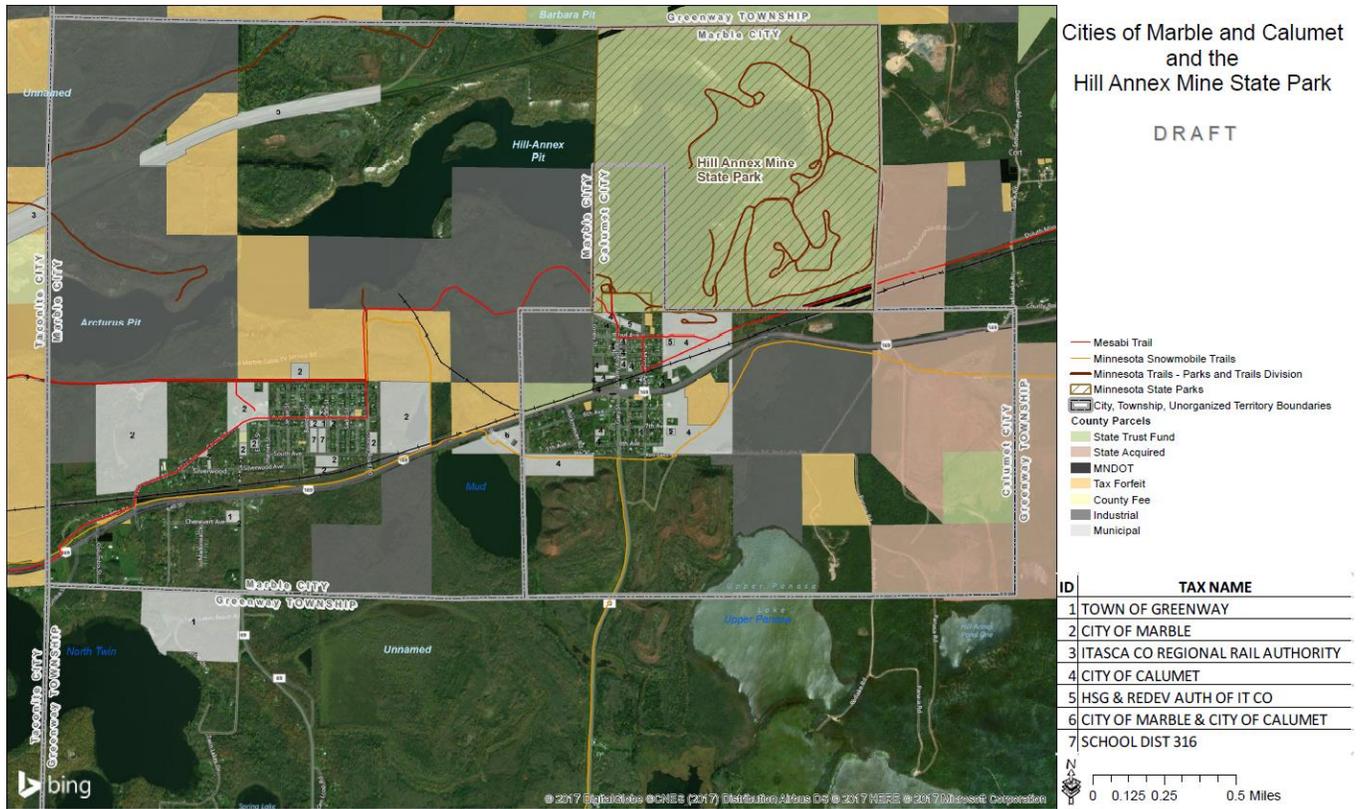
Continue Local Partnership Development

- Continue work with partners to recognize the area's unique educational, historical, cultural, and scientific resources, and identify strategies to bring visitors to the Hill Annex Mine.
- Seek to establish operations in ways that minimize costs and effort and generate revenue.
- Consider the feasibility of the city-owned Calumet Depot as a place for operations, provided that sufficient resources can be obtained to assure the building meets accessibility, safety, and security standards.

- Through the Hill Annex Mine Heritage Project, facilitate development of a concept plan for the alternate operating model, defining project goals, objectives, funding, implementation and ongoing operational support needed.

Appendices

Appendix 1: Map



Appendix 2: Statutory Mandate for this Report

Chapter 93, Article 2 Sec. 156.

HILL-ANNEX MINE STATE PARK MANAGEMENT AND OPERATION PLAN.

(a) The commissioner of natural resources must work with the commissioner of the Iron Range Resources and Rehabilitation Board and representatives from the city of Calumet, Itasca County, and the Western Mesabi Mine Planning Board to create an alternate operating model for local management and operation of Hill-Annex Mine State Park until mining resumes on the property. The commissioner of natural resources must submit a management and operation plan to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources by January 15, 2018.

(b) In fiscal year 2018 and fiscal year 2019, the level of service and hours of operation at Hill-Annex Mine State Park must be maintained at fiscal year 2016 levels.

Appendix 3: Work Group Members

- Jordan Schaefer, Park Manager; Molly MacGregor, Regional Planner, Minnesota Department of Natural Resources, Northeast Region
- Linda Johnson, Iron Range Resources and Rehabilitation
- Doug Learmont, Western Mesabi Mine Planning Board
- Roger Clark, Itasca County
- John Tuorila, City of Calumet

Appendix 4: Work Group Meeting Agendas

August 29, 2017, 4 to 8 PM, Calumet City Hall

MEETING OBJECTIVE:

The purpose of this intergovernmental planning process is to recommend to the State Legislature an alternate operating model for local management and operation of the Hill Annex State Park until mining resumes on the property. The local management and operations plan report is due to the legislature by January 15, 2018, with the following group of stakeholders recognized by the legislature as responsible for developing these recommendations (MN DNR, IRRRB, the City of Calumet, Itasca County, and the Western Mesabi Mine Planning Board). The overarching goal is to find a reasonable and affordable local approach to sustaining certain amenities and operations of the park. We are planning to take a forward looking approach that focuses on how we could effectively and efficiently transition management and operation responsibilities from MN DNR to a local option that is sustainable.

PROPOSED AGENDA:

4:00 PM Welcome and Introductions of Work Group Members Randy Lasky, Facilitator

Review Purpose, Process and Expected Outcomes...what do we need to accomplish?

Working Guide – how will we work together to accomplish this responsibility?

4:30 PM Hill Annex State Park Overview and Current Management and Operations Situation Molly McGregor
Regional Planner, MN DNR

- Brief overview of the park, its mission and amenities offered today
- Clarify roles and responsibilities of those entities responsible for the park in terms of ownership, management, liability, limitations of use, maintenance and operations, etc.
- Review sources and uses of funds to support annual operation and maintenance of the park
- Clarify the current role of the City of Calumet and area volunteers in supporting the park today

5:00 PM Looking Forward, What are the Major Challenges, Barriers, Issues and Threats to Continued Management and Operation of the Park Under a Local Approach? Facilitator and Community Representatives

5:30 PM Break for Dinner

6:00 PM Looking Forward, What Opportunities and Amenities can we Leverage to Enhance and Achieve a Sustainable Park Facility? Facilitator and Group Discussion

September 20, 2017, Calumet City Hall

- 1:00 PM Welcome and Introductions of Work Group Members and Guests
- 1:05 PM Review the Meeting Agenda and Expected Outcomes
- 1:10 PM Review Work Accomplished at the Last Meeting and Address Two Carry Over Information Items
- 1:45 PM What is Our Vision for Successful Local Operation and Management of the Park?
- 2:15 PM What Outcomes Need to be in Place to Achieve this Vision for the Hill Annex State Park?
- 2:45 PM Reconvene and Continue Outcomes Discussion with Agreement on Recommended Alternate Operating Model for Local Management and Operations
- 3:15 PM Legislative Recommendations Report
- 3:45 PM Next Steps, Responsibilities and Timeline to Complete, Review and Finalize the Legislative Report
- 4:00 PM Adjourn

October 18, 2017, Calumet City Hall

- 4:00 PM Welcome, Introductions and Review of Meeting Purpose & Agenda
- 4:15 – 5 Review Draft Report & Recommend Revisions: Consider Phased Approach to Alternate Model Development
- 5 – 5:30 Develop Outreach and Communications Plan for the Report
 - Identify talking points
 - Identify stakeholders and partners
 - Define schedule for outreach
 - Define roles of working group members
- 5:30 – 5:45 Draft Agenda for Public Meeting & Review Next Steps
- 5:45 – 6 Adopt Schedule for Work Group
 - Identify activities for group during legislative session

November 30, 2017, Calumet City Hall

- 4:00 PM Welcome, Introductions and Review of Meeting Purpose & Agenda – Facilitator, Randy Lasky
- 4:15 Report Back by Work Group Members on Draft Report Review Meetings
 - City of Calumet – John Tuorila, Mayor
 - City of Marble - Representative
 - Western Mine Mesabi Planning Board – Doug Learmont, Coordinator
 - Itasca County Board – Roger Clark, Park System Manager
- 4:40 Presentation and Review of the Final Report – Molly MacGregor, MN DNR
- 5:10 Public Questions and Comments on Final Report - Facilitator
- 5:40 Legislative Process and Next Steps for Submittal by January 15, 2018 – Molly MacGregor
- 5:50 Resolutions of Support and Sharing of Final Report with Local Legislators - Facilitator
- 6:00 Adjourn

Appendix 5: Public Meeting Attendance and Themes of Comments Received

August 29, 2017 Sign-In Sheet

	Name	Representing
1	Randy Lasky	Northspan Group
2	Mike Andrews	Mike Andrews Consulting
3	John Tuorila	Calumet
4	Vic Spaduccini	Grand Rapids
5	Tim Scherkenbach	Snow Ball
6	Gloria Iverson	Calumet
7	Bette Bogdanovich	Snow Ball
8	Diane Chupardia	Calumet
9	Dan Strand	Calumet
10	Linda Roots	Calumet
11	Terrence Markovich	Calumet
12	Doug Learmont	Western Mesabi Mine Planning Board
13	Vic Moen	La Prairie
14	Roger Clark	Itasca County
15	Jill Tuorila	Calumet
16	Kathy Zaren	Calumet
17	Melanie Lefebure	Calumet
18	Tim Zaren	Calumet
19	April Serich	Calumet
20	Wendy Chupurdia	Calumet
21	Linda Johnson	Dept. of Iron Range Resources & Rehabilitation
22	Molly MacGregor	Minnesota Department of Natural Resources
23	Jordan Schaefer	Minnesota Department of Natural Resources

August 29, 2017 MEETING NOTES:

Mayor John Tuorila welcomed everyone to the meeting and briefly explained the purpose. He then asked Randy Lasky, meeting facilitator, to lead the meeting. Randy introduced himself and his role and responsibilities, went over the purpose of this intergovernmental planning process and expected outcome as highlighted in the meeting objective statement on the agenda, and addressed any questions about why we are here to work together. He shared some guidelines for participation and intergovernmental workgroup principles that will be used to guide our work (handout shared). These were accepted and will be used to guide our discussion and interaction during this process. Randy went on to review the meeting agenda, asked everyone in attendance to introduce themselves, and then introduced Molly MacGregor, MN DNR to provide background on the park. A handout was shared.

Background on the Park – Molly MacGregor, MN DNR Regional Planner (Handout Shared)

- Hill Annex has been a State Park for twenty-nine years
- On U.S. National Register of Historic Places since late 80s
- Mineland reclamation – responsibility of MN DNR Lands and Minerals
- Park land area is all owned and classified as State School Trust Land – dedicated for education purposes
- Generated \$25M revenue royalties during mining operation. Currently inactive
- Current interest by mining companies to lease for renewed mining use (probably at least five years out or more)
- Tours are offered by the Science Museum of Minnesota and The Minnesota Geologic Survey because of its unique features
- There is an option to carve out part of the park for use as a park and historic site
- Annual lease to School Trust Lands is \$9,000
- May-September operation for two days per week – Friday and Saturday only
- School tours are offered with arrangements made to accommodate
- Operational expenses covered by multiple divisions in MN DNR, not treated as cash available.
- Income \$17,000 (est. 2017), 90% comes from tours – no state fees are charged to enter and use the park.
- Operations costs \$11,000
- Tour costs \$46,000
- Facility Fee – MN DNR Management Resources has a formula they apply to determine “lease” fees based on facility square footage located in a Historic District (statewide application).
- Security/theft issues and associated costs have escalated

For next meeting

- Bring back breakdown on the Management Resources fee determination (MN DNR staff)
- Bring back a breakdown on Tour costs (MN DNR staff)

CITY OF CALUMET’S ROLE TODAY with the Park – Mayor John Tuorila and City Clerk April Serich

- Minimal involvement
- Contract with MN DNR to mow grass (\$600/year) and remove snow (\$600/year) - \$1,200 total
- Water/sewer is \$70/month, and is billed by the city.
- City workers keep an eye on things, but this is not a formal engagement
- Helped with equipment moving

- Share information on the park
- City of Marble has no known role – Marble encompasses most of the park within its city limits. Marble have been invited, but is not interested in this process. Map was shared highlighting the small park area and formal boundary of the City of Calumet
- City plans to schedule volunteers to help support the park – April has been working with MN DNR on this.
- Volunteers status
- Twenty-five people signed up initially
- Fifteen are interested and have pursued involvement
- All background checks have been done for the interested volunteers by MN DNR
- Training is completed
- Volunteers will be responsible for opening and closing the gates to access the overlook (from now through Oct/Nov 2017 when it closes until spring)
- April 2018 they will open/close museum
- City will track information on hours of volunteer time dedicated and estimate the value and demonstrate commitment and engagement
- State covers liability for park and volunteers

What are the major challenges to continued management of the park under a local approach?

- | | |
|--|---|
| <ul style="list-style-type: none"> • Money to support • Manpower to support • Ownership or lease relationship • Liability • Determine what entity will own and operate the facility • What do we want to provide – what's possible/realistic? • How much do we want to be open? • Rising water levels are a concern • Safety • Status of Hwy 169 – new four lane route and its impact • Profit/recoup costs (mandatory?) • Sustainability • Cooperation or non-cooperation with the state • Initial start-up costs • Future mining impact on tours and more areas of the park | <ul style="list-style-type: none"> • Legislative support • Changes in existing legislation to transition to local control • Will DNR continue as a State Park – name only, or how handled? Can retain the name • Ability to attract users/visitors • How much city involved funding would be needed? • Handicapped accessibility needs • Security • Property boundary if carved out • Ownership of museum artifacts • How to use/can we use and manage the fossil area • Financially feasible? • Building maintenance – of all the historic buildings...who and how? • Historic requirements |
|--|---|

What opportunities can we leverage to achieve a sustainable park facility?

- Leverage its cultural significance
- Make attractive to younger generation
- Virtual tours
- Apps
- Mining education focus
- Capture the history now with videos and photos to retain and use in the future
- Partner with State Historical Society or locally for funding to support tours and operations/maintenance
- Other partners – Science Museum of Minnesota, Minnesota Geological Survey, Minnesota Discovery Center, Museum of Mining (Chisholm)
- Open pit (above ground) mine interpretation (similar to Tower Soudan which is an underground mine and State Park)
- Regional mining tour circuit
- Mining company tour support
- Operate up to seven days a week
- RV camping possibility
- Concepts are highlighted in 2005 Management Plan for the park. This was developed and exists as a draft document which might have additional ideas to consider. Will look into further
- Miners Tent experience (old miner's tents) offered for camping onsite
- State Legacy Grant funding (to be eligible for funding the location must demonstrate regional significance and be certified as such)
- Tie into Mesabi Trail – possible trailhead
- Tent camping offered
- Beyond summer season use and access
- Set up an endowment for support
- Continuation of oral history project
- Alternative funding leveraged on a long term basis – because it's historically focused, regional significance, unique resource
- Engage youth in this park – access, use and interpretive focus
- Restore “old” Calumet look to the community and tie to park and its history
- Create job(s)
- Business development leveraged to support more use and interest
- Use Depot building as a gift shop
- Official wayside rest for Highway 169?
- If mining is renewed, look at funding support/creative source of dollars
- Ban is removed to sell gifts and souvenirs as a revenue generator (state has no copyrights on t-shirts, etc. can do now)
- Sustaining volunteers – aging issue
- Non-profit operating model

What is Our Vision for Successful Local Operation and Management of the Park?

- Tourist destination (for locals and outside visitors)
- 7,000 visitors a year, open seven days a week in the summer
- Mixing profit and non-profit organizations
- Calumet is a “sponsor” of the park
- Well maintained buildings and exhibits
- DNR “polishes the apple” in transition to local model
- Vacation rentals encouraged in area
- Wayside rest, camping, gift shop, trail and museum amenities are offered
- Biking trailhead at Calumet
- Put on events, festivals, reasons to come here
- Continue to offer tours and fossil access
- Mutual/cooperative agreement among parties to support
- State funding start-up money for new operating entity – transition support
- Blandin start-up grant to city or non-profit, or whatever is established
- IRRRB help fund start-up
- Recognition of a resource of regional and statewide significance – cooperation and support (historic site)
- Need trained volunteers to grow and operate
- Need employees if/when we grow this and can afford to pay
- Marketing campaign to attract locals and visitors
- Bathroom facilities needed
- Food truck business opportunity

Randy reviewed the vision highlights shared and tested out a general vision statement for the park. Several key points were highlighted and affirmed as important to be successful.

- Randy will provide the draft notes in advance of next meeting
- Stakeholders Intergovernmental Work Group will meet next (plus anyone in attendance at this meeting) to begin addressing the vision and defining a local operations approach.
- Budget clarifications for MN DNR Management Resource fees and tour costs will be provided. (Jordan)
- Clarify what needs to be provided in the legislative report submittal. (Molly)

Next meeting

Wednesday, September 20th

1:00 – 4:00 PM (three hours)

City Hall

Special thanks to the City of Calumet and Clerk, April Serich for hosting the meeting.

September 20, 2017 Sign-in Sheet

	Name	Representing
1	Lila Crews	Itasca County Historical Society
2	Jordan Schaefer	Parks and Trails – Hill Annex
3	Linda Johnson	Dept. of Iron Range Resources & Rehabilitation
4	John Tuorila	Calumet
5	Jill Tuorila	Calumet
6	Roger D. Clark	Itasca Co.
7	Molly MacGregor	DNR
8	Roger Weber	Nashwauk
9	Chris Lee	Mesabi Trail
10	April Serich	Calumet
11	Daniel Strand	Calumet Council
12	Al Guddeck	Marble Council
13	Joe Schmidt	Marble
14	Doug Learmont	WMMPB
15	Mike Andrews	Mike Andrews Consulting
16	Greg Brohman	Nashwauk

September 20, 2017 MEETING NOTES:

Randy Lasky, meeting facilitator, welcomed members and guests to the meeting. He then went on to review the meeting agenda, and asked everyone in attendance to introduce themselves. Representatives from the City of Marble were in attendance and welcomed to join this intergovernmental discussion. They were not able to attend the initial meeting and expressed their interest and desire to be a part of this local model discussion. In addition several guests were invited representing the Mesabi Trail and the Itasca County Historical Society to provide some additional information in evaluating options and resources. A special thanks to the City of Calumet for hosting the meeting.

Meeting notes review from aug 29 work session

Randy highlighted the meeting notes from the first meeting where we provided an overview of the current management and operations of the Park today by MN DNR and role and involvement of the City of Calumet; identified several additional information items to followup on related to financial operating details for the MDNR budget and maintenance fees and tour costs, as well as the scope of the recommendations report to be presented to the Legislature in January; we identified and discussed the major challenges and barriers to continued management and operation of the park under a local approach; highlighted opportunities and amenities that could be leveraged to achieve a sustainable local approach; and brainstormed the elements of a vision for successful local operation and management of the park and its amenities. Flip chart notes were highlighted in the notes for reference in these discussion areas.

We went on to address the outstanding information items on MN DNR park budget costs and sources, tour costs and the legislative report needs. Jordan Schaefer, Park Manager reviewed the budget and tour cost information and addressed questions on the sources, uses and continued availability. The following is a summary of the Operations Budget and Tour costs:

HILL ANNEX MINE STATE PARK FISCAL YEAR 2018 BUDGET BREAKOUT – MN DNR

Account/Use	Amount	Explanation
Labor	\$45,000	Four staff and office assistant, road grading. Vandalism and emergency costs.
Space Rental & Utilities	\$17,000	Lease - \$10,000 with balance for utilities and related costs, garbage and gas
Communications	\$600	Phone/Internet and DNR IT Services

Account/Use	Amount	Explanation
Travel & Fleet	\$8,000	Covers "lease" payment on Hill Annex Bus, supervisor travel time from Scenic and additional equipment used from other DNR units for maintenance.
Supplies	\$5,000	Toilet paper, cleaning supplies & office supplies.
Other Op. Costs	\$1,200	Payments for the mowing/plowing agreements w/City of Calumet (\$1200/year) etc.
Total Base	\$76,800	
Building Maintenance (lease for building)	\$125,000	Square foot formula applied to all buildings by MN DNR as fee

Note: If any of the line item areas beyond the Labor line fall short or we have additional costs due to vandalism, security etc., we have to pay those expenses out of the Labor budget. Generally we have overruns in Other Op Costs, Fleet and Utilities that need to be covered by the Labor budget.

TOUR COSTS BREAKDOWN

Account/Use	Amount	Explanation
Bus	\$8,000	Fuel, lease, repairs
Staff	\$1,152/week	\$18/hour – 32 hours/week for bus, two staff members

The question of being able to transfer state equipment to a local entity, i.e. the bus was raised. MN DNR can make such a transfer. Clarified the universal application of the Maintenance Fee and source of funding which would not be available to support the existing building when the park is no longer operated by the State.

Legislative Report

Molly MacGregor reported on her followup within MN DNR and legislative staff on what needs to be included in the report to the legislature. She learned and the group discussed:

No guidelines are provided on how this is to be presented

Will need to be brief and explain the process and local response and recommendations that is clear, concise and uses bulleted information

A formal internal review process is not necessary in MN DNR

We should share with local legislators before submittal

Should be drafted by the end of October to provide time to share and finalize.

Draft Vision Statement

Randy shared a draft vision statement which was prepared in advance of the meeting based on the input from the last meeting. He tried to capture the conversation and ideas shared to reflect back what the park area might be as a local operated facility with certain desired amenities and operating assumptions as follows:

We envision the Hill Annex State Park transitioning over the next two years to become the Calumet – Hill Annex Mine Historic Wayside and Recreation Area. It will no longer be a State Park operated by MN DNR Parks and Trails by the end of FY 2019 with MN DNR Lands and Minerals continuing to play its mineland reclamation oversight role. All lands will remain as State Permanent Trust Fund resources with leases in place for uses as currently practiced or those proposed with this transition.

The area will be redeveloped as a local multi-purpose area retaining the mining historic values including the current exhibits and information in the Club House, offering of mine tours and fossil hunts and will expand upon the interpretative values to make it more robust. We will expand the trailhead into a more user friendly center located strategically along the 120-mile Mesabi Trail system offering area camping, a youth hostel, food and bike travel amenities, and historic mining interpretation center. We have worked with MN DOT to create a new historic Wayside Rest Area that celebrates the Hill Annex Mine, its long history and intrinsic value which is unique and serves the traveling public with direct access and signing on State Highway 169. The city or a private operator have developed a full-service RV camping area that caters to the needs of recreationists, history buffs and the general camping public as a robust campsite area with appropriate amenities. A concept plan has been developed with transitional funding to further refine these ideas and concepts and the economics and sources of funding needed to make this sustainable.

The combination of a historic wayside and interpretative center, RV camping facility and Mesabi Trailhead with key amenities has created the combination and scale of resources to attract visitors and users to make this a destination of interest for a number of different users as well as a sustainable revenue generator for the managing sponsor or sponsors. Visitation exceeds 7,000 annually and facilities and amenities are open seven days a week. The city's downtown has been transformed into "Old Calumet" as if we were back in the robust mining era. An "Old Calumet" design concept has been developed with downtown storefronts adopting this mining era theme, history is maintained and celebrated, and events, festivals and user interest activities are planned and supported by the community and other partners and interests....both public and private, building upon and leveraging this attraction based resource. Businesses are attracted to make investments in the area that support these attractions and events such as a gift shop, historic vacation rentals and miner era tent camping, cafe, gas and convenience center with biking specialty products, food truck, etc. that complements the needs of these types of visitors and users to the area. A major marketing campaign is developed to support and promote this area with numerous partners.

If pit water levels don't create a major erosion problem, we envision having a more significant mine site viewing and expanded recreation area that could be accessed by users. Other new trails and mountain biking

opportunities are developed in the former park area to enhance the trailhead options, and water access and recreational amenities are developed to utilize the Hill Annex Lake/Pit as part of a bigger vision with more long-term redevelopment implications. This action would have to respect the need to accommodate future mining should that become a reality in the near term or longer term future of the area. More significant planning would be needed to assess the feasibility of such an expanded pit recreation repurposing effort.

In order to lead and accomplish this vision, the City of Calumet has taken a proactive leadership role to move this transition forward with the establishment and support of either a locally driven, 501 (c) 3 non-profit corporation, or partnership with an existing non-profit that would move this forward, or a partnership established with Itasca County for a city/county joint area. This partnership along with other partners and funding support has provided the ability to hire a project director/consultant to facilitate development of the project addressing immediate concept planning and design, funding development, implementation and operational support. Volunteers are solicited locally and more broadly to make this a reality similar to other operating areas in the region. This formalized locally driven organizational framework along with local, state, and regional funding support will be necessary to achieve this vision and expected outcomes.

Review Feedback

Randy asked participants to react and critique the draft vision and approach. Does it reflect the discussion we had and direction desired? Is it realistic to make happen in the coming years? Is this the desired outcome we what to work toward? Are we willing to step up and make this happen with some help?

A number of comments were shared in terms of liking the scope and intent but concerns raised about the cost and manpower that would be needed including reference to the need for \$20+ million to complete the scope as portrayed. Real concerns were raised about the ability to lead and make this happen as two small communities with an aging population and limited resources to supplement and sustain such an effort. These comments led to a followup group visioning discussion which highlighted a more “realistic scope” of what might be possible and could be supported by the two communities and other partners such as a non-profit entity or Itasca County or the state or county historical society and maybe others. The following is the scope of amenities and organizational approach discussed and supported by the group

Real Vision Amenities

- Establish a wayside rest facility with rest rooms and historic interpretation center replacing the Club House and supporting the trailhead - multipurpose
- Offer primitive camping – tent sites for bikers and other users
- Retain and share the iron mining history as part of a unique interpretation experience
- Sustain the current historic tours and fossil hunting experience
- Design for modern self-interpretive activities celebrating the historic values
- Offer emergency bike services like other trailheads along the Mesabi Trail
- Provide for food vendor hook-ups for events and other needs
- Offer a new Mine View area with a new platform that is accessible with views
- Offer a gift shop

- Provide for a paved parking lot
- Insure there is good lighting to make it a safe area for users

Real Vision Organizational Approach

- Discussed different options and some of the pros and cons for a local model to lead this effort. A new non-profit was considered; an existing non-profit like the Chisholm Museum of Mining was referenced and information shared on how they operate their facility; a role for the county historical society or Itasca County Recreation were referenced; then a joint local communities led approach was discussed.
- Decided to explore the notion of a Joint Recreation Board created by the Cities of Calumet and Marble to lead and support the development of this vision. They would also explore other partnerships and needs to supplement this effort and a number of funding supporters were discussed.
- Representatives of the two cities agreed to bring this notion to their respective councils for discussion as we move toward developing a proposed local model to support these desired outcomes.

Why are the two communities willing to support this local approach? Why important? What are goals?

- Preserve and share the history of natural ore mining and fossils geology
- Retain historic site and share and interpret its importance as a legacy to mining and the communities
- Better use of the existing regional bike trail
- Attract visitors and business to the area benefiting both communities
- Celebrate “Iron Range” culture and unique sense of place we have to offer
- The group discussed next steps to accomplish this updated vision and what should be recommended to the legislature in our report. Molly MacGregor will take the input and discussion from these two planning meetings and draft a report and recommendations for review by the Work Group Members.

The following next steps will be taken by members of the Work Group:

- Molly will draft legislative report for review and input by Work Group at followup final meeting in Oct.
- Randy will prepare these meeting notes and share with Molly and April to share with the group.
- Representatives of the Cities of Calumet and Marble will go back and discuss the results of these two meetings and the local approach being proposed to establish a Joint Recreation Board to lead implementation of this revised local vision for the area. Intend to confirm this model and approach.
- The next Work Group meeting will be held on Wednesday, October 18th from 4:00pm to 6:00pm at Calumet City Hall. A draft of the legislative report and recommendations will be prepared by Molly based on the discussion today. The draft will be shared by Friday, October 13th in advance of the final Work Group meeting on the 18th.
- Following the meeting in October, the draft report will be shared with local legislators and other stakeholders, and then finalized and submitted to meet the Legislative timeline.

Respectively submitted, *Randy Lasky* | *Facilitator* | *The Northspan Group, Inc.* Direct: 218.529.7561 | rlasky@northspan.org

October 18, 2017 Sign In Sheet

	Name	Representing
1	Randy Lasky	Northspan Group
2	Jordan Schaefer	Hill Annex
3	Linda Johnson	Dept. of Iron Range Resources & Rehabilitation
4	April Serich	Calumet
5	Jill Tuorila	Calumet
6	Roger Clark	Itasca County
7	Al Guddeck	City of Marble
8	Dan Strand	Calumet
9	Molly MacGregor	Minnesota Department of Natural Resources
10	Doug Learmont	Western Mesabi Mine Planning Board
11	Mike Andrews	Mike Andrews Consulting
12	Jim Sellner	MnDNR
13	Kathy Zaren	Calumet
14	John Tuorila	Calumet
15	Ben Denucci	Guest
16	Vic Spaduccini	Grand Rapids

October 18, 2017 Meeting Notes

What do we need to accomplish today?

Randy Lasky, meeting facilitator, welcomed work group members and guests to the meeting. He then went on to review the meeting agenda, and asked everyone in attendance to introduce themselves. Our focus of the day was to review and share comments on the first draft of the Work Group report to the Minnesota Legislature and discuss next steps leading to a public meeting and eventual submittal of the report in mid-January. The draft was prepared by Molly MacGregor, MN DNR, based on all of the input and direction shared since August. Copies were sent out in advance of the meeting and available at the meeting. A special thanks to the City of Calumet for hosting the meeting.

Randy explained that he would lead a review of the draft report page by page with an opportunity for questions, clarifications and comments as we work through the draft. Molly MacGregor will be addressing questions and writing down suggested changes and comments as we proceed. At the onset of the review it was suggested that a map of the Hill Annex Mine Park be included in the report and will be added. The group worked through the document and information compiled by Molly. It was agreed that the changes and input would be incorporated into a second draft to be sent out on October 27th to members and anyone else interested. The City of Calumet will work with Molly to get this out to members.

Randy then facilitated a group discussion about how we should communicate and share this draft, seek additional input and prepare for a public input meeting and final draft review in November. The date of November 15th was proposed, but that date was changed to Thursday, November 30th from 4:00 to 6:00pm at Calumet City Hall. This date better accommodated all of the work group members and provides time for outreach and input from work group member organizations.

The group brainstormed how they might approach communication and outreach efforts. The following are highlights:

Share a press release on the public meeting...Molly MacGregor will work with Linda Johnson to prepare and share.

Area newspapers and work group members are to receive the release in advance

MN DNR and IRRRB will work on the communications items.

Engage with work group member organizations by attending upcoming meetings to share the report and seek input from the governing bodies represented on the work group. Four outreach meetings were scheduled with the City of Calumet City Council, Marble City Council, Itasca County Board, and Western Mine Mesabi Planning Board. Work Group members are invited to attend any of these meetings. Molly MacGregor, MN DNR, and Linda Johnson, IRRRB, will be attending with Molly there to go over the draft report with work group member assistance. We will have talking points prepared for the conversations and seek input for inclusion in the final draft to be reviewed on November 30th. Tentative dates and times were highlighted.

It was agreed that Calumet Mayor, John Tuorila, would reach out to invite area legislators to our meeting on November 30th.

Randy will prepare the agenda for the November 30th public meeting and facilitate the input meeting. A press release will go out a week in advance of the public meeting by MN DNR as planned.

We will think about further engagement with our local legislators before submittal of the report in January.

The group briefly discussed the parts of the public meeting agenda to include an update on the outcomes of outreach meetings with the four work group organizations in November, review of the final draft plan and discussion of further engagement with area legislators and next steps leading to submittal by MN DNR in January. Randy will draft the agenda and be prepared to facilitate the public input session with support by Molly, Linda and our other work group members.

This concluded the meeting and was adjourned.

Respectively submitted, Randy Lasky | Facilitator | The Northspan Group, Inc. Direct: 218.529.7561 | rlasky@northspan.org

November 30, 2017 Sign In Sheet:

	Name	Representing
1	Randy Lasky	Northspan Group
2	April Serich	Calumet
3	Dan Strand	Calumet
4	Matt Rothstein	Calumet
5	Julie Sandstede	Representative
6	Kathy Lynn	KOZY/KMFY
7	Ben Denucci	City of Nashwauk
8	Terry Snyder	Itasca County
9	Chris Lee	Mesabi Trail
10	Nancilyn Meyer-Nail	Beautiful Bovey Committee
11	Jill Tuorila	Calumet
12	John Tuorila	Calumet
13	David Pace	ISD 316
14	Bob Manzoline	St. Louis & Lake Rail Authority
15	Jim Sellner	MnDNR
16	Vicki Sellner	MnDNR
17	Casey Venema	
18	Tim Zaren	Calumet
19	Kathy Zaren	Calumet
20	Linda Johnson	Dept. of Iron Range Resources & Rehabilitation
21	Kassandra Tuten	Grand Rapids Herald Review
22	Greg Brohman	Self
23	Doug Learmont	Western Mesabi Mine Planning Board

	Name	Representing
24	Mike Andrews	Mike Andrews Consulting
25	Vic Moen	LaPrairie
26	Bill Lah	Self
27	Jordan Schaefer	PAT – Hill Annex

November 30, 2017 Meeting Notes

The group reviewed the working draft legislative report and made the following recommendations for action steps:

- Provide the draft report to April Serich, City of Calumet, by December 6;
- Convene work group sub-team (Calumet, DNR, WMMPB, Itasca County, IRRR) Dec. 7 to review; if all agree, transmit to DNR Commissioner’s office week of Dec. 11;
- Local partners will work on desired legislative action; and report on the project at Itasca County’s Jan. 4 pre-legislative meeting.

Appendix 6: Physical Assets of Hill Annex Mine State Park

From the National Register of Historic Places Nomination Form

The Hill Annex Mine Nomination contains 1 contributing Site: Hill Annex Mine

The nomination contains 7 contributing buildings:

1. Laboratory
2. Mine Manager's Office
3. Railroad Equipment Repair Shops
4. Heavy Media Plant
5. Frame Truck Repair Shop
6. Quonset Repair Shop
7. Calumet Community Club

The nomination contains 4 contributing structures

1. Prep Section
2. Conveyor Belt
3. Wooden Water Tower
4. Tailings Basin

The nomination contains 1 non-contributing building: Truck Repair Shop (1961)

The Hill Annex Mine, located entirely within Section 16, T56N, R23W, a state school trust property, is a nonworking iron mine whose principal geographical feature is a large excavation, the bottom of which is filled with water. Terraced by the use of railcars and power shovels to facilitate the exit and entry of large vehicles and excavation, about 500 feet deep, one mile in length, and three-quarters of a mile in width, is overlooked by a flat promontory upon which a complex of buildings is located. These include the mine management office, laboratory, maintenance shops, and beneficiation plant. These buildings and some of their original equipment are still capable, for the most part, of operation. The main building (c. 1930) is the mine manager's office. Located at the edge of the pit, the 2+ story wood frame building was used for offices and the storage of mine records. To the south stands a wooden water tower (c. 1919).

Across a scraped gravel area to the southeast are maintenance facilities which housed the repair shops for railroad equipment (c. 1930) and trucks (c. 1961).

These maintenance buildings measure approximately 275 feet by 90 feet and have 35 foot-high ceilings. To the north of the maintenance buildings are the heavy media plant and prep section (both c. 1953). The heavy media plant is irregularly shaped but is approximately 50 feet by 60 feet. A tailings basin to the east of the heavy media plant was constructed in 1957. The entire complex of structures is connected by a belt line to the mining area in the pit. The pocket at the foot of the belt line was constructed in about 1945. A frame truck repair shop (c.1919) and a metal Quonset repair shop (c. 1930) are nearby.

Headquarters for the interpretive program are housed in the former Calumet Community Club building (across the mine to the southeast from the main complex of mine structures). The club building is a frame structure constructed in a simple craftsmen style about 1915. It was provided to the nearby town of Calumet by the mine

lessee and used by the town until recently as a community center. Other public structures, including a school, which originally stood in the same area have been demolished.

Railroad trackage on the property is owned and maintained by the Burlington Northern Inc., under a lease and easement arrangement with the State of Minnesota.

The office building (c. 1930), laboratory (c. 1930), maintenance shop (c. 1930), truck repair shop (c. 1919), wooden water tower (c. 1919), and community club (c. 1915) all contribute to interpreting the history of Minnesota mining. Subsequent physical changes have been limited to the addition of a conveyor belt line to the pit in 1944, the prep section built in 1953, the heavy media plant, architecturally reminiscent of the earlier 1920 wash plant, also built in 1953 and a garage built in 1961.