



## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** August 23, 2021

**AGENDA ITEM:** Consider a motion adopting a resolution authorizing the City's application to the MN Department of Iron Range Resources and Rehabilitation Community Infrastructure Grant Program

**PREPARED BY:** Rob Mattei

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### **BACKGROUND:**

The Grand Rapids Industrial infrastructure Extension (Project) will extend infrastructure to a 216 acre, manufacturing site that straddles the adjacent communities of Grand Rapids and Cohasset. An oriented strand board (OSB) manufacturing plant operated on this site from 1971 until its permanent closure in 2008.

The loss of Ainsworth OSB and its 200 manufacturing jobs was part of a devastating Northeast Minnesota regional trend that saw the loss of over 1,466 jobs, 34 establishments and \$28 million in wages from the forest product sector, between 2008 and 2019.

The redevelopment of former Ainsworth OSB plant site and the replacement of lost jobs has been a stated objective of the *City of Grand Rapids Comprehensive Plan* since its closure. The site possesses many attributes needed to accommodate our targeted industry sectors such as; high pressure natural gas, high voltage power and rail access. However, the scale of the site, with its 400,000 sf of building space, and a lack of sanitary sewer and water infrastructure have limited its appeal to only a very few opportunities for large, single use, projects, which did not materialize.

The Project involves the construction/extension of approximately: 7,400 ln. ft. of sanitary sewer main, 1 sanitary sewer lift station, 12,500 ln. ft. of watermain and 1,000 tons of asphalt pavement. As shown in the attached maps, the sewer and water infrastructure would connect to existing infrastructure owned and operated by the City of Grand Rapids, with the planned service to the City of Cohasset provided through a cooperative agreement.

The total estimated cost of the Project is \$3,921,213. Recently, the City of Grand Rapids received a grant award of \$1,900,600 from the U.S. Economic Development Administration,

which will fund 50% of estimated construction and engineering expense. A combination of local and State of Minnesota sources will fund the remaining cost.

The application from Grand Rapids to the MN IRRR Community Infrastructure grant program request \$250,000. An identical request for another \$250,000 will be submitted by the City of Cohasset.

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