

3.11 SOCIOECONOMICS

The region evaluated for the Mesaba Energy Project includes Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis Counties. This region is defined by the Minnesota Department of Employment and Economic Development (DEED, 2006a) as the Northeast or Arrowhead Region (Economic Development Region 3) (Figure 3.11-1). The Taconite Tax Relief Area, as defined in Minnesota Statutes § 216B.1694, is a subset of this region that excludes the City of Duluth; all of Aitkin and Carlton Counties; and portions of Koochiching, Itasca, and St. Louis Counties (see Figure 2.1-1).

Locally, socioeconomic conditions were evaluated for the West Range Site based on data for Census Tract 9810, which includes Iron Range Township, the City of Taconite, and several other jurisdictions in Itasca County. The socioeconomic conditions for the East Range Site were based on data for the City of Hoyt Lakes (Census Tract 140) in St. Louis County. These are the areas in which social and economic activities may be affected more directly by the Proposed Action and alternatives. Baseline socioeconomic conditions for selected communities located in Itasca and St. Louis counties are presented in this section.



Figure 3.11-1. Arrowhead Region

3.11.1 Demographics

3.11.1.1 Regional Conditions

After gaining population in the 1970s, the Arrowhead Region experienced a decade-long population decline during the 1980s, in part due to a downturn in the national steel industry affecting the local taconite industry. The regional population declined by about 9 percent between 1980 and 1990. St. Louis and Lake Counties, in the heart of the Arrowhead, suffered the largest drop (11 percent and 20 percent, respectively). Beginning in 1991, the population began to gradually increase, and by 2000, the population had recovered to nearly the level recorded in 1970. In comparison, over the same 30 years, the population of the State of Minnesota increased by 29 percent to 4.9 million. Based on the 2000 census, there were 322,073 people living in 132,152 housing units in the Arrowhead Region with a population density of 18 persons per square mile (MDOA, 2006).

Table 3.11-1 presents the regional population trends by county. On a percentage basis, Cook County is the fastest growing in the region, but it has the smallest population and lowest density. Itasca County (West Range Site) has a population slightly greater than it had in 1980 and the population of St. Louis County (East Range Site) has declined by 10 percent since 1980.

Table 3.11-1. Population Trends by County for Arrowhead Region

County	1980	1990	2000	% Change	
				1980–2000	1990–2000
Aitkin	13,404	12,425	15,301	14.2	23.1
Carlton	29,936	29,259	31,671	5.8	8.2
Cook	4,092	3,868	5,168	26.3	33.6
Itasca	43,069	40,863	43,992	2.1	7.7
Koochiching	17,571	16,299	14,355	-18.3	-11.9
Lake	13,043	10,415	11,058	-15.2	6.2
St. Louis	222,229	198,213	200,528	-9.8	1.2
Arrowhead Region	343,344	311,342	322,073	-6.2	3.4

Source: MDOA, 2006

The populations of the 10 largest municipal districts in the Arrowhead Region are provided in Table 3.11-2. There are 278 cities and townships in the Arrowhead region. As shown in Table 3.11-2, approximately one-quarter of the regional population lives in the City of Duluth.

Table 3.11-2. The 10 Largest Municipalities in Northeast Minnesota (2002)

City	2002 Population
Duluth	86,044
Hibbing	16,968
Cloquet	11,378
Virginia	9,108
Hermantown	8,178
Grand Rapids	7,829
International Falls	6,554
Chisholm	4,872
Thomson Township (Carlton County)	4,361
Rice Lake Township (St. Louis Township)	4,190

Source: MDOA, 2006

The Minnesota State Demographic Center predicts that the Arrowhead Region will increase in population by 15 percent between 2000 and 2030. The Center expects the population of St. Louis County to increase by about 9 percent and that of Itasca County to increase by about 22 percent between 2000 and 2030 (MSDC, 2002).

3.11.1.2 West Range Site and Corridors

The West Range Site is located within the city limits of Taconite in Census Tract 9810 of Itasca County. Itasca County is the third largest county in Minnesota occupying approximately 3,000 square miles (7,770 square kilometers). The county has a population of approximately 44,000, and the county seat is located in Grand Rapids.

Census Tract 9810 (Figure 3.11-2) includes Taconite and Iron Range Township, as well as several other small communities along US 169 between the eastern outskirts of Grand Rapids and Nashwauk. As

indicated in Table 3.11-3, the population of Iron Range Township grew at a higher rate during the 1990s than the larger census units. However, the population in the City of Taconite has remained relatively constant since 1980, as indicated in Table 3.11-4. The smallest census unit in which the West Range Site is located (Block Group 3, Block 3083) had a population of 86 in the last census.

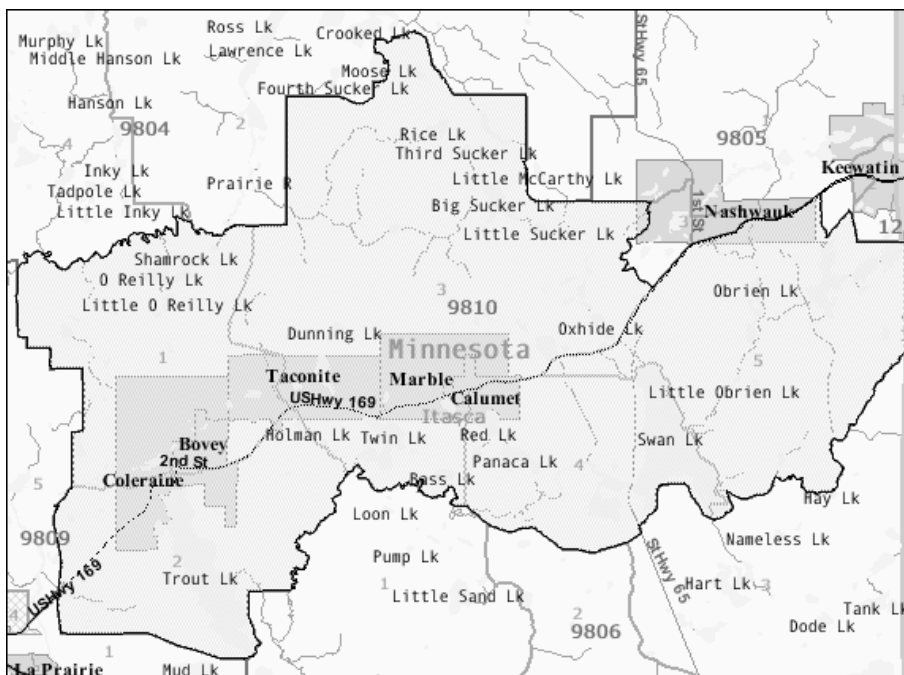


Figure 3.11-2. Census Tract 9810 in Itasca County

The area near Taconite experiences a seasonal increase in population primarily consisting of visitors to lake cabins, resorts, and campgrounds during the summer. These seasonal increases are not reflected in census data but should be considered when evaluating housing availability, transportation, and the capacity of local government services to meet local needs.

Table 3.11-3. Local Population Change, West Range (1990 to 2000)

Unit	1990	2000	% Change
Taconite	310	315	1.6
Iron Range Township	590	651	10.3
Census Tract 9810, Block Group 3	1,324	1,448	9.4
Census Tract 9810	5,597	5,938	6.1

Source: U.S. Census Bureau, 2006

Table 3.11-4. Population Trend in Taconite (1980 to 2004)

Municipality	1980	1990	2000	2004
Taconite	331	310	315	323

Source: MDOA, 2006

3.11.1.3 East Range Site and Corridors

The East Range Site is located in the City of Hoyt Lakes (Census Tract 140) in St. Louis County (Figure 3.11-3). St. Louis County is the largest county in Minnesota, occupying approximately 6,860 square miles (17,800 square kilometers). The county has a population of approximately 200,000 including the City of Duluth, which is the county seat and most populous city in the Arrowhead Region.

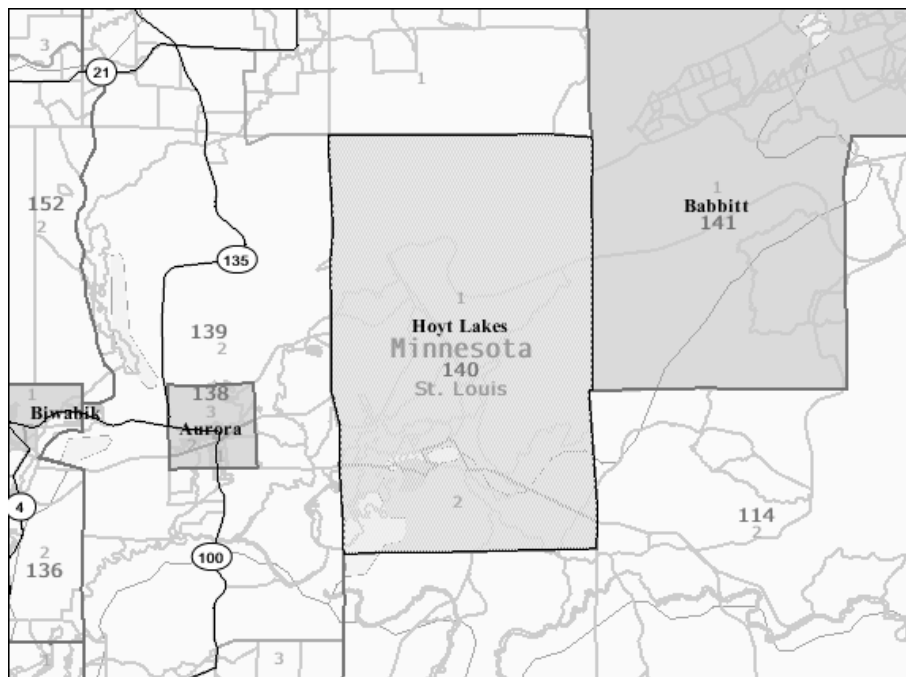


Figure 3.11-3. Hoyt Lakes (Census Tract 140) in St. Louis County

Table 3.11-5 illustrates the steady decline in population experienced by Hoyt Lakes since 1980. The smallest census unit in which the East Range Site is located (Census Tract 140, Block Group 1, Block 1008) had no recorded population in the last census.

Table 3.11-5. Population Trend in Hoyt Lakes (1980 to 2004)

Municipality	1980	1990	2000	2004
Hoyt Lakes	3,186	2,348	2,082	1,961

Source: MDOA, 2006

Hoyt Lakes, like much of the region, gets a large influx of temporary residents and visitors at lake cabins, resorts and campgrounds during the summer that affect the capacity of local government services to meet local needs. However, these temporary residents are not counted in these population statistics.

3.11.2 Housing

3.11.2.1 Regional Conditions

Based on 2000 census data, there were about 35,300 vacant housing units in the Arrowhead Region. Over 27,600 (78 percent) of these were for seasonal, recreational, or occasional use, leaving approximately 7,700 year-round vacant housing units (U.S. Census Bureau, 2006).

3.11.2.2 West Range Site and Corridors

Table 3.11-6 presents housing characteristics in Itasca County. In the 2000 census, there were 24,528 housing units in Itasca County of which 27 percent were vacant, and most of the vacant units were considered seasonal units. Approximately 12 percent of all housing units were renter-occupied. The number of housing units countywide grew by 9 percent over the prior decade, and the vacancy rate declined, while the percentage of rental units remained relatively stable. The median value of owner-occupied housing in Itasca County (\$81,700) remained substantially below the median values in Minnesota (\$122,400) and the United States (\$119,600) in 2000. However, the median home value in the county increased at a substantially higher rate (84 percent) during the decade compared to the rates of increase for the state (65 percent) and nation (51 percent).

As of the 2000 census, Iron Range Township, including the City of Taconite, had 314 housing units, of which 11 percent were renter-occupied and 18 percent were vacant during the last census. Taconite had approximately 150 housing units, of which 21 percent were renter-occupied and 9 percent were vacant. Census Block 3083, in which the West Range Site is located, had 33 housing units (including one renter-occupied and three vacant seasonal units). The township added 35 housing units (13 percent increase) during the prior decade; Taconite added 11 new units (8 percent increase). Both Iron Range Township and Taconite have generally older housing than the county and state. The median house values in Iron Range Township (\$61,400) and Taconite (\$40,400) were substantially lower than the median value in the county, but median values in both jurisdictions grew by much higher rates than the county during the decade (163 and 122 percent, respectively).

Table 3.11-6. Itasca County Housing Characteristics (2000)

General Housing Data	2000 Census	% of 2000 Total	1990 Census	% of 1990 Total	Change from 1990 to 2000
Total Housing Units	24,528		22,494		9.0%
Occupied	17,789	72.5%	15,461	68.7%	15.1%
Vacant	6,739	27.5%	7,033	31.3%	-4.2%
Vacant Seasonal	5,747	23.4%	5,302	23.6%	8.4%
Owner-Occupied	14,768	83.0%	12,855	83.1%	14.9%
Renter-Occupied	3,021	17.0%	2,606	16.9%	15.9%
Mobile Home	2,815	11.5%	2,739	12.2%	2.8%
Median Value of Owner-Occupied Units	\$81,700		\$44,300		84.4%
Median Gross Rent	\$406		\$297		36.7%

Source: U.S. Census Bureau, 2006

3.11.2.3 East Range Site and Corridors

Table 3.11-7 presents housing characteristics in St. Louis County. In the 2000 census, there were 95,800 housing units in St. Louis County of which 14 percent were vacant, and most of the vacant units were considered seasonal units. Approximately 22 percent of all housing units were renter-occupied. The number of housing units countywide remained relatively constant over the prior decade, and the vacancy rate declined, while the percentage of rental units remained relatively stable. The median value of owner-occupied housing in St. Louis County remained substantially below the median values in the state and nation in 2000. However, the median home value in the county increased at a noticeably higher rate (78 percent) during the decade compared to the rates of increase for Minnesota and the nation.

As of the 2000 census, Hoyt Lakes had approximately 995 housing units, of which 8 percent were renter-occupied and 8 percent were vacant. Hoyt Lakes added 33 new housing units (a 3 percent increase) during the prior decade, which was a small, but higher rate of increase than the county. Hoyt Lakes and St. Louis County in general have older housing stock than Minnesota as a whole, but new homes are currently being constructed in the Hoyt Lakes area on lakeshore property owned by Minnesota Power. The median house value in Hoyt Lakes (\$39,100) was substantially lower than the median value in the county and grew at a slower rate (47 percent) than the county during the decade.

Table 3.11-7. St. Louis County Housing Characteristics (2000)

General Housing Data	2000 Census	% of 2000 Total	1990 Census	% of 1990 Total	Change from 1990 to 2000
Total Housing Units	95,800		95,403		0.4%
Occupied	82,619	86.2%	78,901	82.7%	4.7%
Vacant	13,181	13.7%	16,502	17.3%	-20.1%
Vacant Seasonal	8,896	9.3%	11,046	11.6%	-19.5%
Owner-Occupied	61,683	74.7%	58,541	74.2%	5.4%
Renter-Occupied	20,936	25.3%	20,360	25.8%	2.8%
Mobile Home	5,090	5.3%	5,052	5.3%	0.7%
Median Value of Owner-Occupied Units	\$75,000		\$42,200		77.7%
Median Gross Rent	415		291		42.6%

Source: U.S. Census Bureau, 2006

3.11.3 Employment and Income

3.11.3.1 Regional Conditions

Northeastern Minnesota has relied on the mining and forestry industries historically for well-paying jobs and economic base. However, between 2000 and 2003, jobs in mining declined by 36 percent, and mining and agriculture, forestry, fishing, and hunting now comprise 4 percent of the region's jobs. Increased foreign competition and improved technological efficiencies have resulted in the slow decline in employment. However, increasing global iron ore demand and the steady fall of the U.S. dollar have temporarily reduced stress in the industry. This has increased the value of many local products and has created a rebounding demand for skilled workers. Mining still provides 5 percent of wages in the region, which are paid at hourly rates significantly higher than most service-oriented jobs. In comparison, 39 percent of jobs in the region paid less than \$10 per hour in 2002 (DEED, 2006b).

Employment in the service sector also is an increasingly large percentage of total employment in the Arrowhead Region, which reflects a nationwide trend. Three sectors – healthcare and social assistance, retail, and accommodation and food services – account for more than half of all regional employment. The health care industry is now the top employing industry in northeast Minnesota, representing 20.7 percent of the total private employment in the region, which is well above the 12.7 percent statewide and the 10.1 percent in the Twin Cities (Schoeppner, 2006). The regional occupations expected to increase the most through 2012 include Community and Social Services Occupations (35 percent), Healthcare Support Occupations (31 percent), and Computer and Mathematical Occupations (26 percent).

The median ages of the populations in Itasca County (41 years) and St. Louis County (39 years) were both considerably higher than the statewide median (35 years) in the 2000 census. Therefore, the aging of the regional workforce is a growing concern in the Arrowhead Region as the Baby Boom generation

begins to retire. Minnesota Department of Employment and Economic Development expects this trend to significantly slow the labor force growth over the next two decades (DEED, 2006b).

Unemployment is generally higher in most of the Arrowhead Region compared to Minnesota as a whole. The unemployment rate in the seven-county region averaged 5.2 percent for 2005, but dropped to 4.5 percent in May 2006 (DEED, 2006a). Unemployment in the region has gradually declined over the last several years, due to a slow recovery from the 2001 recession. As shown in Figure 3.11-4, the unemployment rate in the Arrowhead Region was consistently 2 percent or more higher than the state average through the 1980s and 1990s, and about 1 percent higher than the state average for the last four years.

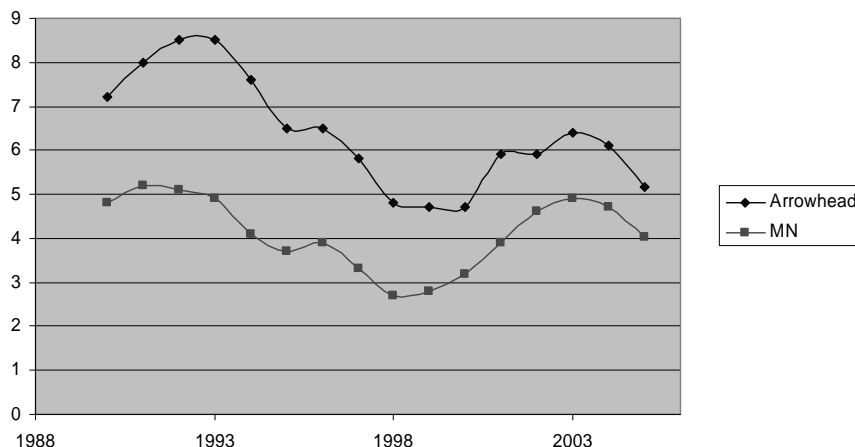


Figure 3.11-4. Annual Unemployment Rate (Percent), Arrowhead Region vs. Statewide Average

Since publication of the Draft EIS, the United States economy entered a recession in 2008. As a result, in January 2009 the national and state unemployment rates both reached 8.5 percent, while the unemployment rate in the Arrowhead Region reached 10.8 percent (DEED, 2009). These rates are not seasonally adjusted.

3.11.3.2 West Range Site and Corridors

In the 2000 census, the median incomes in Itasca County were \$44,025 for a family, \$36,234 for a household, and \$17,717 per capita. Locally, the median incomes in Iron Range Township were \$46,750 for a family, \$35,000 for a household, and \$16,384 per capita. In comparison, median incomes statewide (\$56,874 family, \$47,111 household, and \$23,198 per capita) were substantially higher.

Many local residents travel long distances to work. Approximately 17 percent of workers in Iron Range Township, including Taconite, commuted at least 40 minutes to their places of employment in 2000, compared to 12 percent for both Itasca County and the state (U.S. Census Bureau, 2006). The use of public transport is negligible and more than 80 percent of local workers drive to work alone.

Unemployment in Itasca County has been comparable to the Arrowhead Region but higher than the state as a whole. The unemployment rate in May 2006 for Itasca County was 4.7 percent, and the annual unemployment rate has ranged between 4 and 6 percent since 1995, after having reached rates as high as 8 percent in the early 1990s (DEED, 2006a). **Since publication of the Draft EIS, the unemployment rate in Itasca County reached 12.7 percent (not seasonally adjusted) in January 2009 (DEED, 2009).** The median age of the population in Iron Range Township (37 years) was lower than the county median in 2000 but slightly higher than the statewide median, pointing to potential workforce aging.

Itasca County is a Federally designated HUBZone, defined as a historically underutilized business zone, because of high unemployment and low wages. HUBZones receive preferential

treatment in the awarding of Federal contracts administered by the U.S. Small Business Administration (SBA, 2008).

3.11.3.3 East Range Site and Corridors

The median incomes in St. Louis County in 2000 were \$47,134 for a family, \$36,306 for a household, and \$18,982 per capita. Locally, the median incomes in Hoyt Lakes were \$45,603 for a family, \$39,493 for a household, and \$18,882 per capita. These median incomes were substantially lower than those of the state as a whole were.

Many local residents travel long distances to work. Approximately 15 percent of workers in Hoyt Lakes commuted at least 40 minutes to their places of employment in 2000, compared to 9 percent for the county and 12 percent for the state (U.S. Census Bureau, 2006). The use of public transport is negligible and nearly 80 percent of local workers drive to work alone.

Unemployment in St. Louis County has been generally comparable to the Arrowhead Region but higher than the state as a whole. The unemployment rate in May 2006 for St. Louis County was 4.4 percent, and the annual unemployment rate has ranged between 4 and 6 percent since 1995 after having reached rates exceeding 8 percent in the early 1990s (DEED, 2006a). **Since publication of the Draft EIS, the unemployment rate in St. Louis County reached 10.2 percent (not seasonally adjusted) in January 2009 (DEED, 2009).** The median age of the population in Hoyt Lakes (over 45 years) was even higher than the county median in 2000, pointing to an aging local workforce.

3.11.4 Business and Economy

3.11.4.1 Regional Conditions

The Arrowhead Region, including the Iron Range, has relied on a natural resource-based economy for more than 100 years. Minnesota's economy has been driven by the development of its varied natural resources including iron ore, used in the making of steel through iron mining and ore processing; timber, used in papermaking and fiberboard; and, tourism. Of all these industries, the mining industry, which now accounts for a very small percentage of the annual gross state product in Minnesota, is viewed as the industry that drew many of the ancestors of current residents to settle in this region of Minnesota. However, global competition and increased production efficiency in the mining industry following the general economic crisis of the 1980s and earlier this decade, have forced the region to adopt economic diversification as a long-term strategy (Excelsior, 2006b).

The Arrowhead Region is evolving into a service- and commercial-oriented economy. Like the rest of rural Minnesota, the Arrowhead Region depends on smaller businesses. However, business development appears to be lagging in the Arrowhead Region. From 1998 to 2001, the state saw a 4.7 percent increase in the total number of establishments, while the Arrowhead Region saw only a 1 percent increase. Among the smallest businesses, those employing one to nine people, the Arrowhead Region saw no growth, staying virtually steady (0.6 percent) while the rest of rural Minnesota increased its number of establishments by 2.7 percent and the state as a whole grew by 4.2 percent.

Various state and regional organizations have been established with the objective of promoting economic stability and growth in the Arrowhead Region. Representative organizations include:

- **Iron Range Resources**— Located in Eveleth, this state agency is responsible to help stabilize the economy and advance regional growth and diversity in the Taconite Assistance Area (the Taconite Tax Relief Area). The agency focuses its development efforts on four key industries: secondary wood products manufacturing, industrial machinery manufacturing, high-end customer service centers, and electronics manufacturing.

- Itasca **Economic** Development Corporation – This corporation, located in Grand Rapids, provides services including business development assistance and counseling, loan packaging, and site location assistance, and hosts a Minnesota Small Business Development Center.
- Arrowhead Regional Development Commission in Duluth.
- Northland Foundation in Duluth.
- The Northspan Group, Inc. in Duluth.

3.11.4.2 West Range Site and Corridors

Key businesses in Itasca County include the UPM Blandin Paper Mill in Grand Rapids (**which reduced its workforce from 800 to 500 in 2003**) and Grand Itasca Clinic and Hospital, as well as numerous small and medium-sized businesses in Grand Rapids and other local communities. **The Ainsworth Grand Rapids OSB Plant was closed in September 2006 with a loss of 135 jobs. In January 2009, two other Ainsworth Lumber Plants (Bemidji and Cook) were also permanently closed, eliminating approximately 280 jobs.** Near the West Range Site, **Minnesota Steel, LLC, now named Essar Steel Minnesota, is developing an integrated facility for ore processing, direct reduced iron production, and steel making based on reactivation of the Butler Taconite mine and tailing basin near Nashwauk. The facility is scheduled to be completed in 2012 and would employ an estimated 700 workers (MNDNR and USACE, 2007).** Smaller commercial businesses are located along US 169 and other local roads in Taconite, Bovey, Holman, Marble, Pengilly, and nearby communities.

3.11.4.3 East Range Site and Corridors

Key businesses in St. Louis County near the East Range Site include Cliffs-Erie, LLC, PolyMet Mining Corp., and Cliffs Natural Stone, as well as commercial businesses located along CR 110, CR 100 and other local roads in Hoyt Lakes, Aurora, Biwabik, and surrounding communities.

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3.12 ENVIRONMENTAL JUSTICE

Environmental justice, in the context of this document, refers to the potential for minority and low-income populations to bear a disproportionate share of high and adverse environmental impacts from activities within the project area and the municipalities nearest to the two main sites under consideration: Taconite and Iron Range Township (West Range Site) and Hoyt Lakes (East Range Site). The general population for demographic analysis and comparison includes the counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis, which are defined by the Minnesota Department of Employment and Economic Development as the Arrowhead Region.

3.12.1 Background and Definitions

Executive Order 12898 provides that “each Federal agency shall make achieving environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations” (The White House, 1994).

The U.S. Department of Energy (2006a) defines “environmental justice” as:

The fair treatment and meaningful involvement of all people—regardless of race, ethnicity, and income or education level—in environmental decision making. Environmental Justice programs promote the protection of human health and the environment, empowerment via public participation, and the dissemination of relevant information to inform and educate affected communities. Department of Energy Environmental Justice programs are designed to build and sustain community capacity for meaningful participation for all stakeholders in Department of Energy host communities.

In its guidance for the consideration of environmental justice under NEPA, the CEQ defines a “minority” as an individual who is American Indian or Alaskan Native, Black or African American, Asian, Native Hawaiian or Pacific Islander, Hispanic or Latino. CEQ characterizes a “minority population” as existing in an affected area where the percentage of defined minorities exceeds 50 percent of the population, or where the percentage of defined minorities in the affected area is meaningfully greater than the percentage of defined minorities in the general population or other appropriate unit of geographic analysis. The CEQ guidance further recommends that low-income populations in an affected area should be identified using data on income and poverty from the U.S. Census Bureau (CEQ, 1997).

3.12.2 Minority Populations

3.12.2.1 Regional Conditions

Table 3.12-1 compares the distributions of regional population with those of the state and nation. The 2000 Census revealed a more racially and ethnically diverse population in Minnesota compared to the 1990 Census. In 2000, 11.8 percent of Minnesotans (582,000 people) identified themselves as non-white, up from 6.3 percent (274,000 people) in 1990. However, the state population is far less diverse than that of the nation, and the population in the Arrowhead Region is even less diverse, with low distributions of minorities. The largest minority concentrations in the region are in central Duluth and on tribal reservations relatively distant from either the West Range or East Range Sites.

Table 3.12-1. National and Regional Population Distributions (2000)

Area	White	American Indian or Alaskan Native	Black or African American	Hispanic or Latino (all races)	Other Minorities	Total Population (Number)
Arrowhead Region	94.3%	2.5%	0.7%	0.7%	1.8%	322,073
State of Minnesota	88.2%	1.1%	3.4%	2.9%	4.4%	4,919,479
United States	69.1%	0.7%	12.1%	12.5%	5.6%	281,421,906

Source: U.S. Census Bureau, 2006

3.12.2.2 West Range Site and Corridors

Table 3.12-2 compares the minority compositions of the census units surrounding the West Range Site with larger areas based on the 2000 Census. The proposed West Range Site is located in Census Tract 9810, Block Group 3, Block 3083, for which no minority population was recorded in 2000. Iron Range Township, which includes the population of the City of Taconite, had a minority population of nearly 3 percent, and the percentage of minorities generally increases as the census units grow larger. The proportions of the non-minority (white) populations in these smaller census units are generally higher than in Itasca County and are substantially higher than the state and nation. Since the population in the area surrounding the proposed site is far more homogeneous racially and ethnically than the general population of the region, state, and country, a “minority population” as characterized by CEQ does not exist in the potentially affected area of the Mesaba Energy Project.

Table 3.12-2. Population Profiles (2000): Percentage of Minorities, West Range

Area	White	American Indian or Alaskan Native	Black or African American	Hispanic or Latino (all races)	Other Minorities	Total Population (Number)
Tract 9810, BG3, Block 3083	100.0	0.0	0.0	0.0	0.0	86
Iron Range Township	97.2	0.2	0.0	0.2	2.4	651
Tract 9810, BG3	96.1	1.5	0.0	1.0	1.4	1,448
Tract 9810	96.9	1.0	0.1	0.6	1.4	5,938
Grand Rapids	95.1	1.9	0.3	0.9	1.8	7,764
Itasca County	94.3	3.3	0.2	0.6	1.6	43,992

Source: U.S. Census Bureau, 2006

3.12.2.3 East Range Site and Corridors

Table 3.12-3 compares the minority compositions of the census units surrounding the East Range Site with larger areas based on the 2000 Census. The East Range Site is located in Census Tract 140, Block Group 1, Block 1008, which had no population in the 2000 Census. The nearest populated census block to the East Range Site (Block 1023) had no minority population recorded in the 2000 Census, and the larger Block Group 1 and City of Hoyt Lakes (Census Tract 140) each had a minority population of 1 percent. The proportions of the non-minority (white) population in these smaller census units are generally higher than in St. Louis County and are substantially higher than in the state and country. Since the population in the area surrounding the proposed site is far more homogeneous racially and ethnically than the general population of the region, state, and country, a “minority population” as characterized by CEQ does not exist in the potentially affected area of the Mesaba Energy Project.

Table 3.12-3. Population Profiles (2000): Percentage of Minorities, East Range

Area	White	American Indian or Alaskan Native	Black or African American	Hispanic or Latino (all races)	Other Minorities	Total Population (Number)
Tract 140, BG1, Block 1008	0.0	0.0	0.0	0.0	0.0	0
Tract 140, BG1, Block 1023	100.0	0.0	0.0	0.0	0.0	84
Tract 140, BG1	99.3	0.2	0.0	0.2	0.3	1,060
Hoyt Lakes	99.0	0.2	0.3	0.2	0.3	2,082
Virginia	94.6	2.2	0.5	0.8	1.9	9,157
St. Louis County	94.4	2.0	0.8	0.8	2.0	200,528

Source: U.S. Census Bureau, 2006

3.12.3 Low Income Populations

3.12.3.1 Regional Conditions

Table 3.12-4 compares regional poverty rates for the Arrowhead Region, Minnesota, and the United States for the 2000 Census. The data indicate that the Arrowhead Region has poverty rates for individuals, families, and households that are closer in line with national poverty rates than those of the state, which are generally lower.

Table 3.12-4. Regional and National Poverty Rates

Percentage of Income in 1999 Below Poverty Level			
Area	Families	Households	Individuals
Arrowhead Region	7.2	11.6	11.2
State of Minnesota	5.1	7.9	7.9
United States	9.2	11.8	12.4

Source: U.S. Census Bureau, 2006

3.12.3.2 West Range Site and Corridors

Median incomes in the communities near the West Range Site as described in Section 3.11.3 are considerably lower than those of the state, but generally comparable to those in Itasca County. Table 3.12-5 compares the poverty rates for census units near the West Range Site with those in the larger community of Grand Rapids and in Itasca County from the 2000 Census. The table indicates that the county has a significantly higher percentage of families, households, and individuals with incomes below the poverty level than does the state as a whole but lower poverty rates than the nation.

The poverty rates in the smallest census unit encompassing the West Range Site (Census Tract 9810, Block Group 3), as well as in Taconite and Iron Range Township, are higher than the rates in the larger Census Tract 9810 and in the rest of the county. Poverty rate data are not available from the U.S. Census Bureau below the Block Group level, but the residential properties closest to the West Range Site include lakefront properties along Diamond Lake Road to the south and large-sized lots along CR 7 to the west. Therefore, it is reasonable to assume that the poverty rates in neighborhoods closest to the West Range Site are more comparable to those in Census Tract 9810 and the Arrowhead Region in general than to those in the City of Taconite.

Table 3.12-5. Population Profiles (2000): Local Poverty Rates, West Range

Percentage of Income in 1999 Below Poverty Level			
Area	Families	Households	Individuals
Taconite	14.9	13.1	17.1
Iron Range Township	9.7	10.9	15.0
Tract 9810, BG3	9.4	16.0	13.2
Tract 9810	7.9	11.7	11.3
Grand Rapids	7.9	10.2	10.5
Itasca County	7.7	10.6	10.6

Source: U.S. Census Bureau, 2006

3.12.3.3 East Range Site and Corridors

As described in Section 3.11.3, median incomes in the communities near the East Range Site are considerably lower than those of the state, but generally comparable to those in St. Louis County. Table 3.12-6 compares the poverty rates for census units near the East Range Site with those in the larger community of Virginia and in St. Louis County from the 2000 census. The table indicates that the county has a significantly higher percentage of families, households, and individuals with incomes below the poverty level than does the state as a whole but lower poverty rates than the nation.

Poverty rates in Hoyt Lakes are considerably lower than those in St. Louis County and the Arrowhead Region in general but more in line with those of Minnesota. Moreover, the poverty rates in the smallest census unit encompassing the East Range Site (Census Tract 140, Block Group 1), are substantially lower than those in Hoyt Lakes, the county and the state as a whole. Also, the residential properties closest to the East Range Site, consisting of lakefront and lake-view homes, are located about 1 mile south of the site. Therefore, it is reasonable to assume that the poverty rates in neighborhoods closest to the East Range Site are substantially lower than in the larger census units.

Table 3.12-6. Population Profiles (2000): Local Poverty Rates, East Range

Percentage of Income in 1999 Below Poverty Level			
Area	Families	Households	Individuals
Tract140, BG1	3.0	4.3	3.9
Hoyt Lakes	6.6	7.7	8.9
Virginia	10.6	17.3	15.9
St. Louis County	7.2	12.3	12.1

Source: U.S. Census Bureau, 2006

3.13 COMMUNITY SERVICES

This section describes the existing local government services for the Cities of Taconite (West Range Site) and Hoyt Lakes (East Range Site) that may be affected by the proposed project.

3.13.1 Law Enforcement

3.13.1.1 West Range Site and Corridors

The Itasca County Sheriff's Office provides law enforcement in Itasca County, including the City of Taconite and surrounding areas. The Sheriff's Office includes 64 employees working as deputies, jailers, dispatchers, and clerical support. The county has been divided into five patrol districts; deputies live and work within their assigned patrol districts to provide community policing. Taconite is in the East End patrol district. The office has employees with specialized training in D.A.R.E. (Drug Abuse Resistance Education), pre-employment background investigation, boat and water safety, snowmobile safety, drug task force, emergency response team, dive team, and special enforcement projects. Two supporting groups, the Itasca County Sheriff's Posse and the Itasca County Dive Team, are staffed by trained volunteers who contribute their time to search for lost persons, recover drowning victims, and provide time to community service work (Itasca County Sheriff, 2006).

3.13.1.2 East Range Site and Corridors

Hoyt Lakes Police Department serves the City of Hoyt Lakes with support from the St. Louis County Sheriff's Office, which has jurisdiction in surrounding areas. The Hoyt Lakes Police Department consists of five full-time and five part-time officers. The St. Louis County Sheriff's Office has 94 full-time and 23 part-time deputies on staff (Excelsior, 2006b). The patrol division is the largest division. In addition to their regular duty assignments, deputies also participate in activities such as background investigations of potential deputy sheriff candidates; field training officers for newly hired deputies; boat and water patrol; snowmobile patrol; Driving While Intoxicated saturation patrol; illegal drug investigation; arson investigation; and membership on the Emergency Response Team.

The county is divided into three major regional sheriff's offices in Duluth, Hibbing, and Virginia. The Virginia office serves the East Range vicinity. The St. Louis County Sheriff's Office also provides law enforcement services for the community of Aurora. The Aurora Sheriff's Office consists of a sergeant and five deputies who patrol within a 4-mile radius of Aurora. Deputies also provide immediate response to any emergency outside of Aurora, which may extend into the neighboring City of Hoyt Lakes (St. Louis County Sheriff, 2006).

3.13.2 Emergency Response

3.13.2.1 West Range Site and Corridors

The City of Taconite has seven Emergency Medical Technician (EMT) volunteers and 14 fire department volunteers. Ambulance services are dispatched from Nashwauk or Grand Rapids, depending on the location of the 911 caller. The City of Taconite also has a mutual aid agreement with nearby Cohasset and Grand Rapids (Excelsior, 2006b). Itasca County provides additional emergency response as needed. The Itasca County Sheriff is also the Itasca County Director of Emergency Management for the Minnesota Department of Public Safety and for coordination with the U.S. Department of Homeland Security (MDPS, 2006).

Itasca County is served by three hospitals and 12 outpatient clinics (Excelsior, 2006b). The nearest hospitals to Taconite are the Grand Itasca Clinic and Hospital in Grand Rapids (13 miles) which has 64 beds, and University Medical Center-Mesabi in Hibbing (27 miles) which has 175 beds (MDH, 2006).

3.13.2.2 East Range Site and Corridors

Hoyt Lakes operates a volunteer emergency response and fire department cooperatively with the surrounding communities of Aurora, Biwabik, and White Township, which contribute funds to cover administrative expenses and build up reserves for capital purchases. The cooperative service has 25 EMTs and fire fighters who are paid by service run. Hoyt Lakes also has mutual aid agreements with nearby communities for police, fire, and ambulance services.

St. Louis County assists its municipalities when emergency response demands exceed their local capabilities. The St. Louis County Sheriff's Office Emergency Management Division coordinates emergency management plans and has jurisdiction throughout the county outside of cities that establish their own emergency management organizations (Excelsior, 2006b). The St. Louis County Sheriff is also the St. Louis County Director of Emergency Management for the Minnesota Department of Public Safety and for coordination with the U.S. Department of Homeland Security (DPS, 2006). In an extreme emergency or disaster situation within the county, the Chairman of the Board of Commissioners, the County Administrator, or the Sheriff activates the St. Louis County Emergency Operations Center. Response activities are coordinated through the Emergency Operations Center to assure effective response and recovery.

St. Louis County is served by eight hospitals and 56 outpatient clinics (Excelsior, 2006b). The nearest hospitals to Hoyt Lakes are the White Community Hospital in Aurora (4 miles) which has 16 beds, and the Virginia Regional Medical Center in Virginia (25 miles) which has 83 beds (MDH, 2006).

3.13.3 Parks and Recreation

3.13.3.1 West Range Site and Corridors

Itasca County is known for its trails, resorts, and campgrounds. Residents and visitors enjoy outdoor activities year-round, including fishing, hiking, hunting, snowmobiling, cross-country skiing, and golf. The Forest History Center in Grand Rapids is a state historical park and interpretive center demonstrating the history of forestry in northern Minnesota. The Edge of the Wilderness National Scenic Byway extends north from Grand Rapids through the Chippewa National Forest. The closest boundary of the Chippewa National Forest is located less than 10 miles northwest of the West Range Site, and the closest boundary of George Washington State Forest is located less than 15 miles north of the site. Scenic State Park is located approximately 25 miles to the northwest. The West Range Site is also located within 65 miles southwest of the Boundary Waters Canoe Area and within 75 miles south of Voyageurs National Park.

Recreational areas near the West Range Site include the Hill-Annex State Park and Gibbs Park. The Hill-Annex State Park, which exhibits the history of iron ore mining on the Mesabi Range, is within 4 miles east of the West Range Site. Gibbs Park is a day park that provides a fishing pier and swimming beach located on Holman Lake about 2 miles south of the West Range Site. Numerous lakes and woodlands in the area, including the West Range Site property, provide recreational opportunities for area residents. Activities such as hiking, swimming, boating, fishing, bird watching, and similar activities are prevalent. Former mine pits that have filled with water, such as the Canisteo Pit, also provide opportunities for recreational boating and fishing. MNDNR has indicated that the CMP is used for recreational boating approximately 2,210 hours per year and for recreational fishing approximately 6,500 hours per year (Kavanaugh, 2007). **These estimates are based on data collected by MNDNR in summer 2001 and winter 2001-2002 at a time when the lake trout fishery was still developing. MNDNR believes that fishing pressure is increasing as the lake trout fishery matures. Although the pit has been stocked almost annually with lake trout since 1993, MNDNR concluded from survey results in 2005 that natural recruitment is occurring in the lake trout population. The survey also indicated that a bass fishery is developing.**

The Mesabi Trail is a multiuse trail (e.g., biking, hiking, snowmobiling, and wheelchair use) that will extend from Grand Rapids to Ely. When completed, the trail will traverse 132 miles and connect more than 25 communities. One segment of this trail is located about 1.5 miles south of the West Range Site along an abandoned rail grade situated parallel to and north of US 169.

3.13.3.2 East Range Site and Corridors

The East Range Site is located just west of the boundary of the Laurentian District of Superior National Forest, which provides opportunities for hiking, biking, hunting, bird watching, and similar recreational activities. The City of Hoyt Lakes is located on the Superior National Forest Scenic Byway, approximately 1.5 miles south of the site, which extends from Aurora to Silver Bay on Lake Superior. The East Range Site is located within 25 miles southwest of the Boundary Waters Canoe Area and within 60 miles south of Voyageurs National Park.

Approximately 1 mile south of the East Range Site is Birch Cove Park, which includes a playground, beach, and boat launch on Colby Lake. Numerous lakes and woodlands in the area also provide recreational opportunities for area residents. Activities such as hiking, swimming, boating, fishing, snowmobiling, bird watching, and others are prevalent.

3.13.4 School Systems

3.13.4.1 West Range Site and Corridors

School districts in Itasca County include Deer River, Grand Rapids, Greenway, and Nashwauk-Keewatin. The county maintains five private schools and 20 public schools. The City of Taconite is located within the Greenway school district and, according to the Minnesota Department of Education; the Greenway district maintains four public schools (i.e., two elementary schools, one middle school, and one senior high school.) Table 3.13-1 provides a summary of the district’s educational statistics.

Table 3.13-1. Educational Statistics for Greenway School District in Itasca County

Enrollment	
Elementary	710
Secondary	571
Spending per Student	
Total	\$9,285
Instructional	\$4,236
Student Teacher Ratio	
Elementary (1:1)	14.96
Secondary (1:1)	15.32
Private Elementary School Enrollment	
Number of Schools	0
Total Enrollment	N/A
Private Secondary School Enrollment	
Number of Schools	0
Total Enrollment	N/A

Source: MDE, 2006

3.13.4.2 East Range Site and Corridors

St. Louis County is divided into 16 school districts, including Mesabi east district, which serves the City of Hoyt Lakes. The Mesabi east district maintains two public schools, Mesabi East Elementary School and Mesabi East Secondary School. Table 3.13-2 provides a summary of the district’s educational statistics.

Table 3.13-2. Educational Statistics for Mesabi East School District in St. Louis County

Enrollment	
Elementary	495
Secondary	417
Spending per Student	
Total	\$10,260
Instructional	\$4,796
Student Teacher Ratio	
Elementary (1:1)	12.04
Secondary (1:1)	21.06
Private Elementary School Enrollment	
Number of Schools	0
Total Enrollment	N/A
Private Secondary School Enrollment	
Number of Schools	0
Total Enrollment	N/A

Source: MDE, 2006