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## **CITY OF HOYT LAKES RESOLUTION NO. 2016-002**

### **A RESOLUTION IN SUPPORT OF ACCESS AGREEMENT ON STATE LANDS**

**WHEREAS**, There are more than 4 billion tons of copper, nickel, platinum, palladium, gold and other metal resources contained in northern Minnesota's Duluth Complex, the largest known undeveloped deposit of strategic metals in the world; and

**WHEREAS**, Demand for strategic metals continues to grow domestically and globally as nations invest in the emerging green energy economy; and

**WHEREAS**, The Twin Metals Minnesota project will create thousands of construction jobs and hundreds – potentially thousands – of long-term mining jobs. The PFS (Project Feasibility Study) Technical Report estimates the TMM Project will create approximately 850 full-time jobs when the mine is in operation, and will generate some 12 million labor hours during a roughly three-year construction period. According to a University of Minnesota Duluth study, the Project would generate approximately 1,700-1,900 additional indirect jobs in the region's economy; and

**WHEREAS**, Twin Metals and its predecessor Duluth Metals Limited have been conducting environmental studies and assessments for more than five years – and those efforts will continue during development of the MPO (Mining Plan of Operation). Environmental information from in and around Twin Metals Minnesota's land and mineral assets will feed into the formal, Draft Environmental Impact Study (DEIS) that will be conducted by state and federal agencies. Key environmental issues include: surface water quality and hydrology, threatened and endangered species, air quality, plant life, wetlands and socioeconomic factors; and

**WHEREAS**, In the Mining and Minerals Policy Act of 1970, Congress declared that it is the continuing policy of the Federal Government, in the national interest, to foster and encourage private enterprise in (among other goals) the development of domestic mineral resources and the reclamation of mined land. This Federal policy obviously applies to National Forest System lands; and

**WHEREAS**, the U.S. Forest Service recognizes the importance of National Forest System mineral resources to the well-being of the Nation, and encourages bona-fide mineral exploration and development; and

**WHEREAS**, Royalties from the Twin Metals Minnesota project will contribute significant revenues to Minnesota’s K-12 public schools through the Minnesota Permanent School Fund; and

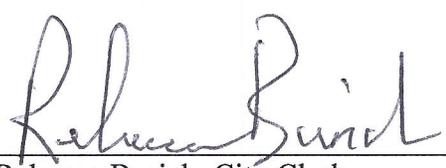
**WHEREAS**, In 1858, Minnesota received a large land grant from the federal government with the intent that the lands provide a long-term source of funds for public education in the state. Today, Minnesota owns 2.5 million acres of school trust land, which generates royalties for the Permanent School Fund from the timber and mining industries. The Minnesota Department of Natural Resources (DNR) is responsible for managing the school trust land for “maximum long-term economic return;” and

**WHEREAS**, Currently, the Minnesota Permanent School Fund has assets of approximately \$800 million, which generates an average annual payment of \$25 million to public schools throughout the state. In a recent analysis by the Minnesota DNR, it is estimated that new strategic metals mining (copper, nickel, platinum, palladium and gold) in Minnesota could generate \$2.5 billion in additional royalties for Permanent School Fund over a ten year period, significantly increasing the annual financial support provided to Minnesota schools.

**THEREFORE, BE IT RESOLVED**, that the Hoyt Lakes City Council respectfully disagrees with the position taken by Governor Dayton in denying the approval of the state land Access Agreement to Twin Metals MN, as they were negotiated by his agency and Commissioner Landwehr of the Department of Natural Resources, and be it further resolved that the Hoyt Lakes City Council respectfully requests that the Governor reconsider his position and allow his agencies to act in the best interests of Minnesotans and in particular those in northeastern Minnesota where mining has been successfully and environmentally co-existing with our wonderful natural beauty and wilderness for over a century while serving as the very foundation of our economic base.

**ADOPTED** by the Hoyt Lakes City Council this 28th day of March, 2016.

  
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Mark Skelton, Mayor

ATTEST:   
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Rebecca Burich, City Clerk