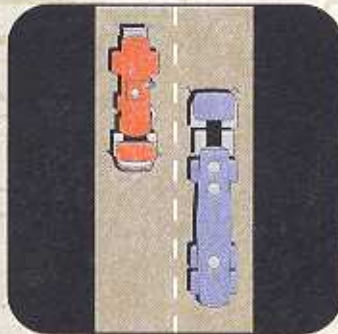


**Railroad**



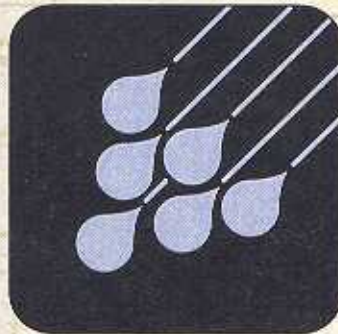
**Roadway**



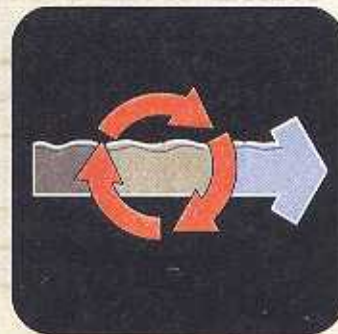
**Gas Pipeline**



**Fresh Water Supply**



**Wastewater Treatment**

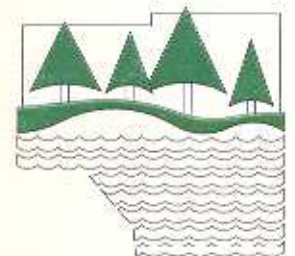


# Public Infrastructure Improvement Study

Public Infrastructure Improvements to Support the Proposed

**Minnesota Steel Industries Taconite Mine, Pellet Plant and Steel Mill Project and Excelsior Energy/ Mesaba Energy Project**

Itasca County, Minnesota



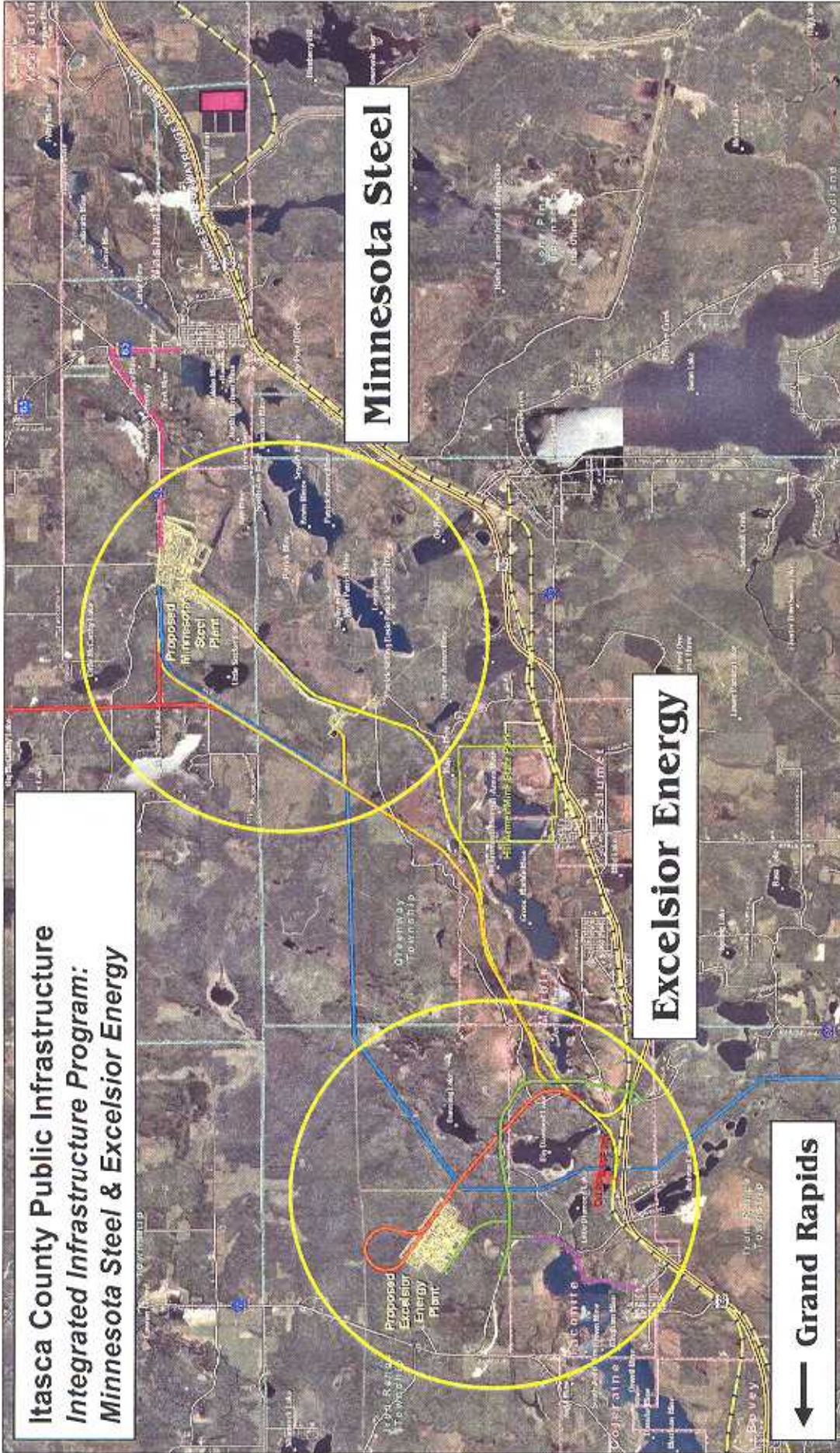
Prepared January 2006

**Itasca County Public Infrastructure  
Integrated Infrastructure Program:  
Minnesota Steel & Excelsior Energy**

**Minnesota Steel**

**Excelsior Energy**

**← Grand Rapids**



SEH  
380 LINDAS CENTER DR  
ST PAUL, MN 55110  
TEL: 651.451.2300  
FAX: 651.451.7101  
WWW.SEH.COM

Project Number  
AITASCO501.02  
AEXENRC502.00  
September 2006

Legend  
 - MS Plant Layout  
 - MS Rail Alignment  
 - MS Road Alignment  
 - MS Flood Alignment  
 - MS Sewer and Water  
 - WASTE Extension  
 - MS Sewer and Water  
 - GE 165  
 - Existing Roads  
 - Existing Railroads  
 - State Fair Subsidy Boundary  
 - Additional Lease Area  
 - Geographic Name  
 - Municipal Boundary  
 - Civil Township Boundary  
 - State Fair Subsidy Boundary  
 - Additional Lease Area

Itasca County  
 MN Steel (MS)  
 Excelsior Energy (EE)  
 Figure 1-1  
 Infrastructure  
 Improvements



**Itasca County Public Infrastructure Program**

To Support Minnesota Steel Industries and Mesaba Energy Project

February 20, 2008

**Table 1  
Summary Cost Table for Public Infrastructure Planning, Design and Construction**

Category	Combined Infrastructure Project Cost Estimates				Separate Infrastructure Project Cost Estimates	
	Shared Infrastructure	Excelsior Energy	Minnesota Steel	Total	Excelsior Energy	Minnesota Steel
Item						
Roadway	\$6,035,000	\$8,695,500	\$7,834,900	\$22,565,400	\$14,730,500	\$13,869,900
Railroad	\$7,450,000	\$14,076,000	\$13,689,000	\$35,215,000	\$21,526,000	\$21,139,000
Gas Pipeline	\$10,116,700	\$700,000	\$2,786,300	\$13,603,000	\$7,480,000	\$11,705,100
Water	\$0	\$1,224,000	\$1,196,800	\$2,420,800	\$1,224,000	\$1,196,800
Sewer	\$0	\$3,281,000	\$3,306,500	\$6,587,500	\$3,281,000	\$3,306,500
<b>Subtotal</b>	<b>\$23,601,700</b>	<b>\$27,976,500</b>	<b>\$28,813,500</b>	<b>\$80,391,700</b>	<b>\$48,241,500</b>	<b>\$51,217,300</b>
Design/Const Admin at 15%	\$3,540,255	\$4,196,475	\$4,322,025	\$12,058,755	\$7,236,225	\$7,682,700
<b>Total</b>	<b>\$27,141,955</b>	<b>\$32,172,975</b>	<b>\$33,135,525</b>	<b>\$92,450,455</b>	<b>\$55,477,725</b>	<b>\$58,900,000</b>

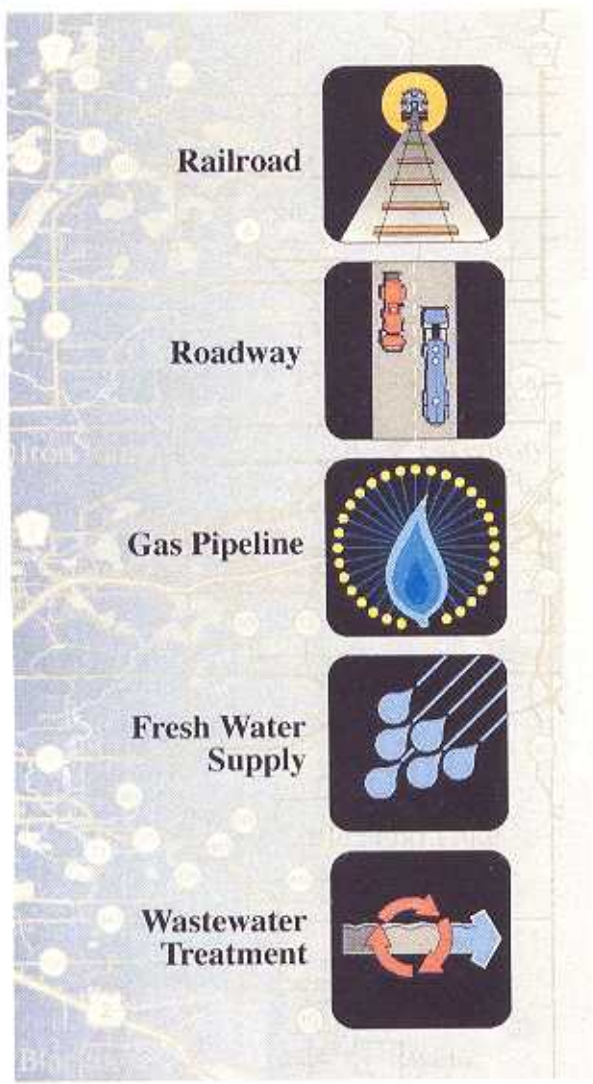
**Notes:**

1. Shared Infrastructure would be shared by both Excelsior Energy and Minnesota Steel, reducing costs for both projects.
2. 1999 Appropriation to Itasca County for Minnesota Steel Public Infrastructure Improvements Study (\$1.0 Million) has been completed and a Final Report submitted to Finance.
3. See detailed cost breakdown for additional project elements.
4. *Project Schedules* -  
 Minnesota Steel: Begin Public Infrastructure Design 3Q06  
 Mesaba Energy: Begin Public Infrastructure Predesign 3Q06

**Itasca County Public Infrastructure Program**  
 To Support Minnesota Steel Industries and Mesaba Energy Project  
 February 20, 2006

**Table 2**  
**Cost of Public Infrastructure Planning, Predesign, Design, Permitting, ROW Acquisition, Wetland Mitigation and Public Infrastructure Construction of Roadway, Railroad, Gas Pipeline, Water and Sewer**

Category	Combined Infrastructure Project Cost Estimates				Separate Infrastructure Project Cost Estimates	
	Shared Infrastructure	Excelsior Energy	Minnesota Steel	Total	Excelsior Energy	Minnesota Steel
<b>Roadway</b>						
Predesign	\$173,506	\$249,996	\$225,253	\$648,755	\$323,502	\$269,134
Predesign Completed	(\$43,881)	\$0	(\$225,253)	(\$269,134)	\$0	(\$269,134)
Design/Permitting	\$676,674	\$974,983	\$678,488	\$2,530,145	\$1,751,657	\$1,684,791
Construction	\$5,653,057	\$8,194,855	\$7,365,887	\$21,213,799	\$13,797,912	\$12,068,941
ROW Acquisition	\$50,000	\$50,000	\$50,000	\$150,000	\$150,000	\$150,000
Wetlands Mitigation	\$40,000	\$30,000	\$40,000	\$110,000	\$70,000	\$80,000
Constr. Admin.	\$347,013	\$499,991	\$450,507	\$1,297,511	\$847,004	\$797,519
<b>Subtotal Roadway</b>	<b>\$6,896,369</b>	<b>\$9,999,825</b>	<b>\$8,784,882</b>	<b>\$25,681,076</b>	<b>\$16,940,075</b>	<b>\$15,681,251</b>
<b>Railroad</b>						
Predesign	\$214,188	\$404,685	\$393,559	\$1,012,431	\$498,873	\$447,730
Predesign Completed	(\$54,171)	\$0	(\$393,559)	(\$447,730)	\$0	(\$447,730)
Design/Permitting	\$835,331	\$1,578,272	\$1,534,879	\$3,948,482	\$2,533,603	\$2,530,226
Construction	\$6,999,606	\$13,305,074	\$12,936,795	\$33,241,474	\$20,254,680	\$19,886,401
ROW Acquisition	\$50,000	\$50,000	\$50,000	\$150,000	\$150,000	\$150,000
Wetlands Mitigation	\$40,000	\$40,000	\$40,000	\$120,000	\$80,000	\$80,000
Constr. Admin.	\$428,375	\$809,370	\$787,118	\$2,024,863	\$1,237,745	\$1,215,493
<b>Subtotal Railroad</b>	<b>\$8,513,329</b>	<b>\$16,187,400</b>	<b>\$15,348,791</b>	<b>\$40,049,520</b>	<b>\$24,754,900</b>	<b>\$23,862,120</b>
<b>Gas Pipeline</b>						
Predesign	\$290,855	\$20,125	\$80,106	\$391,086	\$125,050	\$153,666
Predesign Completed	(\$73,580)	\$0	(\$80,106)	(\$153,686)	\$0	(\$153,686)
Design/Permitting	\$1,134,335	\$78,488	\$312,414	\$1,525,236	\$928,695	\$1,495,290
Construction	\$9,087,305	\$578,138	\$2,561,513	\$12,226,955	\$6,538,155	\$10,558,865
ROW Acquisition	\$500,000	\$50,000	\$50,000	\$600,000	\$500,000	\$500,000
Wetlands Mitigation	\$40,000	\$40,000	\$40,000	\$120,000	\$80,000	\$80,000
Constr. Admin.	\$581,710	\$40,250	\$160,212	\$782,173	\$430,100	\$673,043
<b>Subtotal Gas Pipeline</b>	<b>\$11,560,645</b>	<b>\$805,000</b>	<b>\$3,124,139</b>	<b>\$15,489,784</b>	<b>\$8,602,000</b>	<b>\$13,307,199</b>
<b>Water</b>						
Predesign	\$0	\$35,190	\$34,408	\$69,598	\$35,190	\$34,408
Predesign Completed	\$0	\$0	(\$34,408)	(\$34,408)	\$0	(\$34,408)
Design/Permitting	\$0	\$137,241	\$134,191	\$271,432	\$137,241	\$134,191
Construction	\$0	\$1,064,789	\$1,038,905	\$2,103,694	\$964,789	\$938,905
ROW Acquisition	\$0	\$50,000	\$50,000	\$100,000	\$150,000	\$150,000
Wetlands Mitigation	\$0	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000
Constr. Admin.	\$0	\$70,380	\$68,816	\$139,196	\$70,380	\$68,816
<b>Subtotal Water</b>	<b>\$0</b>	<b>\$1,407,600</b>	<b>\$1,341,912</b>	<b>\$2,749,512</b>	<b>\$1,407,600</b>	<b>\$1,341,912</b>
<b>Sewer</b>						
Predesign	\$0	\$94,329	\$95,062	\$189,391	\$94,329	\$95,062
Predesign Completed	\$0	\$0	(\$95,062)	(\$95,062)	\$0	(\$95,062)
Design/Permitting	\$0	\$367,882	\$370,741	\$738,623	\$367,882	\$370,741
Construction	\$0	\$3,022,282	\$3,048,548	\$6,070,830	\$2,922,282	\$2,946,548
ROW Acquisition	\$0	\$50,000	\$50,000	\$100,000	\$150,000	\$150,000
Wetlands Mitigation	\$0	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000
Constr. Admin.	\$0	\$188,658	\$190,124	\$378,781	\$188,658	\$190,124
<b>Subtotal Sewer</b>	<b>\$0</b>	<b>\$3,773,150</b>	<b>\$3,707,413</b>	<b>\$7,480,563</b>	<b>\$3,773,150</b>	<b>\$3,707,413</b>
<b>Summary</b>						
Predesign	\$678,549	\$804,324	\$828,388	\$2,311,261	\$1,076,943	\$1,000,000
Predesign Completed	(\$171,612)	\$0	(\$828,388)	(\$1,000,000)	\$0	(\$1,000,000)
Design/Permitting	\$2,646,341	\$3,136,865	\$3,230,714	\$9,013,919	\$5,719,078	\$6,215,240
Construction	\$21,911,580	\$26,163,137	\$27,778,035	\$74,852,752	\$44,477,817	\$48,299,766
ROW Acquisition	\$600,000	\$250,000	\$250,000	\$1,100,000	\$1,100,000	\$1,100,000
Wetlands Mitigation	\$120,000	\$210,000	\$220,000	\$550,000	\$330,000	\$340,000
Constr. Admin.	\$1,357,098	\$1,608,649	\$1,656,776	\$4,622,523	\$2,773,886	\$2,944,995
<b>Total</b>	<b>\$27,141,955</b>	<b>\$32,172,975</b>	<b>\$33,135,525</b>	<b>\$92,450,455</b>	<b>\$55,477,725</b>	<b>\$58,900,000</b>



# Public Infrastructure Improvements

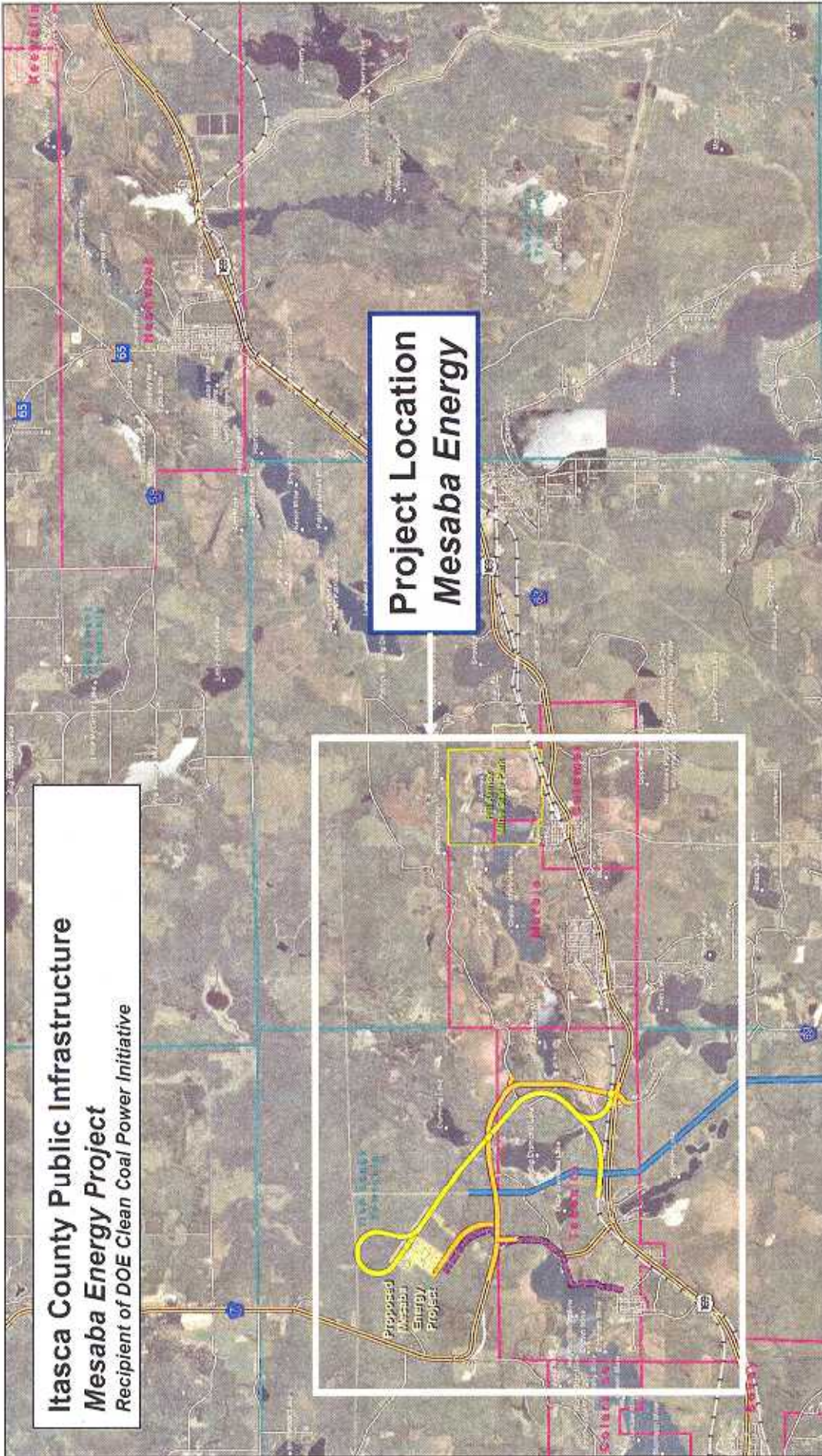
---

Public Infrastructure Improvements to Support the Proposed

Excelsior Energy Mesaba Energy Project

**Itasca County Public Infrastructure  
 Mesaba Energy Project  
 Recipient of DOE Clean Coal Power Initiative**

**Project Location  
 Mesaba Energy**



AMERICAN SERVICES  
 2700 W. WISCONSIN  
 PO BOX 1040200  
 MOBILE, AL 36610-4020  
 PHONE: 205-948-7100  
 FAX: 205-948-7101  
 www.seh.com

Project Number  
 AEXENR0602.00

September 2005

**Legend**

- EE Proposed Plant Layout
- EE Proposed Gas Alignment
- EE Proposed Rail Alt 1-A
- EE Proposed Roads
- U.S. 169
- County Hwy 7
- Existing Roads
- Existing Railroads
- Geographic Names
- Municipal Boundaries
- Civil Township Boundaries
- State Park Statutory Boundary
- Additional Lease Area

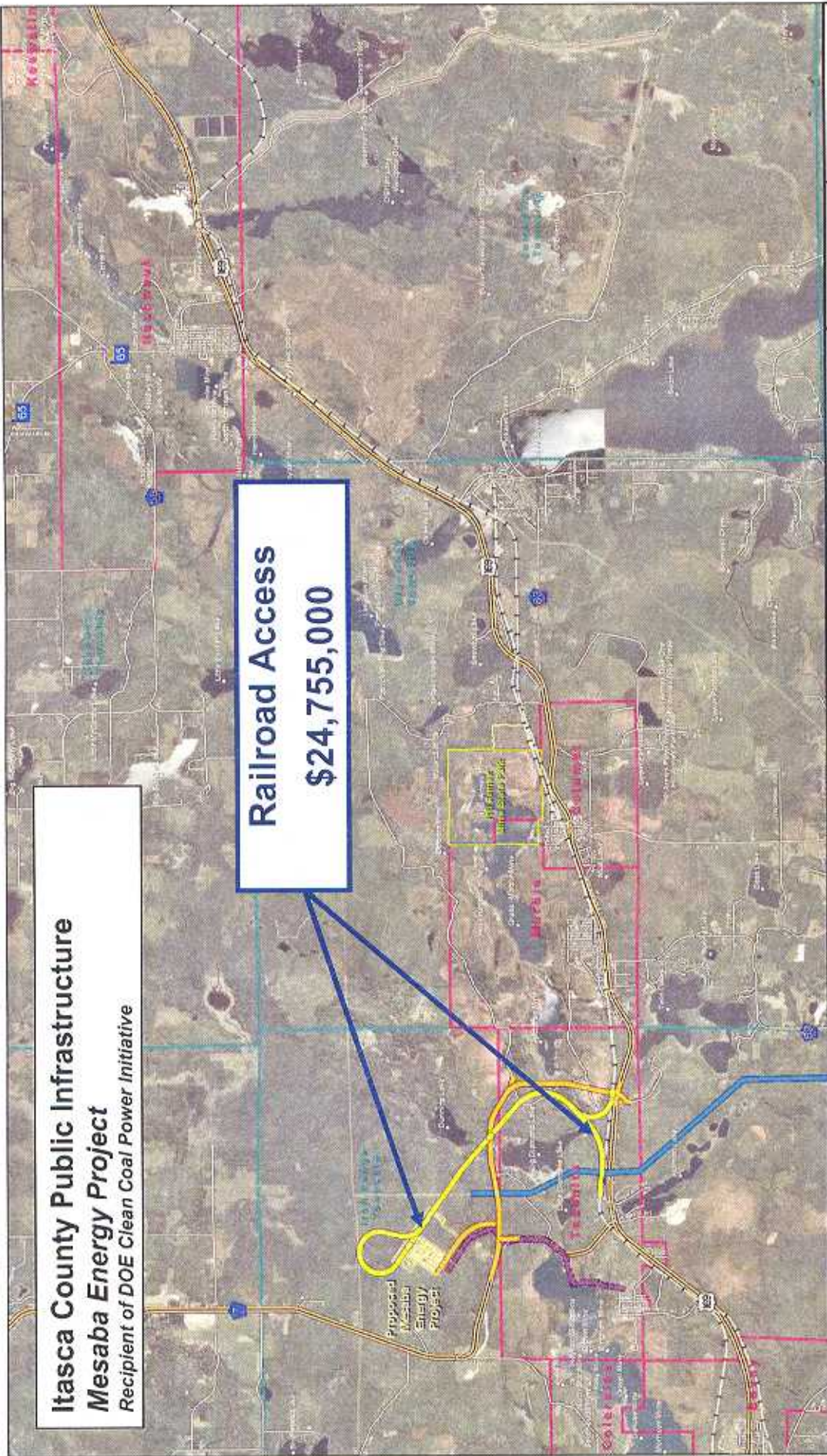
**Itasca County  
 Excelsior Energy (EE)  
 Public Infrastructure**

Figure 1-2  
 Mesaba Energy Project  
 Proposed Infrastructure  
 Improvements



**Itasca County Public Infrastructure  
Mesaba Energy Project**  
Recipient of DOE Clean Coal Power Initiative

**Railroad Access  
\$24,755,000**



PROPOSED INFRASTRUCTURE  
27 2nd Ave NW  
Grand Rapids, MN 55743  
TEL: 218-837-1000  
WWW.SEH.COM

Project Number  
AEXENR0502.00  
September 2005

**Legend**

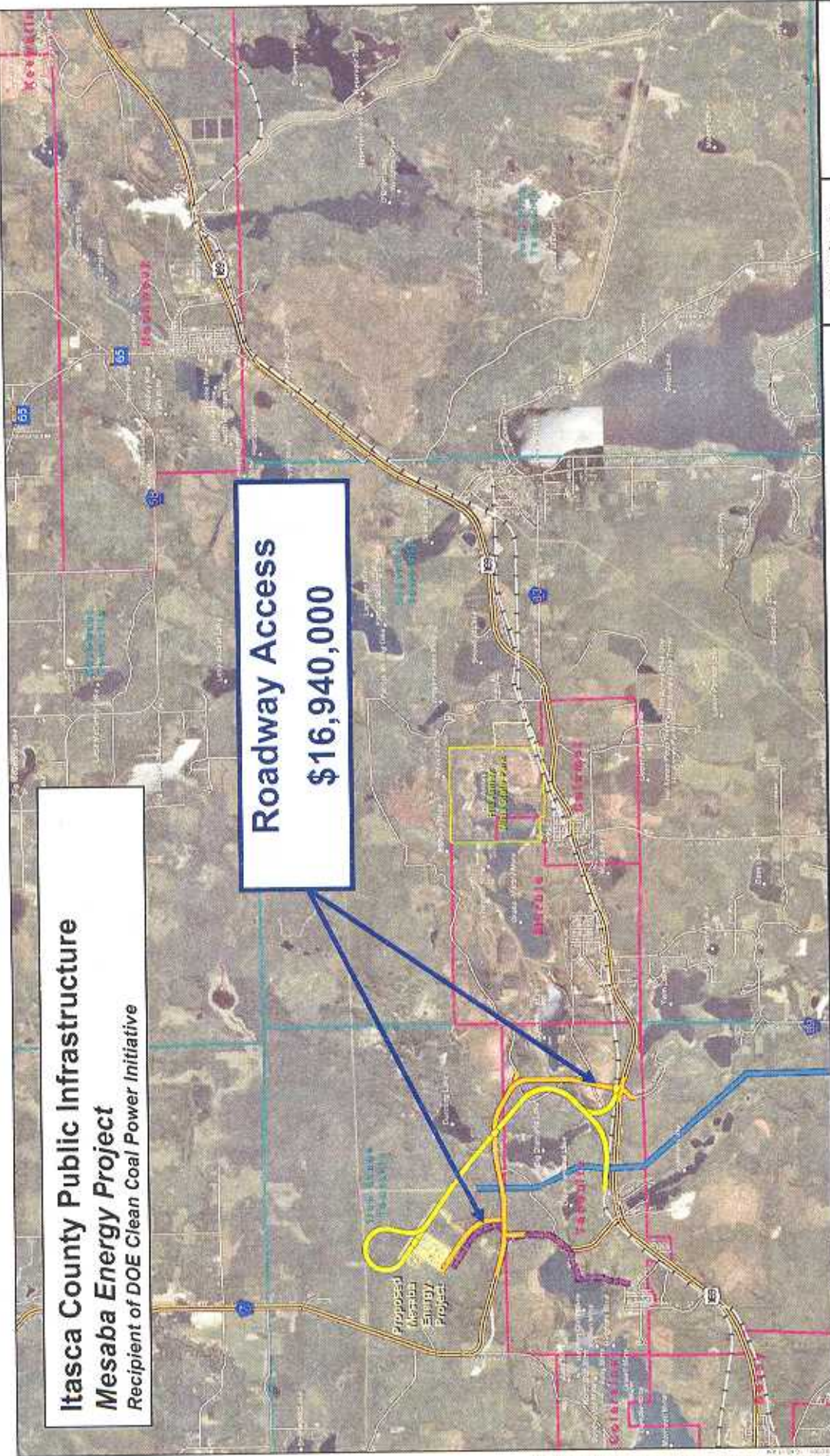
- EE Proposed Plant Layout
- EE Proposed Gas Alignment
- EE Proposed Sewer and Water
- EE Proposed Rail At 1:1
- EE Proposed Tracks
- U.S. 269
- County Hwy 7
- Existing Roads
- Existing Railroad
- Geographic Names
- Municipal Boundaries
- Civil Township Boundaries
- State Park Subunit Boundary
- Additional Lease Area

**Itasca County  
Excelsior Energy (EE)  
Public Infrastructure**  
Figure 1-2  
Mesaba Energy Project  
Proposed Infrastructure  
Improvements



**Itasca County Public Infrastructure  
Mesaba Energy Project**  
Recipient of DOE Clean Coal Power Initiative

**Roadway Access  
\$16,940,000**



<p>3015 WINDY GLEN DRIVE MADISON, WI 53718 TEL: 608-261-2100 FAX: 608-261-2101 WWW.SEH.COM</p>	<p>Project Number AE/NE/IR/05/02.00</p>	<p>Itasca County Excelsior Energy (EE) Public Infrastructure</p>
	<p>September 2005</p>	<p>Figure 1-2 Mesaba Energy Project Proposed Infrastructure Improvements</p>

**Legend**

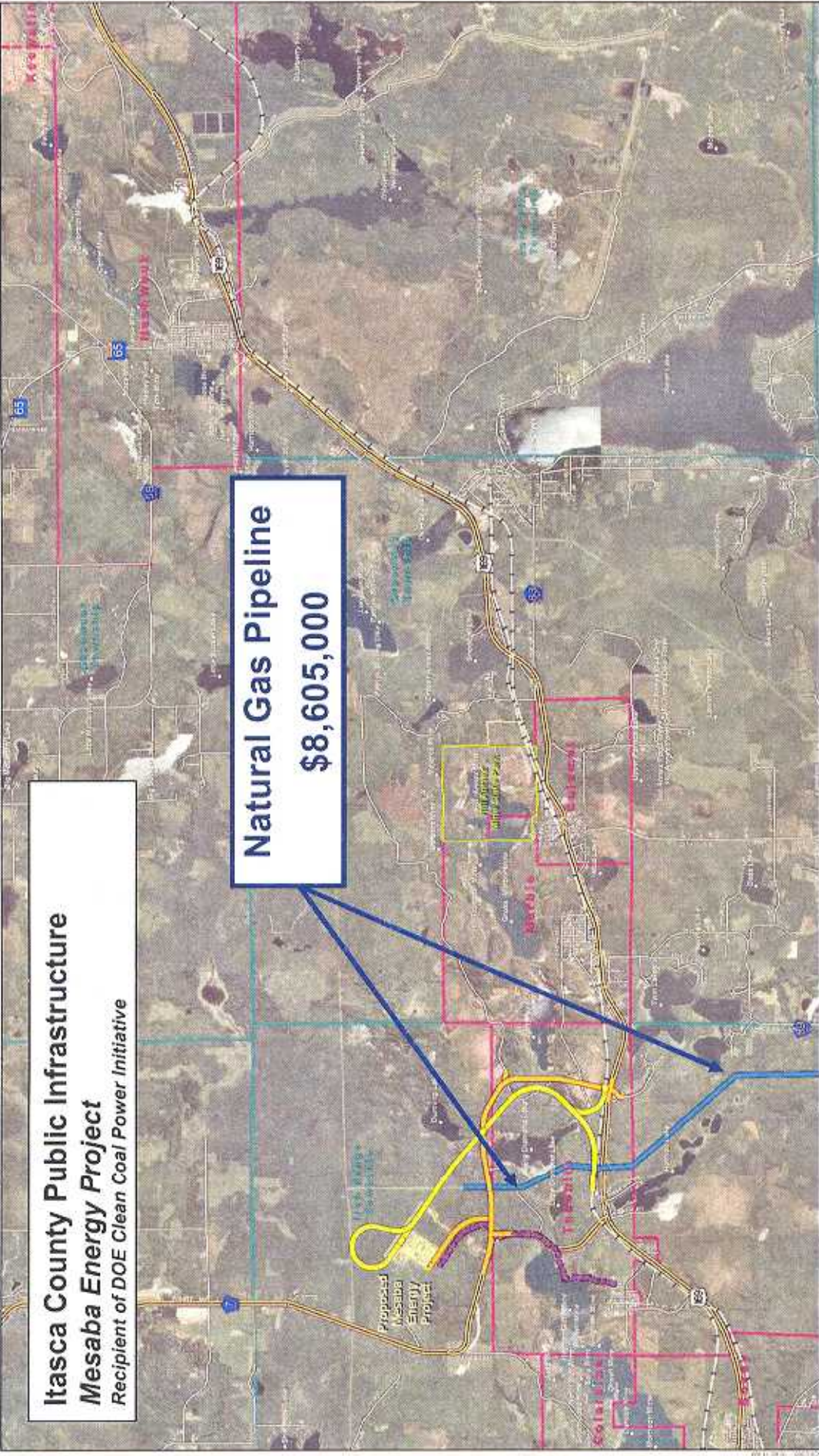
- EE Proposed Plant Layout
- EE Proposed Gas Alignment
- EE Proposed Sewer and Water
- EE Proposed Rail Alt. 1-A
- EE Proposed Roads
- EE Proposed Railroads
- U.S. 169
- County Hwy T
- Existing Roads
- Existing Railroads
- Geographic Names
- Municipal Boundaries
- Civil Township Boundaries
- State Park Statutory Boundary
- Additional Lease Area

Scale: 1" = 1 Mile



**Itasca County Public Infrastructure  
Mesaba Energy Project**  
Recipient of DOE Clean Coal Power Initiative

**Natural Gas Pipeline  
\$8,605,000**



SEH  
1175 Park Avenue, Suite 200  
Minneapolis, MN 55425  
Tel: 612.339.2500  
Fax: 612.339.2501  
www.seh.com

Project Number:  
AEXENP0502 00  
September 2005

**Legend**

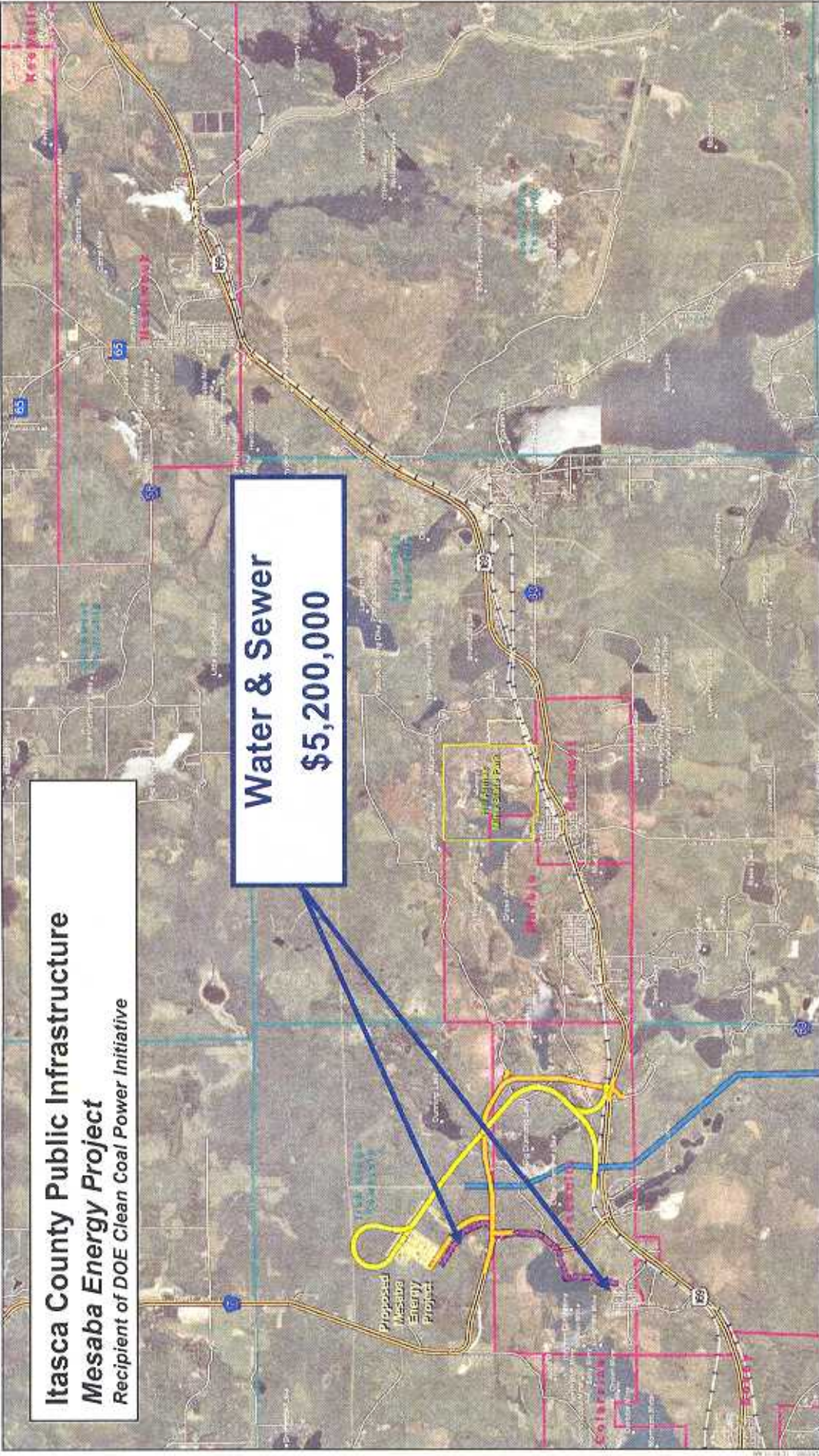
- EE Proposed Plant Layout
- EE Proposed Rail At 1:1-A
- EE Proposed Roads
- EE Proposed Gas Alignment
- EE Proposed Sewer and Water
- EE Proposed Rail At 1:1-A
- EE Proposed Roads
- U.S. 169
- County Hwy 7
- Existing Roads
- Existing Railroads
- Geographic Names
- Municipal Boundaries
- Civil Township Boundaries
- State Park Statutory Boundary
- Additional Lease Area

Itasca County  
Excelsior Energy (EE)  
Public Infrastructure  
Figure 1-2  
Mesaba Energy Project  
Proposed Infrastructure  
Improvements



**Itasca County Public Infrastructure  
Mesaba Energy Project**  
Recipient of DOE Clean Coal Power Initiative

**Water & Sewer  
\$5,200,000**



225 MADISON CENTER DR  
PRINCETON, MN 55075  
TEL: 507.431.4200  
WWW.SEH.COM

Project Number  
AE\XENR0502.00  
September 2008

**Legend**  
 - EE Proposed Plant Layout  
 - EE Proposed Rail Alt 1-A  
 - EE Proposed Sewer and Water  
 - EE Proposed Roads  
 - EE Proposed Gas Alignment  
 - EE Proposed Rail Alt 1-A  
 - EE Proposed Sewer and Water  
 - EE Proposed Roads

U.S. 108  
County Hwy 7  
Existing Roads  
Existing Railroads  
Geographic Names  
Municipal Boundaries  
Civil Township Boundaries  
Sole Park Statutory Boundary  
Additional Lease Area

**Itasca County  
Excelsior Energy (EE)  
Public Infrastructure**  
Figure A-2  
Mesaba Energy Project  
Proposed Infrastructure  
Improvements

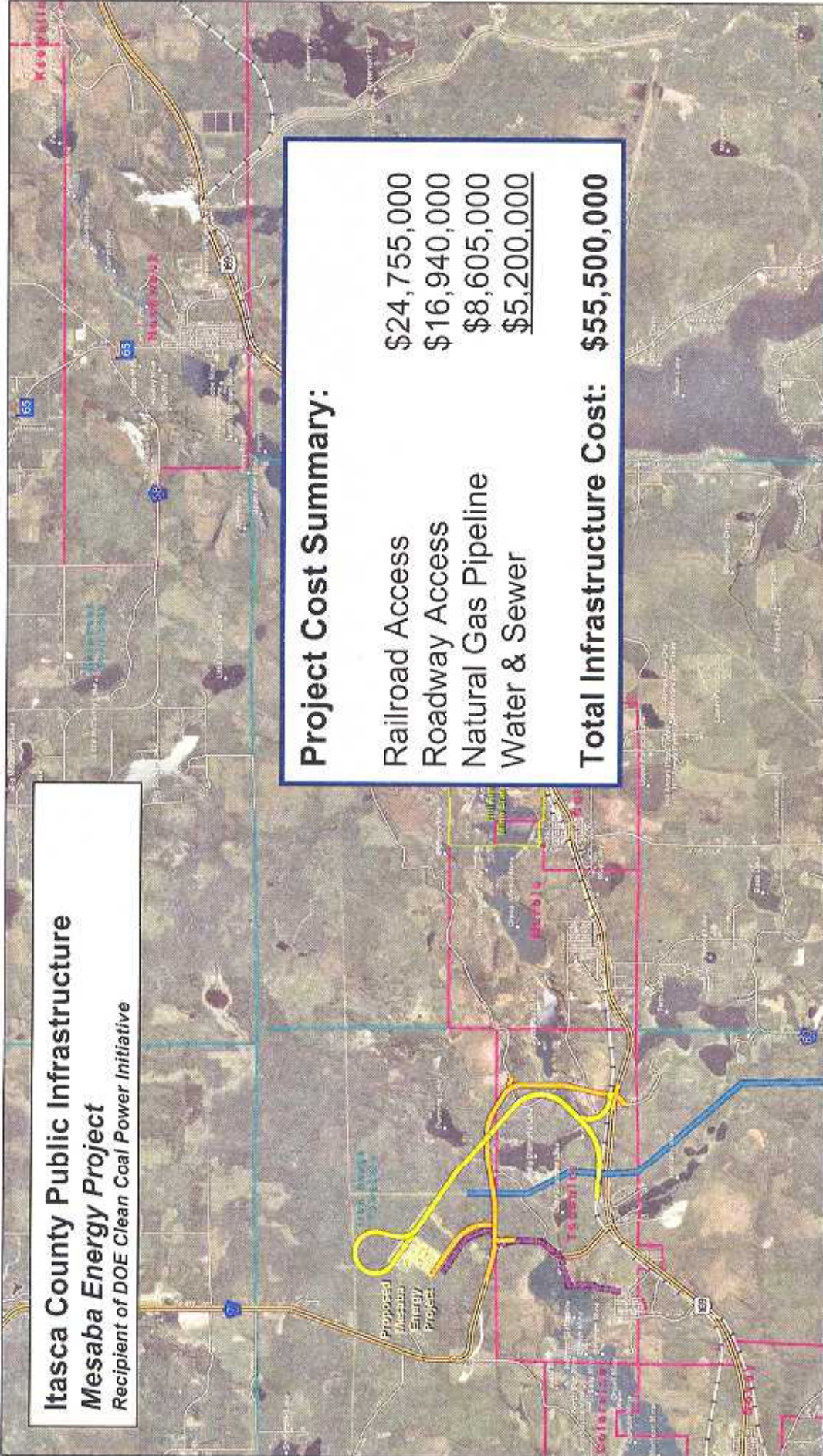


**Itasca County Public Infrastructure  
Mesaba Energy Project  
Recipient of DOE Clean Coal Power Initiative**

**Project Cost Summary:**

Railroad Access \$24,755,000  
 Roadway Access \$16,940,000  
 Natural Gas Pipeline \$8,605,000  
 Water & Sewer \$5,200,000

**Total Infrastructure Cost: \$55,500,000**



Itasca County  
**Excelsior Energy (EE)  
 Public Infrastructure**  
 Figure 12  
 Mesaba Energy Project  
 Proposed Infrastructure  
 Improvements

- Legend**
- EE Proposed Plant Layout
  - EE Proposed Rail/At T.A.
  - EE Proposed Roads
  - EE Proposed Gas Alignment
  - EE Proposed Sewer and Water
  - EE Proposed Roads
  - U.S. 169
  - County Hwy 7
  - Existing Roads
  - Existing Right-of-Way
  - Geographic Names
  - Municipal Boundaries
  - Civil Township Boundaries
  - State Park Statutory Boundary
  - Additional Lease Area

Project Number  
 AEXENR0502.00

September 2005

SEH  
 10000  
 10000  
 10000  
 10000  
 10000