



Environment and Natural Resources Trust Fund

2026 Request for Proposal

General Information

Proposal ID: 2026-266

Proposal Title: Carey Lake Campground Construction Phase II

Project Manager Information

Name: Nick Arola

Organization: City of Hibbing

Office Telephone: (218) 421-5565

Email: nickarola@hibbingmn.gov

Project Basic Information

Project Summary: The Carey Lake Campground Construction Phase II completes site development for the City's new, sole campground located within the regional park.

ENRTF Funds Requested: \$1,499,000

Proposed Project Completion: December 31, 2027

LCCMR Funding Category: Education and Outdoor Recreation (C)

Project Location

What is the best scale for describing where your work will take place?

Region(s): NE

What is the best scale to describe the area impacted by your work?

Statewide

When will the work impact occur?

During the Project and In the Future

Narrative

Describe the opportunity or problem your proposal seeks to address. Include any relevant background information.

In the 2023, the City hired Barr Engineering to evaluate how the City moves the park system forward into a new generation of park development recognizing recreation trends and financial constraints. Through this comprehensive master planning process, the city learned that Carey Lake, as a regional park, has the greatest capacity to both serve local citizens and draw visitors. However, the park's existing facilities are aging and limited to a fishing dock, beach, pavilion and ski trails, and the park's potential is unrealized.

Carey Lake park contains 1,219 acres and boasts unique natural features. With the 139-acre Carey Lake, Carey Creek, forests, and wetlands, the park conserves and preserves the Eco-system as a carbon-reducing, sustainable landscape. But use of this mecca is limited. In the 2023 statistically valid Parks Public Input Survey respondents expressed a desire for a campground at Carey Lake Park. In response to the question, "How specifically do you recreate (or would you like to recreate) at Carey Lake?" ~40% of respondents chose "RV camping with amenities" as one of their top desires. The City began construction in 2024 but needs financial assistance to fulfill this charge.

What is your proposed solution to the problem or opportunity discussed above? Introduce us to the work you are seeking funding to do. You will be asked to expand on this proposed solution in Activities & Milestones.

The City of Hibbing began construction of Hibbing's singular, long-awaited 40-site campground at Carey Lake Park in 2024. The City awarded bids for Phase I of the project and the site was cleared and grubbed. In 2025, well drilling and the sub-surface sewage treatment design and build will be completed.

The campground will include ADA sites, electric hook-ups at each site, water, a dump station and wi-fi. Ultimately, the project will include a bathhouse with adjoining community room and a maintenance shed. With this application the City is requesting funds to help complete Phase II construction of the project: final site development and service connections for fiber and electrical.

What are the specific project outcomes as they relate to the public purpose of protection, conservation, preservation, and enhancement of the state's natural resources?

Goal 5: 5.2 of the ENRTF strategic plan includes the assessment of "physical spaces for their accessibility and effectiveness and/or implement changes to adapt and retrofit them to welcome more people." In the 2023 Parks Master Plan community engagement sessions, the City learned of the community's desire for a campground at Carey Lake among other improvements. The construction of the new campground meets Goal 5: 5.8, development of outdoor recreation facilities and infrastructure... that create new natural resources-based experiences and 5.9, expanding "... parks, or natural areas" to "improve accessibility... for all Minnesotans."

Activities and Milestones

Activity 1: Phase II Construction - Site Development

Activity Budget: \$1,499,000

Activity Description:

Phase II Construction of the Carey Lake Campground will include site preparation, excavation, utility installation (water, sewer, and electrical), infrastructure construction (RV dump station), road and trail surfacing, safety and accessibility features, landscaping, and erosion control.

Activity Milestones:

Description	Approximate Completion Date
Site Preparation and Excavation	July 31, 2026
Utility Installation	August 31, 2026
RV Dump Station	August 31, 2026
Roads, Trails and Surfacing	September 30, 2026
Final Landscaping and Amenities	September 30, 2026

Project Partners and Collaborators

Name	Organization	Role	Receiving Funds
Mayor Pete Hyduke	City of Hibbing	Project Oversight	No
Hibbing City Council	City of Hibbing	Project Oversight	No
Shelly Hanson	Hibbing Chamber of Commerce	Public Relations and Promotions	No
Greg Pruszinske	City Administrator	Project Oversight	No
Jesse Story	City Engineer	Project Oversight	No
Pete Kero	Barr Engineering	Project design, management, and Construction Administration/Oversight	No
Nick Arola	City of Hibbing	Project Oversight	No
Miriam Kero	Miriam Kero Consulting	Community Engagement	No
Betsy Olivanti	City of Hibbing	Economic Development	No
Beth Pierce	Iron Range Tourism Bureau	Data and Information Gathering	No
Kelly Grinsteiner	City of Hibbing	Marketing Manager	No
Andrea Wedul	Barr Engineering	Landscape Architect	No

Long-Term Implementation and Funding

Describe how the results will be implemented and how any ongoing effort will be funded. If not already addressed as part of the project, how will findings, results, and products developed be implemented after project completion? If additional work is needed, how will this work be funded?

Carey Lake park currently sees 150 users a day (on average). Owned and maintained by the City of Hibbing, the city will continue to fund operations through the annual city budget. Additionally, community organizations (e.g., Range Nordic Gliders) are committed to assisting with maintenance through volunteering. The city has a master development plan for the park, which includes a proposed shower/bath house with attached community room, ADA bog walk trail, a connector trail to Redhead Mountain Bike Park, and a storage/maintenance space. The city plans to fund these projects through a mixture of public and private dollars.

Project Manager and Organization Qualifications

Project Manager Name: Nick Arola

Job Title: City Services Director

Provide description of the project manager's qualifications to manage the proposed project.

As Director of City Services, project manager Nick Arola manages and oversees the operation of multiple city-owned properties including the Hibbing Memorial Building (Hockey Arena & Community Center), City Hall, Greyhound Bus Museum, 33 parks totaling approximately 1,890 acres, the Hibbing Municipal Golf Course, and various pavilions & sports complexes. With a departmental budget of roughly three million dollars, Arola is responsible for capital improvements and project management to existing and future facilities.

Arola is well qualified to manage this project. In 2024, Arola oversaw the completion of a \$2.5 million construction

project at the Mine View Park, a \$1.7 million dollar renovation of Hibbing City Hall, and Phase I of the Carey Lake Campground project. As part of the City development team, Arola is co-leading the current \$29.6 million public safety building project and assisting with a \$7-\$10 million industrial building construction project.

On the finance side, Arola is aided by a City finance team of 6 FTE who manage an annual municipal budget of approximately \$20 million. One FTE is designated to manage state and federal grants, and the team regularly manages various state and federal funds annually including local government aid, MnDEED grants, MnDNR grants, local area housing aid, emergency medical services aid, FEMA grants, and the like. The City utilizes software to track revenue and expenses and submit regular reports to the various agencies as requested.

With a robust background in project and fiscal management, backed by the development and finance teams of the City, Arola is well-prepared to manage Phase II of the Carey Lake Campground project.

Organization: City of Hibbing

Organization Description:

The City of Hibbing is a Statutory Plan A City with a population of 16,214 located on the Mesabi Iron Range in northeastern Minnesota. We are mission driven to improve the quality of life for all residents through the delivery of quality and sustainable services by leveraging resources, opportunities, and our strengths.

One of our best resources and opportunities is our 1,890 acre park system, of which Carey Lake is a crowned jewel. Through our 2023 Park Master Planning process, the potential of Carey Lake Park as a regional destination was unveiled, and our residents expressed desire for rehab and development of Carey Lake.

Recognizing that outdoor recreation is key in resident health, quality of life and an economic driver, the city is working strategically to fulfill this request and meet our vision. The improvement of Carey Lake enacts our 2023-25 Strategic Plan core strategies: to be a thriving destination and regional leader, provide a well-rounded, strong quality of life, be forward thinking, build and sustain a vibrant economic hub, and ensure a safe, secure and valued community.

Budget Summary

Category / Name	Subcategory or Type	Description	Purpose	Gen. Ineligible	% Benefits	# FTE	Classified Staff?	\$ Amount
Personnel								
							Sub Total	-
Contracts and Services								
Shoreline Landscaping & Contracting	Service Contract	Site preparation, excavation, utility installation (water, sewer, and electrical), infrastructure construction (RV dump station), road and trail surfacing, safety and accessibility features, landscaping, and erosion control.				20		\$1,499,000
							Sub Total	\$1,499,000
Equipment, Tools, and Supplies								
							Sub Total	-
Capital Expenditures								
							Sub Total	-
Acquisitions and Stewardship								
							Sub Total	-
Travel In Minnesota								
							Sub Total	-
Travel Outside Minnesota								
							Sub Total	-
Printing and Publication								

							Sub Total	-
Other Expenses								
							Sub Total	-
							Grand Total	\$1,499,000

Classified Staff or Generally Ineligible Expenses

Category/Name	Subcategory or Type	Description	Justification Ineligible Expense or Classified Staff Request
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Non ENRTF Funds

Category	Specific Source	Use	Status	Amount
State				
Cash	DNR Grant	Construction, contingency, inflation	Secured	\$350,000
			State Sub Total	\$350,000
Non-State				
Cash	City Funds from Hibbing Economic Development Authority (HEDA)	Construction match, contingency, inflation, fiber connect and electrical connection	Secured	\$400,000
Cash	Iron Range Resources	Construction, contingency, inflation, fiber connect and electrical connection	Secured	\$345,361
Cash	City Grant Match	Grant match for DNR, IRRR	Secured	\$120,523
Cash	City Services Fund	Project Management and oversight	Secured	\$178,000
			Non State Sub Total	\$1,043,884
			Funds Total	\$1,393,884

Total Project Cost: \$2,892,884

This amount accurately reflects total project cost?

Yes

Attachments

Required Attachments

Visual Component

File: [05ea913c-95a.pdf](#)

Alternate Text for Visual Component

Carey Lake Recreation Area Masterplan...

Financial Capacity

Title	File
Annual Financial Report including Audit	132ac7cf-3ea.pdf

Board Resolution or Letter

Title	File
LCCMR Resolution	3fe6ba53-717.pdf

Supplemental Attachments

Capital Project Questionnaire, Budget Supplements, Support Letter, Photos, Media, Other

Title	File
Aerial Photo Carey Lake Campground Site Location	44819441-d58.docx
Letter of Support Hibbing HRA	030facf8-205.pdf
Letter of Support Iron Range Tourism Bureau	aa9d4bd5-34b.pdf
Letter of Support Iron Range Off-Road Cyclists	768a8047-e77.pdf
Letter of Support: Carey Lake Ski Club	5baaed81-765.docx
Capital Construction Budget Addendum Carey Lake Campground Construction Phase II	9a1899d7-c55.xlsx
Capital Project Questionnaire Carey Lake Campground Construction Phase II	a0537ec5-08e.pdf

Administrative Use

Does your project include restoration or acquisition of land rights?

No

Do you understand that travel expenses are only approved if they follow the "Commissioner's Plan" promulgated by the Commissioner of Management of Budget or, for University of Minnesota projects, the University of Minnesota plan?

N/A

Does your project have potential for royalties, copyrights, patents, sale of products and assets, or revenue generation?

Yes

Do you understand and acknowledge IP and revenue-return and sharing requirements in 116P.10?

Yes

Do you wish to request reinvestment of any revenues into your project instead of returning revenue to the ENRTF? If so, describe here (1) the source and estimated amounts of any revenue and (2) how you propose to use those revenues:

Yes, The campground is estimated to generate \$35,288 in annual net revenue. These funds would be used for operation and maintenance of this facility.

Does your project include original, hypothesis-driven research?

No

Does the organization have a fiscal agent for this project?

No

Does your project include the pre-design, design, construction, or renovation of a building, trail, campground, or other fixed capital asset costing \$10,000 or more or large-scale stream or wetland restoration?

Yes

Do you propose using an appropriation from the Environment and Natural Resources Trust Fund to conduct a project that provides children's services (as defined in Minnesota Statutes section 299C.61 Subd.7 as "the provision of care, treatment, education, training, instruction, or recreation to children")?

Yes

Do you certify that background checks are performed for background check crimes, as defined in Minnesota Statutes, section 299C.61, Subd. 2, on all employees, contractors, and volunteers who have or may have access to a child to whom children's services are provided by your organization?

Yes

Provide the name(s) and organization(s) of additional individuals assisting in the completion of this proposal:

Greg Pruszinske, Betsy Olivante

Do you understand that a named service contract does not constitute a funder-designated subrecipient or approval of a sole-source contract? In other words, a service contract entity is only approved if it has been selected according to the contracting rules identified in state law and policy for organizations that receive ENRTF funds through direct appropriations, or in the DNR's reimbursement manual for non-state organizations. These rules may include competitive bidding and prevailing wage requirements

Yes, I understand

